

Agenda Item No.:	9
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**SUMMARY**

During the second half of calendar year 2022, the Oregon Board of Forestry (the Board) and the Oregon State Forester (the State Forester or Forester) began an effort to evaluate the governance<sup>1</sup> efforts of the Board and the Forester, both individually and mutually. The purpose of this evaluation is to determine how effectively and efficiently the Board and the State Forester are operating in their respective governance roles, and whether governance improvements can be identified and implemented. The goal of the effort is to establish an optimal methodology that supports the Board and the State Forester in their governance and leadership work, thus better serving the citizens of Oregon through the effective accomplishment of goals, objectives, and strategies to produce desired outcomes.

The current Board and State Forester governance effort is being managed as a project (the Board Governance Project) comprised of four phases:

1. Scoping and Assessment
2. Policy Development
3. Policy Deliberation and Adoption
4. Implementation

Phase 1 Scoping and Assessment began in earnest in October 2022 as a work session of the Board during the annual Board Planning Session. During this session, the Board and the State Forester considered the need for and value of pursuing improved governance and a pathway to pursue that effort, using both their own experiences and the input from the consultant. In subsequent Board meetings in November and January, the Board and the State Forester committed to the process and established the framework.

Other key Phase 1 efforts included the consultant reviewing the work and interactions of the current Board and State Forester via recordings of previous Board meetings over the past several years; review of relevant Oregon state law and administrative rules and ‘outside’ policy of the Governor’s Office or associated agencies; individual one-on-one discussions between the consultant and each Board member and each key agency staff; sharing of relevant materials and resources regarding board governance and policy development with the Board and the agency, and development of the project proposal and plan.

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<sup>1</sup> Governance is defined as, “the exercise of authority and influence over an organization through deciding what and what not to do to further the mission and achieve intended outcomes.”

## CONTEXT

This work session represents the concluding effort of Phase 1 of the Governance Project. The results of Phase 1, including today's work session, form an important input element to Phase 2 which is development of the draft Board governance policies.

The Phase 1 report is being presented and used in today's work session as a 'final draft', recognizing that during the course of the work session, Board members and/or the State Forester may have input to the final draft. If so, that input will be incorporated, and the final report will then be produced and distributed.

## NEXT STEPS

The next step of the project is Phase 2 Governance Policy Development. Using well-tested tools and methodologies, the draft Board governance policies will be developed as a 'Board Policies Manual'. This draft development effort will be conducted by a development workgroup established by the Board Chair and State Forester, comprised of the following people:

- Board Chair Jim Kelly
- Board Member Chandra Ferrari
- State Forester Cal Mukumoto
- Planning Branch Director Ryan Gordon
- Board of Forestry Administrator Hilary Olivos-Rood
- Klamath-Lake District Assistant District Forester Teresa Williams
- The consultant, Clark W. Seely

The workgroup will be facilitated by the consultant and guided by the framework established in *Good Governance for Nonprofits*, by Fredric Laughlin and Robert Andringa, and will use the results of this Phase 1 Scoping and Assessment work.

The workgroup has already begun engagement together, and will meet periodically over the next five months via Zoom, and in an iterative process, develop a set of draft governance policies. It is anticipated that during the cycles of development, both the Department of Justice General Counsel for the Board and the Department and the Office of the Governor's Executive Appointments will be engaged in the draft work for review and/or consultation as needed.

In addition, over the next several months, the consultant and key Department staff will meet with the agency Executive Team and Leadership Team to review and discuss the project, the process, intended outcomes, and their engagement.

## ATTACHMENT

(1) Oregon Board of Forestry Board Governance Project Phase 1 Scoping and Assessment Report, Final Draft



# OREGON BOARD OF FORESTRY

## Board Governance Project

### Phase 1 Scoping and Assessment Report

May 3, 2023

Prepared and Submitted by Clark W. Seely  
President and Principal, Seely Management Consulting, Inc.

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## Introduction

During the second half of calendar year 2022, the Oregon Board of Forestry (the Board) and the Oregon State Forester (the State Forester or Forester) began an effort to evaluate the governance<sup>1</sup> efforts of the Board and the Forester, both individually and mutually. The purpose of this evaluation is to determine how effectively and efficiently the Board and the State Forester are operating in their respective governance roles, and whether governance improvements can be identified and implemented. The goal of the effort is to establish an optimal methodology that supports the Board and the State Forester in their governance and leadership work, thus better serving the citizens of Oregon through the effective accomplishment of goals, objectives, and strategies to produce desired outcomes.

This effort is particularly timely in that the current Board Chair was appointed to his role within the past two years, four of the seven current Board members are less than two years into their first term, and the State Forester is relatively new to his position, having been selected by the Board ten months prior to the initiation of this governance effort. In addition, key changes have occurred in the past year to the Department of Forestry's (Department or ODF) Executive and Leadership Teams.

Current members of the Board include:

- Jim Kelly, Chair
- Liz Agpaoa
- Karla Chambers
- Ben Deumling
- Chandra Ferrari
- Joe Justice
- Brenda McComb

Key Oregon Department of Forestry staff involved in the effort thus far include:

- Cal Mukumoto, State Forester
- Kyle Abraham, Deputy State Forester
- Ryan Gordon, Planning Branch Director
- Hilary Olivos-Rood, Board of Forestry Administrator
- Sabrina Perez, Senior Strategy Manager

The Board and the State Forester chose to utilize an organizational management consultant (the consultant) for facilitation of the project and guidance for potential improvement. Seely Management Consulting, Inc., (President and Principal, Clark W. Seely) was chosen for this assignment.

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<sup>1</sup> Governance is defined as, "the exercise of authority and influence over an organization through deciding what and what not to do to further the mission and achieve intended outcomes."

## Background

All governing boards have some system for conducting their business. These systems range from being loosely defined and relatively informal to very structured and formal. Sometimes, based on past practice, the system is carried forward, without much regard to current needs and ‘goodness of fit’, relying instead on ‘the way we’ve always done it.’ Other times, the governing system is quite intentional and purpose-built, and in nearly all cases, this is the preferred approach.

The system can be based on differing principles and requirements, but many governing boards and chief executives have gravitated to establishing policy<sup>2</sup> as the key element to their governance methodology, in part because boards and executives are typically accustomed to working in the realm of policy. Thus, the formation and implementation of policy<sup>3</sup> is the ‘framing structure’ and ‘system tool’ for board governance. This is the method that the Board and the State Forester have chosen to utilize for both evaluating and formulating (or refining) their governance approach.

Board governance policy must be intentional and described through what is known as a ‘Board Policies Manual’, or BPM. The BPM is a thorough, clear, concise, written expression of the governance policies of the board in a way that addresses three interrelated aspects:

1. The roles and responsibilities of the board and how the board governs and functions;
2. The authorities delegated to the chief executive of the organization; and
3. The governance partnership relationship between the board and the chief executive including roles, responsibilities, and accountabilities.

See Appendix A for a complete treatment of Board Governance through Board Policy.

## Project Summary

The current Board and State Forester governance effort is being managed as a project comprised of four phases:

1. Scoping and Assessment
2. Policy Development
3. Policy Deliberation and Adoption
4. Implementation

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<sup>2</sup> Policy is defined as, “a definite course of strategic action adopted (usually in writing) by a decision-making body to guide a path towards, and achieve, an end result.”

<sup>3</sup> Here we are distinguishing between the two types of policy generated and established by a governing board – Governance Policy, which is the focus and outcome of this current project, and Operational Policy, which includes all other policies that the governing board may establish for the operation and administration of the organization.

Phase 1 Scoping and Assessment began in earnest in October 2022 as a work session of the Board during the annual Board Planning Session. During this session, the Board and the State Forester considered the need for and value of pursuing improved governance and a pathway to pursue that effort, using both their own experiences and the input from the consultant. In subsequent Board meetings in November and January, the Board and the State Forester committed to the process and established the framework.

