

Committee for Family Forestlands (CFF) Annual Report
July 31, 2009

Report offered by Craig W. Shinn, Chair of CFF and Gary Springer, Vice-Chair of CFF

The Committee for Family Forestlands is pleased to provide a report of its activities over the past year (June 2008 – July 2009). This year's report outlines accomplishments of the Committee for Family Forestlands (CFF) and discusses progress made on a forward looking agenda to address key issues for family forestlands. The committee has spent considerable effort addressing this year's budget cycle and implications for family forestland owners. The CFF chair will also discuss policy statements and recommendations developed by the committee.

The Committee by its legislative direction advises the Board and the State Forester on matters relating to Family Forestlands, including the formulation of family forestland policy and the evaluation of the effects that changes in forest policy have or will have on family forestland owners. The Committee also provides guidance on the Department of Forestry's strategies and actions to improve services to family forestlands and their owners and provides an avenue to raise public awareness of the role that family forestland play in maintaining a healthy forest environment, economically, socially and ecologically. In giving advice to the Board and State Forester, we are mindful of and strive to be consistent with the objectives of the Forestry Program for Oregon and the Oregon Indicators of Sustainable Forest Management.

WORK PLAN FOR 2008-2009

The Committee used the Worksheet on Symposium issues/solutions to develop a work plan for 2008-2009. The following section of this report describes the higher priority / intensity topics that the committee planned to address:

- Keeping family forestlands in forest remains the key issue for the Committee.
- Develop financial incentives (cost-share programs, others) for maintaining and enhancing environmental values and services. Create a "green credit" forest fund to pay for conservation easements on working family forestlands.
- Train foresters who interact with family forestland owners to talk to them about the Ties to the Land family succession. Use the Ties to the Land program to engage landowners not being reached by any forestry stewardship programs.
- Enact tax credits for keeping land in forest use.
- Improve Oregon's land-use planning process to increase private flexibility while retaining public value.

- Reconnect urban and rural Oregonians through the marketplace. Build awareness of and pride in using locally grown wood and other products. Improve marketing and public relations efforts on behalf of local wood products. Develop local farmer's market-style markets for wood products. To some extent, the green movement for locally grown wood products is emerging on its own.
- Examine role for the Department in the forest certification process.
- Develop more intensive public education on family forestland owner issues. Collaborate with NGOs to find funding, provide training, develop educational material, and build solutions.
- Reach out to rural property owners with diverging views; address changing demographics of family forestland owners.

We clearly acknowledged that this was a very ambitious list requiring the collaborative work of many players beyond our committee!

ACCOMPLISHMENTS FOR 2008-2009

The CFF developed a forward working agenda by prioritizing second family forestland symposium (*Looking Forward II, Oregon Families & Their Forestlands: What's at Stake*) outputs during 2007-2008. The CFF presented the prioritized agenda (to the Board in July 2008 as a part of our annual report. We developed this working agenda using as guidance the Forestry Program for Oregon and Oregon Indicators of Sustainable Forest Management. As the 2008-2009 year progressed, the CFF moved from working from our agenda to responding to the increasingly dark State revenue forecast and projected ODF budget responses. The CFF accomplishments reflect this shift in focus.

July 2008

- The CFF recommended the Department move forward with a pilot family forestland conservation easement project under the Bonneville Power Authority (BPA) grant program to explore the roles, the interest of landowners in such easements and the nature of the Department's work if the Private Forests Program became involved.

The Board of Forestry Decision followed this recommendation and directed the department to address family forestland issues raised by the April 2007 Symposium, the Board's issue scan, and CFF report on the revisions to the Private Forests work plan. Additionally, the Board directed the Department to move forward with a pilot family forestland conservation easement project, under the BPA grant program. We greatly appreciate your support for this!

August 2008

- The CFF reviewed the Private Forests Program option package and the Wildfire Reduction Act., prioritizing the three components of Private Forest's POPs plan include A) urban forestry, B) supporting family forestlands, and C) forest practices compliance monitoring. The CFF sent a Letter of support for the Private Forests Program option package and the Wildfire Reduction Act to the Board of Forestry.
- The CFF reviewed Forest Resource Trust proposed rule changes necessary to implement House Bill 2293. The proposed rulemaking creates new rules for the Forest Resource Trust Cost-share Program and amends existing rules to generalize the current Stand Establishment Program as a loan program. In addition to funding stand establishment projects on under producing lands, it also provides financial assistance for other projects that lead to the improved management of forestlands.
- The CFF reviewed several Forest Practices Act rule revisions. These revisions included proposed changes to the landslide public safety rules, rules to implement HB 3628, which allows the Board to waive or modify certain statutory limitations and requirements, and rules requiring tree retention along type N streams identified as being subject to rapidly moving landslides.
- The CFF began review and discussion of the Private Forests work plan. The committee discussed the draft Private Forests work plan outline. The work plan includes topics from the issue scan and those brought forward both internally and externally. Current issues include review of the Family Forestland Symposium and CFF recommendations; ecosystem services; closure on outstanding FPAC recommendations rule concepts 8 and 12; special resource sites, pesticides; landslides and public safety rules; and hybrid poplars. The committee supported the draft outline.

