

CHASE Jeri

From: HIRSCH Nancy
Sent: Friday, April 17, 2009 6:32 PM
To: ALL FORESTRY
Subject: FW: State Forests Division Budget Reduction Planning Update

From: HIRSCH Nancy
Sent: Friday, April 17, 2009 6:31 PM
To: SL
Subject: State Forests Division Budget Reduction Planning Update

The Division has implemented a new quarterly update to the regular biannual revenue forecast (January and July). The purpose of the quarterly update is to monitor whether actual revenues and expenditures are in line with what was forecasted. The budget reduction planning effort and decision making will continue to be based on the latest, most accurate information available.

April Forecast: Our March sales and appraised April sales were lower than our January forecast predicted, and expenditures are tracking slightly higher than predicted. The April forecast has incorporated this information and the results indicate that economic conditions are somewhat worse than predicted. No decisions have been made yet as a result of this information; however I wanted to share this information as it is relevant to our Fiscal Year 2010 (FY10) budgets. Further reductions may be necessary to incorporate this information.

On the bright side, State Forester Brown stated in his message today that it appears the forest development fund (FDF) balance will not be used for other purposes through the budget process. This balance is critical to the Division and Agency. Given the worsening market conditions, this is important for the Division to be able to even minimally implement forest management plans through the next three to four years.

In addition there are a couple other items relevant to the FY10 budget. There are some reimbursable funds that were not accounted for in the latest version of the FY10 budgets. Also, the motor pool funds are in a healthy condition which will likely allow us to forego vehicle replacement charges in FY10. These cost savings and expenditure reductions will help offset the worsening economic condition.

Timeline

Thursday, April 9: The Division budget reduction planning group met to discuss the final draft of the FY10 budget. The draft budgets met the levels established. This has been a very difficult process for everyone. Your patience and responsiveness throughout the process has been greatly appreciated. Thanks. There are some adjustments still to be made, which will be discussed at the Northwest Oregon Area Staff meeting next week and within a reforestation working group.

Mid-late April to early May: Communication on what the Division will likely implement for FY10 – given the assumptions we need to operate under.

Based on the April 9 meeting and the April 13 Executive Team planning group meeting, the timeline we have previously outlined remains - with a few more details to work out moving forward. In the next two or three weeks the FY10 budget will be confirmed. This budget will inform the reduction process, but the actual timeframes are still a little uncertain. The budget information will be shared with the Human Resources Program to coordinate the layoff process for those positions we are unable to sustain after June 30. It is expected that the layoff process would start between the first and third week in May. This would allow the processes associated with a layoff to be completed on paper in late May and in June. All employees would remain in their existing positions through June.

04/22/2009

In past few weeks, Human Resource Program leaders have visited with most State Forests Division employees about the layoff process and transition services. The information they have been sharing is also available on the ODF internal web site: <http://www.odf.state.or.us/hr/default.asp?goto=Employee%20Resources>

July 1 would be the first day of implementation of the FY10 budget. The layoff would be in effect and some employees would shift to new positions. There have been a lot of discussions trying to decide if the State Forest Division can wait for the Private Forest and Fire budgets to be completed by the legislature. The Division leaders and the Executive Team agree that moving forward with the State Forests Division process is the necessary action. Waiting increases the budget challenges and would mean further reductions to make up the shortfall. This is not a tradeoff we are prepared to make. We will continue to assess the costs of this decision and it could change. However, for now we plan to implement the FY10 budget reductions on July 1.

Lastly, I want you to know that you are all valued employees. These are challenging times for everyone and I appreciate the high ground you have chosen for walking through these times.

Nancy Hirsch
Chief, State Forests Division

From: BROWN Marvin D
Sent: Friday, April 17, 2009 4:56 PM
To: ALL FORESTRY
Subject:

Dear Fellow Employees,

Our Executive Team has been doing an excellent job keeping everyone informed as we go through the legislative session, but I wanted to take the opportunity to offer this update myself.

We have been working hard with stakeholders, legislators and others to provide a clear understanding of the impact potential budget cuts may have, and I believe that message is being heard by key folks.

That doesn't mean all of our problems are solved, but the first step in this process is to have good understanding among the decision makers, and we and the stakeholders are being successful in that effort.

I've had good discussions with the Full Ways and Means Committee Co-Chairs, plus a number of other full committee members, plus all of our Ways and Means sub-committee members, the Governor and the Governor's staff. Other members of the Executive Team have also been having productive communications with the people who need to hear our message.

They understand the risks that are created by the proposed cuts to the fire program and we are now starting to build on that message by talking about the impacts on the private forests program and the state forests program.

As I'm assure you're aware, the legislature is not in a position to do much about the state forests program, and as a result Nancy will be sending out information on how they intend to proceed with cuts. I think it is likely, though, that current balances in the state forests revenue account will not be proposed for other uses and this will allow a bit more breathing room for state forests.

04/22/2009

We also got word today on the federal stimulus dollars we'll be receiving for forest health and restoration. This includes \$2.7 million for sudden oak death, \$2.2 million for state forest projects and what looks like even more substantial amounts for private lands projects. In addition, we have had several commitments to develop cooperative agreements around ODF personnel helping to implement projects on federal lands.

The stimulus dollars won't be on there yet, but all other details around our budget proposals can be found on the website <http://www.oregon.gov/ODF/budgetdevelopment.shtml>.

In terms of other legislation, the bill to update our fire protection land classification process has been passed and signed into law. We are making some headway on our land acquisition authority bill. A joint resolution recognizing the good work of the Federal Forests Advisory Committee is going forward. Also moving along is language that would create a "transfer of development rights" tool within the land use system that could help forest landowners realize better economic values from their land.

As in past sessions, there have also been several discussions and proposals around the mandates and expectations for state forests. The Board of Forestry will be meeting on a special conference call Monday to discuss these measures and to act on my recommendation to create an official Board position in opposition to such changes.

Another thing I should update you on is Clark Seely's retirement. We have decided not to move forward with hiring Clark's replacement as quickly as originally planned. Clark still intends to retire at the end of June and Paul Bell will still be promoted to Associate State Forester, but Clark has agreed to stay on in a full-time temporary capacity as Administrative Division Chief until the end of the year. This will allow us to continue drawing on Clark's experience and leadership until things are much better sorted out on the budget.....and I really appreciate Clark's willingness to do this for us.

So..... everyone remember to keep your head up.....feel free to get our messages in front of whomever you think is appropriate.....and know that we're all working hard to get to the best place we can.

Marvin Brown