Other key Phase 1 efforts included the consultant reviewing the work and interactions of the current Board and State Forester via recordings of previous Board meetings over the past several years; review of relevant Oregon state law and administrative rules and ‘outside’ policy of the Governor’s Office or associated agencies; individual one-on-one discussions between the consultant and each Board member and each key agency staff; and development of the project proposal and plan.

This report represents the conclusion of Phase 1 and will provide important input for Phase 2 and the remainder of the project.

Initial work in Phase 2 has also begun, with establishment by the Board Chair and State Forester of a small project workgroup consisting of Board Chair Kelly and Board Member Ferrari, State Forester Mukumoto, Planning Branch Director Gordon, Administrator Olivos-Rood, Assistant District Forester for the Klamath-Lake District, Teresa Williams, and the consultant.

## Scoping

### Historical Context

#### Prelude

At the end of the 19<sup>th</sup> century, two major public issues relating to forests in America were in play – the sustainability of the timber resource over time (driven by the concern of permanent decline or loss of the base resource) and the impact of uncontrolled wildfire on the land, the natural resources, and on communities and people. In large respect, these two issues were intertwined. By the early part of the 20<sup>th</sup> century, both of these issues were coming to a head.

In the American west, the primary issue was wildfire. Compared to the eastern United States, the west was in the early stages of lumbering, but wildfire was the critical, and growing, issue.

Another significant factor during this time was the initial stages of development of the science and practice of forestry, and scientific natural resource management in general. Again, principally originating in the east, by the first decade of the 20<sup>th</sup> century, forestry was becoming part of the story. The first forestry school, the Biltmore Forest School, was established in 1898, the Society of American Foresters was established by Gifford Pinchot and six other early forestry pioneers in 1900, and the U. S. Forest Service, as we know it today, was established in 1905



## Oregon's First Board of Forestry

One of the State of Oregon's responses to these major issues (and other minor forest issues as well), was to establish by state law a State Board of Forestry, for the purpose of examining the issues and proposing recommendations to deal with the issues.

The lead up to this legislative decision is captured by Jim Fisher, long time Department employee (34 years) who served as the agency's Public Affairs Director for 18 years, as he wrote in his ODF centennial book, *Honoring a Century of Service*, in 2011:

“In 1903, private forest owners led by George Long, supervisor of Weyerhaeuser Company forests recently purchased from Northern Pacific Railroad, introduced legislation in both Oregon and Washington for forest fire protection. Oregon's bill passed the legislature, but was vetoed by Governor George Chamberlain, perhaps reflecting the common attitude of the time that landowners were free to act as they chose on their own lands. A similar bill in the State of Washington also did not survive.”

Fisher goes on:

“Private timber interests continued to seek support for a state forestry organization in Oregon. Encouraged by this support, the 1907 Oregon State Legislature created a temporary and advisory Board of Forestry with the assignment “to investigate forest conditions of the state and report thereon to the next Legislature.” Although the Board was advisory in nature, the Legislature did allow it to appoint hundreds of fire wardens “to take proper steps for the prevention of fires” in their local areas. The Board was provided \$500 for the 1907-1909 biennium. These funds barely covered postage, printing, and part-time stenographic services. The only compensation for board members was for travel expenses on board business. Volunteers were to do any field work.”

The board was chaired by Oregon Governor George E. Chamberlain and was comprised of seven members total including the Oregon Secretary of State, the Chief State Game and Fish Wardens, a representative of the U. S. Forest Service and of the Oregon Agricultural College, and representatives of the Oregon and Washington Lumber Manufacturer's Association and the Oregon Forestry Association.

Fisher continues:

“The Legislature also appropriated another \$500 to carry on the work of the 1907 advisory Board of Forestry for two more years. The Board's 1909-1910 biennium report stated:

“If the State Board of Forestry was maintained with proper financial backing, the Board should assume the executive and administrative needs of forestry protection and development. The Board should actively supervise the patrolling and policing of the forests of the state through the services of competent state fire wardens directed by a state forester.”

Looking back on the role of this advisory board, the first annual report of the first Oregon State Forester in 1912 stated:

“The two biennial reports of the Board, covering the years 1907-1910 show that notwithstanding the meager appropriation of \$250 per annum, a great amount of good was accomplished. The activities of the Board resulted in the appointment of hundreds of fire wardens annually, in acquainting citizens with the provisions of the forestry laws, and in advocating in every way possible the protection of our forests from fire.””

Then came the fire season of 1910 and the ‘big blowup’. Wildfires swept the forests of Oregon, Washington, Idaho, and Montana, devastating millions of acres of forests and resources, and costing the lives of nearly one hundred people.

Fisher continues:

“Oregon landowners and others raised a new concern besides preventing and controlling wildfires. It was now estimated that there were four million acres of burned-over land suitable only for growing of timber. Increasing sentiment focused on deciding what steps needed to be taken as soon as possible to reforest these lands and make them productive once again.

Slowly, as 1910 came to a close, momentum began to build for legislative action. In November, the Oregon Conservation Commission created by the 1909 Oregon Legislature issued its report. The report was critical of the state’s lack of effort to correct faults in the forestry program and recommended legislative action in the coming 1911 legislative session. Specifically, the commission recommended the following:

- Provide for a forester familiar with western conditions and experienced in organization for the prevention of forest fires as State Forester.
- Provide liberal appropriations for forest fire patrol services and authority to cooperate with other agencies.
- Improve fire laws and provide for strict enforcement.
- Study the forest conditions and needs.
- Provide for a system of general public education with specific advice for agriculture that will encourage lands being held for future forest crops.
- Develop a system of taxation for deforested land that is not more valuable for agriculture and that would encourage this land being held for future forest crops.
- Study ways for the state to acquire cut-over or burned forest lands that were better suited to state ownership than private.”

## A Better Solution

Fisher describes the impact and outcome of the 1910 experience on the hearts of minds of many Oregonians, including the Oregon Legislative Assembly, which with extensive collaboration and the full support of the major wildfire and forestry players in the state, considered a bill to amend the original 1907 effort:

“On January 11, 1911, newly-elected Governor Oswald West spoke to a joint session of the Oregon House and Senate and strongly supported the forestry bill. “It is imperative that the state adopt some sensible and adequate policy of forest protection,” he stated. During the next few weeks, hearings were held on enrolled House Bill 50 identified by The Oregon Statesman as “the Buchanan Bill” named for the legislator who introduced it, Representative J. A. Buchanan of Medford. Buchanan represented Douglas and Jackson counties in the 1909 and 1911 sessions. House Bill 50 was passed and on February 24, 1911, Governor Oswald West affixed his signature and filed it with the Secretary of State.

With the stroke of a pen, a new seven-member State Board of Forestry was created, the appointments of a State Forester and Deputy were authorized, and \$60,000 was appropriated for fire protection and investigation, short of the \$100,000 recommended by the private forest associations. The few forest laws already on the books from 1864, 1907, and 1909 were incorporated into this legislation.

[The seven member] Board membership included the Governor, the acting head of the Forestry School at Oregon Agricultural College, and five electors to be appointed by the Governor from recommendations made by the Oregon State Grange, the Oregon Forest Fire Association, the Oregon and Washington Lumber Manufacturers’ Association, the U. S. Forest Service, and the Oregon Wool Growers Association.

The Board was authorized to supervise all matters of forest policy and management under the jurisdiction of the state. The Board was authorized to appoint a State Forester who was to be “a practical forester familiar with western conditions and experienced in organization for the prevention of forest fires,” identical words from the Oregon Conservation Commission report and words that remain in the law today.”

See Appendix B for the original text of Sections 1 and 2 of 1911 House Bill 50.