Sept. 2008

- The CFF continued review and discussion of the Private Forests work plan. The draft plan incorporated suggestions by the CFF and Board direction to include family forestland issues in the primary Board issue. The CFF expressed support for the draft Private Forests work plan.
- The CFF began discussion 09-11 Budget situation and reviewed the Governor's Recommended Budget and corresponding ODF plan for 10 % reduction. The committee created a set of principles and priorities that reflected the family forestland position on budget reduction work.

Nov. / Dec. 2008

- The committee began developing a response to ODF budget issues; policy implications for family forestlands; next steps in developing action items. This work evaluated the reduction plan based on the set of principles and priorities reflecting impact to family forestlands. The implied changes in services to private forest landowners, ODF strategies for responding to budget cuts, and prospective legislative priorities all commanded much of CFFs attention in November and December. CFF appreciated the support of ODF staff in ensuring that we were kept current on these matters and in making sure that our perspective was heard.

Jan. 2009

- Continued work on the evolving budget and associated policy implications for family forestlands; took the next steps required to develop action items. Sent, “CFF Budget Reduction Plan Response” (January 16, 2009) to State Forester and Board of Forestry which included an expression of the CFF principles and priorities for managing ODF budget reductions.
- Reviewed and provided input on drafts of programmatic Safe Harbor Agreement, stewardship agreements, and Natural Resources Conservation Service, Healthy Forest reserve program. The CFF expressed general support for these concepts forward as they could provide benefits to family forestland owners.

March 2009

- CFF provided testimony to Board of Forestry

Board of Forestry Meeting Minutes, March 4, 2009:

“Dr. Craig Shinn, Chair, Committee for Family Forestlands, addressed the Board. Dr. Shinn remarked there appeared to be a shift in the financial burden to private landowner, away from public contributions. Support from Oregon State University Extension and the Department of Forestry was expected to decrease. Dr. Shinn described the impacts of budget reductions on the family forestland owner, and expressed concern over the expectation that private forest landowners continue to produce public benefits without financial support. As industrial forestry support of the State’s budget has diminished, the Department’s budget and programs should be re-evaluated.”

April 2009

- CFF members provided testimony to Ways and Means Hearings on a 30% proposed general fund cut to the 2009-11 ODF Budget on the impact of proposed reductions on family forestland owners.

- CFF sent statement on budget reductions to State Forester and the Chair, Oregon Board of Forestry (letter dated April 20, 2009)

May 2009

- Based on this year's work and budget concerns, the committee developed a consistent set of concerns, issues and priorities important to the CFF and the forest landowners we are charged to represent. The CFF submitted these concerns as inputs to the Oregon Board of Forestry's 2009 issue scan. The overall priority for the Committee for Family Forestlands is to address the challenges to family forestland viability. Economic, market, regulatory, social and communication challenges all create pressures on family forest landowners to opt out; reducing the likelihood these forestlands will remain part of the Oregon forested landscape in the future.
- The CFF submitted a letter to the Ways and Means Natural Resources Subcommittee regarding Joint Committee on Ways and Means Co-Chairs' 2009-11 Recommended Budget. The letter expressed concern about the effect the budget will have on the sustainability of Oregon's forests and on a public/private partnership now in jeopardy (May 28, 2009).

June 2009

- The CFF discussed the issue of the delayed release of funding of the American Recovery and Reinvestment Act (stimulus) in the forestry sector. The CFF summarized issues and presented these to the State Forester and the Chair, Oregon Board of Forestry (letter dated June 18, 2009). The letter was copied to the Oregon Congressional Delegation and Gail Kimball, Chief, United States Forest Service.
- The CFF developed our annual report for the Board of Forestry (this report) and reviewed the Private Forests work plan and policy objectives. The CFF will include our recommendations regarding ODF's Private Forest Workplan in its annual report.

General Work

- Committee members took OFRI training on family forestland presentations.
- Presentation on family forestland delivered to Upper Rogue Watershed Council April 20, 2009.
- Communications to family forestland owners, and symposium participants, in particular on ongoing work of the committee and status of their issues.
- The CFF examined the role of certification for family forestlands.

WORK PLAN FOR 2009-2010

The Committee has developed objectives to direct our efforts in 2009-2010. These objectives were determined by evaluating the forward-looking agenda (higher priority / intensity topics from Symposium issues/solutions), issue raised by the agency budget process, and the ongoing development of the Private Forests work plan. The Forestry Program for Oregon and Oregon Indicators of Sustainable Forest Management were used for overarching guidance.