## The Evolving Board

As the years since 1911 have passed, the composition and makeup of the Board has changed, and certainly new or modified responsibilities have been added or adjusted. But in a very real sense, the core purpose and mission of the Board has remained. In 1959, Governor Mark Hatfield recommended removing the Governor as permanent chair of the Board and instead retaining the authority to appoint the chair, and this recommendation became law. By 1979, several law changes led to a board size of 18 members, as a ‘portfolio board’, with a wide variety of interests represented. This was the largest number

of Board members in its history. A board this size proved challenging to manage and efficiently conduct business, and the Legislature reduced the size of the board to 12 members in 1984, and then in 1987, via HB3396, the Legislature, based on recommendations from the Governor, established the Board of today with seven members, the first true ‘citizens board’ since inception.

After 112 years, nearly two hundred men and women from all regions of Oregon and all walks of life have volunteered their time and effort to serve on the Board and ‘invest’ in Oregon’s future.

## Legal Context

### Current Oregon Law and Rules for the Board and State Forester

Oregon Revised Statutes (ORS or Statutes) Chapter 526 provide the enabling legal framework for the Board and the State Forester, and Oregon Administrative Rules (OAR or Rules) Chapter 629 provide clarifying rules in support of those statutes (See Appendix C for the full text of relevant statutes and rules).

#### *The Board Statutes and Rules Relating to Governance*

Three statutes pertain to the Board relative to governance roles and responsibilities – ORS 526.009, 526.016, and 526.060. Key provisions include:

**“526.009 State Board of Forestry; chairperson; terms; vacancies; confirmation; qualifications; removal.** (1) There is created a State Board of Forestry consisting of seven members appointed by the Governor. The members appointed to the board shall be subject to confirmation by the Senate as provided in ORS 171.562 and 171.565. The Governor shall designate one member of the board as chairperson to hold that position until that member’s term expires or until relieved by the Governor as provided in subsection (6) of this section. The chairperson shall have such powers and duties as are provided by the rules of the board.”

This statute describes the governance relationship between the Governor, the Oregon Legislature, and the Board. Additional provisions describe Board members’ terms, appointments, public interest, and removal.

**“526.016 General duties; limits; compensation and expenses; meetings; rules.** (1) The State Board of Forestry shall supervise all matters of forest policy and management under the jurisdiction of this state and approve claims for expenses incurred under the statutes administered by the board except as otherwise provided by law.”

This statute describes the broad authority and duties of the Board, and the first listed duty is the preeminent and overarching authority and responsibility of the Oregon Board of Forestry. It is from this primary authority that all other duties, responsibilities, and functions emanate. It is important to note that

this primary duty is virtually unchanged from the original enabling legislation, House Bill 50, passed by the 26<sup>th</sup> Oregon Legislative Assembly and signed into law in 1911, now 112 years ago. That text reads as follows:

“...Said Board of Forestry shall supervise all matters of forest policy and management under the jurisdiction of the State, and approve claims for expenses incurred under the provisions of this act...”

Additional provisions describe the appointment of Board advisory committees, limits on timber sale matters, Board member compensation, Board meetings including quorum establishment, and rulemaking authority.

**“526.060 State Forestry Department Account; subaccounts.** (1) Except as provided in ORS 526.121, 530.147 and 530.280, all assessments, federal apportionments or contributions, and other moneys received by the forester or State Board of Forestry, shall be paid into the State Treasury and credited to the State Forestry Department Account, which is established separate and distinct from the General Fund. All moneys in the State Forestry Department Account are continuously appropriated, and shall be used by the forester, under the supervision and direction of the board, for the purposes authorized by law.”

This statute establishes the fiduciary responsibilities of the Board and the relationship of the Board to the State Forester for financial activities.

The Rules of the Board relating to governance are contained within Chapter 629, Division 10, and include rules for the following:

- Rules of Order – Roberts Rules of Order Adopted for Use
- Board Chairperson
- Board Meeting Agendas
- Board Meeting Order of Business
- Board Meeting Quorum
- Board Meeting Notice
- Board Committees
- Board Meeting Minutes and Reporting

#### *The State Forester Statutes and Rules Relating to Governance*

Two statutes pertain to the State Forester relative to governance roles and responsibilities – ORS 526.031 and 526.041. Key provisions include:

**“526.031 State Forester; deputy and assistants; compensation.** (1) The State Board of Forestry shall appoint a State Forester, who must be a practical forester familiar with western conditions and experienced in organization for the prevention of forest fires. The

forester shall be the chief executive officer of the State Forestry Department. The forester shall hold office at the pleasure of the board, and shall act as its secretary.

(2) With the approval of the board and subject to applicable provisions of the State Personnel Relations Law, the State Forester may appoint a Deputy State Forester, assistant state foresters and other employees of the department. During the State Forester’s absence or disability, all authority shall be exercised by the Deputy State Forester or by the assistant whom the State Forester or the board, by written order filed with the Secretary of State, has designated as Acting State Forester.

(3) The board shall fix the compensation of the State Forester. In addition to their salaries, the forester, the deputy and assistants shall be reimbursed, subject to the limitations otherwise provided by law, for their actual and necessary travel and other expenses incurred in the performance of their duties. [1965 c.253 §7; 1983 c.759 §13]”

This statute establishes the governance relationship (including financial compensation) between the Board and the State Forester, and the nature of the organizational management of the Department.

**“526.041 General duties of State Forester; rules.** The forester, under the general supervision of the State Board of Forestry, shall:

(1) In compliance with ORS chapter 183, promulgate rules consistent with law for the enforcement of the state forest laws relating directly to the protection of forestland and the conservation of forest resources.”

This statute outlines the general duties (roles and responsibilities) of the State Forester, and with the introductory phrase, references a key governance relationship between the Board and the State Forester – “...under the general supervision of the State Board of Forestry...”. The first listed duty also articulates the broad authority of the State Forester to promulgate rules to carry out the responsibilities outlined in statutes.

As with the enabling legislation for the Board, again it is important to note that this primary duty is consistent and similar to the original enabling legislation, 1911 House Bill 50. That text reads as follows:

“...He shall, under the supervision of the State Board of Forestry, execute all matters pertaining to forestry within the jurisdiction of the State;...”

So again, we see the continual expression of the governance relationship between the Board and the State Forester through time, and the articulation of broad authority and responsibility granted to the State Forester.

The remainder of the listed duties of the State Forester in this statute are considered operational and administrative in nature, and thus are not related to governance per se. However, the duties listed can and should form the basis, in part, of the State Forester position description and related performance expectations, both of which are key governance elements.

## Other Oregon Law for Boards and Commissions Generally

Outside of a boards, commissions, or agency's own statutes or rules, many other Oregon Statutes and Rules apply to the operations and administration of agencies, boards, and commissions, either organizationally, or individually to people as public employees (agencies) or public officials (boards and commissions). However, there are no general or overarching governance Statutes or Rules.

There are three Chapters of Oregon law that do support the governance work of boards, commissions, and their related leadership at an organizational level: (1) Chapter 182, *State Administrative Agencies Generally*, which includes statutes that relate to state board member attendance, notice of meetings, and affirmative action appointments; (2) Chapter 192, *Records; Public Reports and Meetings*, which includes statutes that relate to records management and public meetings; and (3) Chapter 291, *State Financial Administration*, which includes statutes that relate to financial oversight and performance outcomes.

As the Board and the State Forester proceed to develop governance policies, these related Statutes and associate Rules will need to be considered and assurance must be made that the governance policies that the Board adopts do not conflict with these Statutes and Rules. This will be a key role for the Governance Project workgroup, the consultant, and the Boards and Department's Department of Justice General Counsel.

## Oregon Governor's Office Expectations and Standards

### Established Expectations

For a number of years, the Governor of Oregon has produced a membership handbook for Oregon boards and commissions. This handbook establishes general expectations and provides overarching standards for boards, commissions, and their respective members. Statutory requirements, as applicable, are summarized and referenced.

Relevant specifically to the notion of board governance policy, the *2015 Governor's Membership Handbook for Oregon Boards and Commissions*<sup>4</sup> states:

“It is recommended that boards have a set of bylaws to direct and clarify its actions, procedures, and organization. Bylaws are the guidelines by which a board functions and should include expectations of members. Issues such as attendance, responsibilities and discipline should be addressed in the bylaws. Board members are expected to adhere to bylaws and all relevant statutes. An organization's bylaws generally include a number of articles, such as the following:

- Name of board
- Mission statement
- Membership

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<sup>4</sup> [Oregon Membership Handbook for Boards and Commissions \(oregon.gov\)](https://www.oregon.gov/GOV/PAGES/membership-handbook-for-boards-and-commissions.aspx)

- Officers
- Meetings
- Executive board (if needed) Committees, subcommittees
- Parliamentary procedure, often including the name of the manual the board will follow
- Amendment procedures for changing the bylaws”

The *State of Oregon Overview of Boards, Commissions, and Small Entities*<sup>5</sup> training for new board and commission members includes the same expectation statement regarding development and implementation of bylaws.

Thus, it is clear that the Oregon Governor, as head of the executive branch of Oregon government, expects that Oregon boards and commissions will have a written set of governance policies to “direct and clarify its actions, procedures, and organization.”

### Current Oregon Governor’s Expectations

Governor Kotek has established the following expectations of service for those individuals who serve on state boards and commissions. These expectations relate directly to the governance work of many boards and commissions including the Board of Forestry.

#### “Expectations of Service

Service is varied and based upon the needs, expectations and policy goals. Most seats are volunteer positions and have an average expectation of approximately 10-15 hours of work per month. Some Commissions however have a need for specialized skills, but most people will find a Board or a Commission that is a great fit for their knowledge base. Public members of Boards and Commissions are people who may not have regular, ongoing experience in a specific topic area, but have a general interest in a particular Board or Commission’s work arena. This is a great opportunity to learn more about an area of interest and contribute a perspective that is fresh and unique to the service area.

Candidates are expected to actively engage and participate once they are confirmed and appointed, so it is important that you are clear on your time and availability. Travelling within the state to meetings can be a part of some Board’s or Commission’s expectations, so make sure that you factor in the location of meetings into your decision. Finally, each Board or Commission has a particular term during which they serve. Most terms are between 2-4 years and all Board and Commission members are subject to a two-term limit. If you enjoyed serving and completed your term on one Board or Commission, consider seeking appointment to another Board or Commission. Your experience is invaluable!”<sup>6</sup>

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<sup>5</sup> [Oregon Overview of Boards, Commissions, and Small Entities Training](#)

<sup>6</sup> [Governor of Oregon : Boards & Commissions : State of Oregon](#)



Governor Kotek also issued a memo (January 11, 2023) to agency leaders outlining her expectations for agency leadership and management. The majority of the expectations are agency management focused. However, the first listed expectation deals with performance reviews for agency directors and will influence the Board's governance policy development efforts moving forward. The key new expectation is the use of a 360-performance template. This addition should prove useful to both the Board and the State Forester.

A second expectation that indirectly relates to the Board's governance work is a requirement for a universal approach to strategic planning and agency performance management. This will likely relate to and possibly impact the *Forestry Program for Oregon* revision process and will need to be carefully evaluated in this context.

## Current Board and Department Governance Policy

Neither the Board nor the Department currently have a comprehensive set of governance policies. However, a single Board governance policy was developed and adopted by the Board in July of 2020 in response to needs of that time. In addition, there are several other efforts that relate directly or indirectly to the governance work of the Board and the Department.

### Governance Policy (See Appendix D for the full text of the policy)

On July 22, 2020, the Board adopted a written policy entitled, "Governance Policy". The policy was the result of evaluations and deliberations amongst and between the Board and the State Forester. The July 22, 2020, Board Governance Policy states:

"It is the Policy of the Oregon Board of Forestry (Board) to have a set of bylaws to direct and clarify its actions, procedures and organization, which include expectations of members. The Board will establish written documentation for Board processes and procedures developed to execute its statutory responsibility."

The policy identifies authorities, responsibilities, and four primary standards. The policy also references documentation generated by the Board during 2019 and early 2020 meetings, including reference to and adoption of the expectations and standards contained in the *Governor's Membership Handbook for Boards and Commissions*.

This effort is a welcome step in the right direction, particularly in its call for the establishment of a set of written bylaws (referencing the Governor's Handbook language) and written documentation. However, it is fundamentally lacking in four important respects:

1. It was developed from a reactive posture rather than a proactive vision. While this may have addressed some of the needs of the time, its language is much more 'process' focused and not 'policy' focused.

2. While it touches on some key governance aspects, it is not comprehensive in nature, and therefore, not a complete statement of the Board's or the State Forester's governance roles, responsibilities, standards, and expectations. It also exists as a single policy in isolation of other needed areas of governance articulation.
3. The basis of the policy (which is reflected in the policy appendices), is a set of statements not organized into logical topic areas. It is, therefore, difficult to establish or understand clear actions and responsibilities and coherent standards of performance.
4. The policy was developed and established at a point in time when only three of the current seven Board members were serving. Since the policy has not been formally reviewed since inception, these four newer Board members have not had a chance to 'weigh in' on the policy nor its basis statements.

In summary, while this single policy recognizes the value and need of 'good governance policy' for the Board, it has not yet served as intended. After nearly three years, the Board, to date, does not "have a set of bylaws to direct and clarify its actions, procedures and organization..." which the policy requires. The current Board Governance Project will realize that stated policy while accomplishing much more for the future.

### 2022 Financial Oversight of the Board of Forestry (See Appendix E for the full text of the policy)

As a result of the MGO Financial Review Project, the consultant recommended, and the Department accepted, the establishment of a financial oversight policy (MGO Process Recommendation #16). While this is a Department policy, it relates to the Board's governance authority and responsibility for financial review and oversight. The policy statement is:

"The Department of Forestry's policy is to provide the Board of Forestry with consistent reporting of financial information. This policy's purpose is to ensure the Board has the information required to fulfill their statutory responsibility in financial oversight."

The policy includes statements of responsibility and standards for financial reporting, financial policy and procedure, financial planning, and fiscal management. Where appropriate, the elements of this policy will need to be, at a minimum, referenced in the Board Policies Manual, or possibly incorporated into the Manual.

It is possible that when the MGO review process concludes, there may be additional recommendations that directly or indirectly relate to governance for either the Board or the State Forester. If that occurs, then the governance policy system must account for and address those additional parameters.

### Forestry Program for Oregon

Since 1977, the Board has expressed its primary strategy for sustaining Oregon's forests through the development and implementation of the *Forestry Program for Oregon* (FPFO). While the *Forestry Program for Oregon* is not a governance effort per se, it does express the Board's mission, vision, values,

and first-order goals, which are all a part of describing the governing environment and should be expressed in a well-crafted set of governance policy. The current *Forestry Program for Oregon* was adopted in July 2011. The Board and the Department are currently in process of creating the next iteration of the *Forestry Program for Oregon*.

The 2011 Forestry Program for Oregon Mission, Vision, Values, and Goals are as follows:

**Mission:**

Leading Oregon in implementing policies and programs that promote sustainable management of Oregon's public and private forests.

**Vision:**

If the *Forestry Program for Oregon* is implemented successfully, the Board of Forestry's vision is that Oregon will have:

1. Healthy forests providing an integrated, sustainable flow of environmental, economic, and social outputs and benefits.
2. Public and private landowners willingly making investments to create and maintain healthy forests.
3. Statewide forest resource policies that are coordinated among natural resource agencies.
4. The Board of Forestry recognized as an impartial deliberative body operating openly and in the public interest to achieve the Board's mission.
5. Citizens who understand, accept, and support sustainable forestry and who make informed decisions that contribute to achievement of the vision of the *Forestry Program for Oregon*.
6. Adequate funding for the Department of Forestry to efficiently and effectively accomplish the mission and strategies of the Board of Forestry, and department personnel policies that encourage and recognize employees, allowing them to meet their full potential in providing excellent public service.