In the coming year, the committee plans to address the following issues which are prioritized into three tiers of importance in terms of how they could potentially affect family forestlands:

Tier 1 Issues

- Financial Incentives. Develop financial incentives (cost-share programs, others) for maintaining and enhancing environmental values and services. Create a “green credit” forest fund to pay for conservation easements on working family forestlands. Enact tax credits for keeping land in forest.
- Reduction and Change in Services to Family Forestland Owners. The CFF views reductions in ODF’s Private Forests program with alarm for several reasons. Of greatest concern to family forestland owners, the Budget represents a significant reduction in ODF services via the elimination of 49 Full-Time Equivalents (FTEs) in the Private Forests Program. This roughly equates to a 50 percent reduction in services provided to landowners most in need of those services. As we move forward in the next two years, ODF’s services will be very different, including longer response times, change in type of response, and a likely reduction in available expertise. The CFF role will be to help landowners learn how to deal with these reductions in services.
- Increased Carrying Costs to Family Forestland Owners. The decrease in service level shifts additional costs to landowners. For example the loss of wildlife and aquatic specialist will require landowners to pay for or forego expertise needed to ensure resource protection and enhancement. The proposed fund shifts in the Fire Protection Program would have further increased costs to private forest landowners. CFF members note that Oregon has the highest allocated financial burden to private forest landowners for fire protection among all western states. This burden weighs heavily on family forestland owners. Addressing our overall approach to fire protection, forest health and structure of fire cost allocation is a high priority issue for the CFF.

Tier 2 Issues

- Reconnecting Oregonians to Forestry. Develop intensive public education on family forestland issues, and reconnect Oregonians to the relevance of forest and forestry to

their lives. Collaborate with NGOs to find funding, provide training, develop educational material, and build solutions. Reconnect urban and rural Oregonians through the marketplace. Build awareness of and pride in using locally grown wood and other products. Improve marketing and public relations efforts on behalf of local wood products. Develop local farmer's market-style outlets for wood products.

- Social Contract to Practice Forestry. The Forests Practices Act is landmark legislation that assures the protection of public resources and serves as a nexus for a variety of state and federal laws. A viable state regulatory program (Oregon Forest Practices Act) is essential to ensure the maintenance of a “social license” for practicing forestry, which is critical to the viability of private forestland ownership. Funding the FPA is a responsibility shared by the public and private landowners. In Oregon, we have a history of shared responsibility for funding forestry programs roughly reflective of the mix of public and private values that are derived from forested landscapes. One issue for the near term is ensuring the viability of the FPA, its effective implementation and its legitimacy in the eyes of the public. Another issue is solving the periodic funding challenge for ODF's Private Forests Program. The dependency on general fund dollars subjects the program to funding variation related to the strength of the state economy. The dependency of this program on general funds to provide the public share contribution for public goods and services creates uncertainty, risk and cyclical fluctuation in the program unrelated to the need to provide these public services. It is a CFF priority to help the Department find a long-term solution to this problem.

Tier 3 Issues

- Intergenerational Transfer. Help families and communities recognize and address issues around transferring forestlands from one generation to the next. Support use of the Ties to the Land curriculum to engage landowners, and help train foresters who interact with family forestland owners, to talk about the importance of succession planning.
- Bridging Jurisdiction. The department has served as a one-stop shop to forestland owners for information, technical services, and efficient, integrated approaches for forest management. Because of organizational and staffing changes resulting from budget reductions, the Department will be challenged to continue to bridge jurisdictional boundaries in areas like watershed, land use, fish & wildlife, and clean water, etc. CFF will look for ways to help ODF or other partnering organization to develop, redesign, or retain this bridging function that is of high importance to family forest land owners.
- Issues of the Day. After the experience this year, it is clear that in addition to forward looking agenda items the CFF will need to plan time to deal with issues that emerge related to economic circumstance. This work plan item is a place holder for these types of issues and reflects the judgment of CFF that these emerging issues will be a significant part of next year's work.

ODF's Private Forest WORK PLAN FOR 2009-2010

The issues identified above correspond to the Board's development of the Private Forests work plan and policy objectives. The overall priority for the CFF is to address the challenges to family forestland viability. This priority aligns with the Board's policy objective #1, "identify current and future risks of forest fragmentation and the conversion of forests to non-forest use as the primary, overarching challenge to sustainable forestry and keeping working forests working." The Committee tier one issue on developing incentives aligns with policy objective #4, "place a high priority on dedicating resources towards the development and support of future non-timber markets that will increase forestland value, including biomass, carbon sequestration, and other ecosystem services."

The CFF has spent considerable time and energy on understanding the programmatic impacts of projected declines in state revenues and the executive and legislative requests for budget reductions. Issues above related to ensuring a viable FPA program, services to family forest landowners, and fair apportionment of costs for fire protection all point to support of the policy objective #2, "explore alternative, more stable funding mechanisms for the public share portion of the department budget directed at keeping forests in forests (i.e., alternatives to state general funds)". We have seen how a modest cut in state general fund support disproportionately affects the Private Forests Program (approximately 40 FTE will be lost).

The CFF supports making these three Private Forests policy objectives a high priority for Board work over the coming year, and recommends that family forestland issues help set the priorities for the other policy objectives as the Board continues its work.