**Values:**

1. A global context. We believe Oregon's forests are important to the global environment, economy, and society, and that forest landowners, managers, government agencies, interest groups, and all other Oregonians should consider the impact of their decisions at local, state, national, and international levels.
2. The dynamic nature of Oregon's forests. We recognize that Oregon's forests are diverse, dynamic, and resilient ecosystems at a landscape scale. A broad range of forest conditions exists naturally, and various forest values, in proper proportion, are mutually compatible over time.

3. The intrinsic value of Oregon forest resources. We believe that while Oregon's native forest plants, animals, and ecosystems provide economic, scientific, cultural, recreational, and aesthetic values, their existence alone warrants their stewardship and enhancement.

4. Active management. We believe Oregon's forests should be actively managed to maintain forest health, to conserve native plant and animal species, and to produce the products and benefits people value. In this context, we define "active management" as the application of practices through planning and design, over time and across the landscape, to achieve site-specific forest resource goals. Active management uses an integrated, science-based approach that promotes the compatibility of most forest uses and resources over time and across the landscape.

5. Meeting current and future needs. We believe forest resources should be used, developed, and protected at a rate and in a manner that enables people to meet their current environmental, economic, and social needs, and also provides that future generations can meet their own needs.

6. Landowners and the public sharing responsibility for sustainable forests. We believe forest sustainability depends on the contributions of both landowners and the public. We support the private landowner's right to practice forest management in a manner that meets or exceeds Oregon's Forest Practices Act. The public must also play an active role by supporting incentives and other non-regulatory methods that encourage continued investment in Oregon's forests to maintain and increase the public values provided by private forests.

7. Forests that contribute to quality of life. Oregon's forests and the state's rural and urban populations are interdependent. We believe Oregon's forests play a significant role in providing all Oregonians a high quality of life, including products, jobs, water and other ecosystem services, recreation, tax revenues for community well-being, and a quality environment.

8. Healthy rural Oregon. We believe a healthy rural Oregon, which relies on working landscapes, is vital to the quality of life enjoyed by all Oregonians. Forests contribute to this healthy rural economy through generating traditional forest sector jobs and tax revenue and also through a healthy environment that supports associated trades such as salmon fisheries and forest recreation.

9. Different landowners playing different roles. We believe different land ownerships play different roles in achieving the full suite of environmental, economic, and social needs met by the forested landscape. Private forest landowners play unique and valuable roles in Oregon's forest landscape, and their continued vitality must be assured in the face of threats by development, inequitable regulation, reduced technical and financial assistance, and economic challenges.

10. Informed public participation. We value broad-based, informed public participation and consensus-based decision-making whenever possible.<sup>1</sup>

11. Continuous learning. We are committed to continuous learning. The results of forest management policies and programs should be evaluated and appropriately adjusted based upon ongoing monitoring, assessment, and research.

## Goals:

Goal A: Promote a fair legal system, effective and adequately funded government, leading-edge research and education, and publicly-supported environmental, economic, and social policies.

Goal B: Ensure that Oregon's forests make a significant contribution towards meeting the nation's wood product needs and provide diverse social and economic outputs and benefits valued by the public in a fair, balanced, and efficient manner.

Goal C: Protect and improve the productive capacity of Oregon's forests.

Goal D: Protect and improve the physical and biological quality of the soil and water resources of Oregon's forests.

Goal E: Conserve diverse native plant and animal populations and protect and improve their habitats in Oregon's forests.

Goal F: Protect and improve the health and resiliency of Oregon's dynamic forest ecosystems, watersheds, and airsheds.

Goal G: improve carbon sequestration and storage and reduce carbon emissions in Oregon's forests and forest products.

## Assessment

### Board Governance Performance Evaluation

#### Background

For the 2005-07 biennium, the Oregon Department of Administrative Services (DAS) and the Oregon Legislative Fiscal Office (LFO) were given a joint budget note requiring them to jointly develop best management practices performance measures to be applied to governance boards and commissions. A recommendation was submitted and approved in July 2006. For the 2007-09 biennium, the Legislature added it to all governing boards and commissions' set of Key Performance Measures (KPMs).

The approach requires all Oregon governance boards and commissions to conduct, at least annually, an evaluation of governance performance. Fifteen evaluation criteria were originally established, and the Board adopted the approach on September 6, 2006 (as an early adopter) and began conducting the annual evaluation at that time. In addition, in 2007, the Board added a sixteenth criterion that addresses public input and communications, transparency, and the role of Board advisory committees. The evaluation has now been conducted fifteen times.

## Results

Over the past ten years, the overall percent of the standard best-practices criteria met for the Board's governance performance measure are as follows:

2013	100%
2014	100%
2015	100%
2016	100%
2017	100%
2018	100%
2019	94%
2020	89%
2021	84%
2022	97%

For the past five years, the narrative summary<sup>7</sup> for the Board's governance performance measure provides the following insights and perspectives:

### **2018 – 100%**

#### How Are We Doing?

The Board's annual board governance performance evaluation resulted in Board member agreement that all sixteen best-practices criteria had been met with a 100 percent achievement rate, effectively meeting their annual target.

#### Factors Affecting Results

While the Board continues to meet its performance measure goals, a reflection of the board's positive working relationships and mutual respect across differences on the issues before them, significant concerns remain. Continued challenges in addressing financial viability and state forest management amongst noted polarization of stakeholders are affecting the board's results. Interest is shared across the board in building consensus and making the difficult decisions needed within the controversial and complex landscape; however, growing concerns surrounding the multiple vacancies of the board is clear.

A full complement of board members, prioritization of strategic issues, and continued engagement on the best practices criteria could improve the board's performance.

### **2019 – 94%**

#### How Are We Doing?

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<sup>7</sup> These are the exact summaries for 2018-2022 which are included with the ODF Performance Management Report submitted, via the Oregon Department of Administrative Services to the Governor's Office and the Legislature.

The Board of Forestry concluded the annual board governance performance evaluation with common agreement in meeting 94 percent of the standard best-practices criteria, with minor levels of disagreement limiting the Board in reaching their 100 percent target.

#### Factors Affecting Results

Six of the seven Board members completed the evaluation. Areas of concern within the best practices criteria included currency and applicability of the agency's mission and high-level goals, review of the agency's key communications, the Board's appropriate accounting of resources, and coordination with others where responsibilities and interests overlap.

Overall, the Board is currently working to build new relationships and cohesive group dynamics following transition in membership. These transitions have occurred midway of substantive policy issues before the Board, challenging members to develop a common understanding on the history and depth of specific issues, while deliberating to gain alignment on priorities and policy direction, given limitations of time in public meeting forums and pressures to continue moving forward on critical policy issues.

#### **2020 – 89%**

##### How Are We Doing?

The Board of Forestry concluded the annual board governance performance evaluation with common agreement in meeting 89 percent of the standard best-practices criteria. Disagreement found in several areas limited the Board from reaching their 100 percent target.

#### Factors Affecting Results

Six of the seven Board members completed the evaluation. Areas of concern within the best practices criteria included currency and applicability of the agency's mission and high-level goals as understood in the Forestry Program for Oregon and Forest Practices Act rules, review of the agency's key policy-level communications, the Board's involvement in policy-making activities across the state including engagement in Board meetings held at different geographic locations around Oregon, the Board's current financial oversight model, coordination with other public agency or boards where responsibilities and interests overlap, and the Board's engagement in appropriate training sessions including workshops, symposia, and field tours. The complexity of the significant forest policy issues before the Board combined with tensions across highly polarized stakeholder groups continues to challenge Board members as they strive to acquire sufficient time and information to develop a holistic and common understanding of the critical matters before them.

Despite the challenges, overall Board members indicated solid improvements in communications, board functioning and group dynamics over the past year, and shared optimism in continued growth, progression forward, and opportunities welcoming new board members in the coming year.

#### **2021 – 84%**

##### How Are We Doing?

The Board of Forestry concluded the annual board governance performance evaluation with common agreement in meeting 84 percent of the standard best-practices criteria. Disagreement found in several areas limited the Board from reaching their 100 percent target.

#### Factors Affecting Results

Five of the seven Board members serving in the 2020 calendar period completed the evaluation. Areas for improvement within specific criteria include: an update to the State Forester's position description within the current recruitment process, continued interest in updating the high-level goals within the Forestry Program for Oregon to include proactive integration of climate change strategies and other priorities expressed by Oregonians, a desire for greater review and involvement in key policy communications, repeated interest in training or field tours and holding meetings outside of Salem as Covid-19 protocols allow to facilitate greater involvement in policy-making discussions with statewide impacts, and continued attention on the agency's finances and enhancing the Board's oversight role, while gaining trust in the Legislature.

Overall, the Board had positive reflections on their progress, improved relationships within the agency, and optimism in working with incoming Board members to foster a shared vision in forest management to benefit all Oregonians.

#### **2022 – 97%**

#### How Are We Doing?

The Board of Forestry concluded the annual board governance performance evaluation with common agreement in meeting 97 percent of the standard best-practices criteria. Disagreement found in just one best practices criterion limited the Board from reaching their 100 percent target.

#### Factors Affecting Results

Five of the seven board members serving in the 2021 calendar period completed the evaluation. Results of the evaluation suggest that current board members see the board functioning in a highly effective manner across the majority of best practices in governance with only one criterion affecting the Board's ability to meet their performance measure target of 100% for 2022. The Board found common agreement in reaching 97% of their best-practices, a significant upward trend from the prior year's evaluation of 84%.

The upward trend can be attributed to: improvements occurring with the recent hiring process for the State Forester; the Board's engagement in policy-making activities and resulting communications; increased oversight and reporting of the department's financial accounting; time spent in the field learning the technical aspects of Forestry's mission; and the significant input received by members of the public.

Areas for further improvement include: completion of the Board's *Forestry Program for Oregon*; strategically planning agendas to focus on priority issues with greater consideration to the urgency of key matters and limited time of the volunteer board; increasing collaboration with other agencies around shared goals including monitoring and climate-smart forestry; building stronger alignment in budgeting and investment strategies; defining a sustainable funding solution for State Forests; expanding public input to assess values held by all Oregonians; continuing to meet across the state, connecting with the



public in the field; and revisiting the current committee structure used to delegate work amongst the Board.

Overall, the Board had positive reflections on their effectiveness as a board with recognition to the significant volume of complex issues requiring their attention.

## Common Themes

Several common themes span these five most recent performance narratives including:

### *Challenges*

- Significant operational policy issues regarding the forests and natural resources of Oregon.
- Significant public polarization around a number of the current operational policy issues.
- Significant workload for a volunteer board, particularly when board vacancies occur and the timeframe for bringing on new board members is long.
- Several challenges regarding Board governance exist including communications, both between Board members and between Board members and staff, work and topic priority setting, meeting agenda development, oversight for agency financial planning and management.
- The currency and applicability of the Board and Department's mission and long-term goals.
- The challenge that the COVID-19 pandemic brought to the Board's work and engagement with stakeholders.

### *Positives*

- Dedication and commitment of the Board collectively and Board members individually to the work before them and their roles and responsibilities.
- In recent years, with the advent of a new Board chair, new members, and a new State Forester, improved working relationships and communications amongst the Board and with the agency leadership.
- Improving collaboration with allied agencies and organizations.
- Generally positive efforts in many of the areas of governance, with recent improvements noted in meeting planning, agenda development, and Board efficiency.
- A general tone of optimism and 'trajectory recovery' in the most recent evaluations.

## Current Board and Key Staff Perspectives

### Process

During March and April 2023, the consultant held one-on-one discussions via Zoom with all seven current Board members and five Department key leadership staff (key staff), including Cal Mukumoto,

Kyle Abraham, Ryan Gordon, Hilary Olivos-Rood, and Sabrina Perez. The purpose of the discussions was to gain insights and perspectives on the current governance work of the Board, the mutual governance work of the Board and the State Forester, and a specific discussion about new Board member orientation. Participants were also able to share any other governance-related perspectives they wished to provide. The discussions and resulting perspectives were offered in confidence with respect to the person providing the insights and are presented in this report in a summarized fashion. Both common themes and unique perspectives are included.

The topics are not listed in a priority order, but rather, following an overall assessment, are listed in a general progression from those that are most significant to effective governance policy development to those with lesser significance. However, all of the topics are important to the present and future governance functioning of the Board and the State Forester.

### Results and Commentary

Participant Perspectives	Consultant Commentary
<p><b><u>Overall Assessment:</u></b></p> <ul style="list-style-type: none"> <li>• There was universal agreement across the participants that the Board is in a better place today than in recent times (6 months ago; past two years; past three years) in terms of work performed, relationships and communications between Board members, and general governance approaches being utilized.</li> <li>• There was universal agreement across the participants that the Board and State Forester working relationship is much better today than prior circumstance, i.e., before the arrival of the current State Forester, particularly with respect to communications and relationships. One Board member stated it as, ‘things seem to be calmer and more stable now.’</li> <li>• Notwithstanding the first two points, there was universal agreement across the participants that significant challenges exist for the work of the Board and the State Forester, and that this will simply be the case (‘comes with the territory’) moving forward. Across Board members, there is a range of significance of these challenges, given either the topic involved or the Board’s capacity to devote the necessary time and effort to address the challenges.</li> <li>• All Board members shared that the current State Forester is doing a very good job, is very approachable and engaged, is a very good leader for the Department, and a very</li> </ul>	<p>Based on observations of the Board and the State Forester in action, and an examination of the work of the Board and Department relative to the mission, vision, and values, the consultant concurs with the overall assessment.</p> <p>Clearly, some of the improvement stems from a change in the people serving on the Board and the appointment of the current State Forester. Other factors include a recognition of the need for some improvements in governance aspects including communications, expectations, meeting agenda development, meeting management, and Board assessment. Some of the improvements stem from the fact that, compared to several years ago, this current set of Board members now has nearly two full years of time together, and over a year and a half of time with the current State Forester.</p> <p>In summary, the Board and State Forester are on an improving trajectory with respect to governance and relationships, with no substantial ‘points of failure’ identified at this time. While operational policy challenges exist, an aura of ‘continuous improvement’ is noted in the comments and actions of both Board members, the State Forester, and key leadership. It is anticipated that the governance policy development effort will proceed with this ‘continuous improvement’ lens as the primary perspective and provide support for current and</p>

Participant Perspectives	Consultant Commentary
<p>good partner with the Board. Board members realize that he is still in the transition phase but is doing well with that change. Several Board members expressed that they are interested and eager for the State Forester to engage in the Board meeting discussions and ‘find and share his voice.’</p> <ul style="list-style-type: none"> <li>• The State Forester and other key staff have a high personal regard for the current Board members and believe that collectively and individually the Board is dedicated to their roles and responsibilities.</li> <li>• All of the six non-chair Board members and the State Forester and key staff expressed strong appreciation and support for the current Board Chair and in various expressions, believe his leadership has been very good and instrumental to the efforts of the Board and the Department.</li> <li>• All of the Board members and key staff agreed regarding the value and necessity of both pre-board and post-board meeting conversations and discussions. There were some varying thoughts on the best approaches, but everyone saw value in preparing for Board meetings and also debriefing on the meeting outcomes.</li> <li>• There was also high value expressed for the periodic contacts made between the State Forester and individual Board members, or between the Board Chair and individual Board members. The current rhythm seems about right, but members are open to what works well for each person involved. One Board member posed the question this way: “Where does the Board do its work?”, i.e., in meetings only, ‘offline’ outside of formal Board meetings (while not compromising public meeting law), in subcommittees, etc.</li> <li>• There was interest expressed by a couple of Board members about how best to have ‘heart-to-heart’ discussions between Board members regarding differences in philosophies, priorities, and how they see the world of natural resources. The preference would be to have these conversations in a more private setting, but the public meeting laws must be followed. However, several</li> </ul>	<p>future operational work of the Board and the agency.</p>

<b>Participant Perspectives</b>	<b>Consultant Commentary</b>
<p>options were suggested that could prove possible and useful.</p> <ul style="list-style-type: none"> <li>For most of the Board members and some of the staff, it is recognized and acknowledged that improvements in some governance practices will have an important and lasting impact on the effectiveness and efficiency of the Board and the State Forester.</li> </ul>	
<p><b><u>Codified Board and Department Governance Policy:</u></b></p> <ul style="list-style-type: none"> <li>Several Board members and key staff articulated the vital importance of establishing and codifying Board and Department governance policy.</li> <li>Some expression was noted by both several Board members and key staff that while ‘things may not be broken now’, reliance on vague, general written statements, or worse, unwritten rules or policy can occur over time and must be guarded against.</li> </ul>	<p>Based on (1) the current status of the Board with respect to written governance policy, (2) current procedures and actions by the Board as a whole, the Board members individually, and the State Forester in interaction with the Board, and (3) the value known and recognized by established governance policy for a variety of organizations, the consultant concurs with these perspectives.</p> <p>It is interesting to note that in the absence of written governance policy, boards generally succeed or fail (or are effective or not) primarily based on personalities and relationships, i.e., good and positive ones produce good and positive results, and vice versa. While collegiality and positive relationships are vital to any governance effort, these positive dynamics can and do change over time, sometimes dramatically, and without written board governance policy, the end results are usually predictable and not positive.</p>
<p><b><u>Board Member Workload:</u></b></p> <ul style="list-style-type: none"> <li>There was universal agreement among Board members and staff that the workload of the Board of Forestry is significant, in both of the two key dimensions of impact, i.e., in terms of topic (importance of the operational policy itself to Oregon and Oregonians) and in terms of quantity of responsibilities the Board must engage and manage on an ongoing basis.</li> <li>This concern about workload is particularly relevant to a volunteer board like most Oregon state boards and commissions.</li> </ul>	<p>The consultant concurs with the participants’ perspectives and assessment.</p> <p>Oregon’s history and significance as a state, both within her borders and externally, is rooted deeply, directly, and significantly to her forests, forest resources, and the reliance that millions of Oregonians have on the presence and well-being of her forests. Comparatively, there are many other states where forests and forest resources are not primary, nor even secondary. Therefore, the policy issues entrusted to the Board and the State Forester by statute are significant to Oregon and Oregonians in dozens of dimensions and in both direct and indirect ways. In addition, because of this value proposition, the sheer number of key and vital policy issues is also significant, again by contrast to other policy topics of other Oregon</p>

Participant Perspectives	Consultant Commentary
	<p>boards and commissions or in contrast to other states.</p> <p>In addition, the issue is exacerbated, in part, by the physical size of the Board at seven members. Ironically, if the Board attempts to address some of the overall workload of the Board through subcommittees or special assignments, this only adds to the workload of those individual Board members so assigned. And while subcommittees are an excellent way for boards to parse out some of the preliminary or technical work to be done, with only seven members to draw upon, the ability to employ this approach in meaningful ways is extremely limited.</p> <p>A majority of the current Board members are fully engaged in their vocation. Those Board members who are not in the vocational workforce full time are giving of their time and talent in dozens of other leadership roles, most by choice, but significant nonetheless.</p> <p>This is a challenging dilemma to address, and there are no easy answers. However, during the governance policy development process, some options and alternatives can be explored.</p>
<p><b><u>Expectations of the State Forester and Performance Evaluation:</u></b></p> <ul style="list-style-type: none"> <li>• Several Board members and key staff reflected on the adequacy of current expectations by the Board of the State Forester. While it was mentioned that the official position description was revised and updated during the State Forester recruitment process in 2021, it is not clear whether the full suite of expectations by the Board under ‘good governance’ is currently being provided.</li> <li>• This topic also relates to the performance evaluation of the State Forester, and again, whether the performance is based on stated criteria from the position description, written direction in other forms, or verbal direction and conversations.</li> <li>• Several Board members and key staff also shared perspectives on the most appropriate</li> </ul>	<p>The consultant concurs with the participants’ perspectives and assessment.</p> <p>CEO performance evaluation is critical to both the operations of the organization and the effectiveness of the Board and the governance relationship. Without proper attention to performance and evaluation, strengths cannot be affirmed and encouraged, and weaknesses or deficiencies cannot be identified and corrected. This must occur comprehensively and in a timely manner.</p> <p>The State of Oregon employee evaluation program sets a baseline approach. While this has merit generally, it does not have the robustness needed for effective CEO evaluation.</p> <p>Many options exist for effective CEO evaluation, and during the governance policy development effort, alternatives can be, and should be, further</p>

<b>Participant Perspectives</b>	<b>Consultant Commentary</b>
<p>and effective ways to get ‘outside’ perspectives brought into the State Forester’s evaluation. Several options and alternatives were suggested including a more formal ‘360 degree’ process, peer reviews, engagement of key agency leadership staff, and other ideas.</p> <ul style="list-style-type: none"> <li>• Several Board members shared thoughts about how best to seek regular reports from the State Forester on progress towards outcomes, particularly as articulated in high level goals and strategies.</li> </ul>	<p>explored and considered. The current state requirements can be maintained and met while necessary and efficient steps are employed.</p> <p>The question of regular reporting on progress towards outcomes will be an important aspect of the Forestry Program for Oregon revision, but it also should be addressed in the governance policy development.</p>
<p><b><u>Board Meetings and Agenda Development:</u></b></p> <ul style="list-style-type: none"> <li>• All of the Board members and staff shared perspectives regarding the development of Board meeting agendas. The perspectives ranged from generally satisfied with the current approach to some comments seeking a bit more clarity and intentionality to the process. No one thought that the current agenda development process is broken beyond repair.</li> <li>• The subject of Board meeting scheduling, work plans, and longer-term planning in general was raised by several Board members and a couple of staff members. Perspectives varied about the current ‘flexible’ approach, with some appreciating the flexibility but some concerned about the potential for missing key deadlines and/or decision points, or not reflecting the highest priority policy issues that the Board must tackle.</li> <li>• Several Board members are concerned about whether the very highest priority policy issues and topics are being addressed by the Board on an ongoing basis and are not sure that the current planning cycles and approaches support identifying and addressing those highest priorities.</li> <li>• There was strong support expressed by most Board members and staff for the inclusion of a ‘meeting summary’ agenda item at the end of the Board meeting for a time of both recapping information requests and decisions, as well as a time for more informal reflection. One Board member cautioned though that the end of meeting time should not be used for</li> </ul>	<p>The consultant generally concurs with the participants’ perspectives and believes that the Board and staff would benefit from more clarity about the process and decisions regarding the agenda and its development.</p> <p>Relevant statutes exist in Chapter 526 and rules in Chapter 629 regarding meeting scheduling and agenda development. These requirements must be adhered to in the formulation of schedules and agendas over time.</p> <p>From a governance perspective, agenda development is a critical function. In fact, some in the organizational management field believe that, on an ongoing basis, agenda determination is the most important decision a board makes over time. The logic is clear – the work of the board is determined by the agendas of its meetings. Therefore, getting this right’ is critical to both the effective functioning of the Board but also in ultimately providing the time and space for the most critical and highest priority operational topics.</p> <p>The current approach that that Board is taking is an ‘open call’ approach, where any given Board member or the State Forester may propose an agenda item at any time. Between the Board Chair, the State Forester, and Board support staff, decisions are then made on specific meeting agendas. The process, however, is not universally well understood by all Board members or staff. Benefit would be achieved by taking a fresh look at agenda development and longer-term work planning to see if clarity or efficiency can be improved.</p>

Participant Perspectives	Consultant Commentary
<p>'new agenda items' nor 'additional public comment'.</p>	<p>In addition, beginning in 2023, the Board has chosen to be a bit more flexible on the notion of its work plans, in part to be more responsive to urgent or pressing issues as they arise. The Board is using this year to assess this approach and see if it meets the needs of both a consistent structure while remaining flexible. While flexibility is important, relative to several Board member comments, the Board and the State Forester, at the end of the day, need to assure themselves and stakeholders that the very highest policy issues are being addressed by the Board over time. This was the core essence of the work plan approach. Some further examination of the prioritization process will occur with the Forestry Program for Oregon revision, but that needs to translate into the actual work of the Board over time. Further consideration of this topic at the governance level is needed.</p> <p>Many of the topics the Board must address by statute or rule are driven by firm timelines and due dates (e.g., the biennial budget process or the annual Fire Protection fiscal budgets process). These 'outside' requirements also significantly drive and influence the development of agendas and the workload for any given board meeting.</p> <p>Two other key aspects of agenda development and topics are the use of operational reports by program staff and the use of outside 'experts' or stakeholder panels. While there is high value in keeping the Board apprised of current conditions and future situations, there may be more efficient and effective ways to transmit the needed information. This should be explored further in the governance policy development effort.</p> <p>Finally, the notion of a 'meeting summary' agenda item at the close of each meeting is tremendously valuable and critical to good governance over time, particularly relative to setting expectations and maintaining reliable and open communications. This time can also be used for an informal 'on the spot' Board evaluation with respect to that specific meeting. As the governance policy development process moves</p>

Participant Perspectives	Consultant Commentary
	<p>forward, further examination of this concept overall will be helpful.</p>
<p><b><u>Board Decision-making Processes including Board (collective or individual) Requests for Information:</u></b></p> <ul style="list-style-type: none"> <li>• Several Board members and some staff commented that the current Board decision-making process is working well including the use of the consent agenda, formal motions when needed or required, and the flow of the decision sequence from concept to evidence gathering to deliberation to decision. However, as one staff person said, it is critical that the Board operate at the right level (strategic and governing) rather than lower levels of management and detail.</li> <li>• There was concern expressed by several Board members and by several key staff regarding the requests for follow-up or additional information regarding particular topics, either by the Board collectively or by individual Board members. In some cases, concern was expressed that the process for requests is not clear, nor the nature of sharing of information with the full Board. One staff person related it as the familiar adage and approach: ‘this rock? No not that rock’. One intriguing option that was suggested is to provide the Board with a ‘policy staff person’ who would do some of the information and data discovery and analysis, much like a legislative committee staff person might do.</li> <li>• More broadly, several Board members also are seeking clarity and agreement on the nature and appropriate protocols for interactions and communications between Board members individually and agency staff, particularly at the Division or lower levels.</li> <li>• Several Board members expressed a desire to have more discussion and clarity on how and when does an individual Board member speak for the Board vis-à-vis the Board ‘speaking with one voice’.</li> </ul>	<p>The consultant concurs with the participants’ perspectives and believes that the Board and staff would benefit from more clarity about the process and decisions regarding follow-up information requests.</p> <p>It is clear from recent Board meeting agenda material that overall, the breadth and depth of agenda item material is generally very complete and thorough. However, it is recognized that depending on the Board’s deliberations or discussions, additional information may be valuable and applicable to the ultimate decisions that are made. The question becomes, then, how to handle those requests for additional information in a manner that is responsive yet efficient in terms of staff workload and respects the authority and role of the State Forester to his staff and to the Board.</p> <p>The Board does not currently have a defined process in place to address this topic. Logic would lead to the notion that the requests should flow through the State Forester, but how the requests get to the Forester, in what manner, under what circumstances, and in what timeframe, is less certain. The expectations for response and delivery are also not currently articulated.</p> <p>While this can seemingly be a fairly minor topic in the scope of governance, it actually speaks to the governance framework of expectations and the relationship of the Board to the State Forester, and by extension, the staff. Therefore, it is an important governance topic and as the governance policy development process moves forward, further examination of this concept and development of reasonable and efficient standards will be helpful.</p> <p>The question of Board member/staff interactions and communications is also worthy of consideration and policy articulation. While certainly the goal of open and transparent communications between the Board and agency staff is important and affirmed, it must be</p>



Participant Perspectives	Consultant Commentary
	<p>balanced and appropriate in terms of agency managers and supervisors’ roles and responsibilities.</p>
<p><b><u>Board Performance Evaluation:</u></b></p> <ul style="list-style-type: none"> <li>• All Board members and staff support the notion that Board performance evaluation is necessary and contributes to improvements of the Board’s work over time.</li> <li>• The question for Board members becomes whether the current approach is the most useful, effective, and efficient method, and whether it adequately captures the performance of the Board at multiple levels over time.</li> <li>• Several of the concerns expressed include only conducting formal evaluation once a year, using a ‘percentage of criteria met’ at the appropriate metric, using a multiple point evaluation scale for each criterion rather than a simpler ‘yes/no’ rating, and the ability to include substantive comments in the evaluation in a way that brings essential issues to the forefront.</li> <li>• There were also concerns expressed as to whether even the current approach is discussed enough during Board meetings, both on the annual initiation end as well as the annual finalization step. Another question was raised as to whether recommended changes that come from the evaluation are formally tracked and incorporated into the Board’s processes for improvement – in other words, do the agreed upon recommendations for changes or improvements actually find their way into the work and rhythm of the Board over time?</li> </ul>	<p>The consultant concurs with the participants’ perspectives.</p> <p>The only formal Board performance evaluation is generally prescribed in statute and administrative rule and codified in a joint executive and legislative agreement on procedures. The evaluation is part of the suite of performance measures for a particular board and/or agency and is reported once a year.</p> <p>Like the previous discussion regarding CEO performance evaluation, Board performance evaluation is critical to the ongoing effectiveness of the Board in effectively meeting its responsibilities and governing in a way that is responsive to needs and issues and represents ‘best practices’. As stated before, without proper attention to performance and evaluation, strengths cannot be affirmed and encouraged, and weaknesses or deficiencies cannot be identified and corrected. This must occur comprehensively and in a timely manner.</p> <p>Much of the discussion related to CEO evaluation applies to the Board at this time as well. Many options exist for effective Board evaluation, including evaluation at multiple levels and varying time scales, and also consideration of the use of ‘outside’ perspectives. During the governance policy development effort, alternatives can be, and should be, further explored and considered. The current state requirements can be maintained and met while necessary and efficient steps are employed.</p>
<p><b><u>New Board Member Orientation:</u></b></p> <ul style="list-style-type: none"> <li>• There was universal agreement by the four most recent Board members and key staff that the new board member orientation effort, led by Hilary Olivos-Rood, was “outstanding.” Other terms used were, “phenomenal”, “really good”, “wonderful”. There is a great deal of information to cover and is sometimes “a bit</li> </ul>	<p>The consultant concurs with the participants’ perspectives.</p> <p>New board member orientation is one of the most critical aspects of good governance. A well-oriented board member is able to effectively contribute earlier on and in more depth than otherwise would be the case.</p>

Participant Perspectives	Consultant Commentary
<p>overwhelming” but overall, with the paced or sequenced approach over the first two years, it is working well.</p> <ul style="list-style-type: none"> <li>• There was also expression by the three longer serving Board members that their orientation was nearly non-existent, except perhaps for some program overviews and introduction to some state law and requirements on public meetings, ethics, and public records. This made their ability to get up to speed a real challenge and more difficult than it needed to be. There were also no clear expectations regarding the role of the Board member and the nature of the Board as a governing body in general.</li> <li>• There was mention by several Board members of a bit more involvement by the Board Chair and State Forester in the orientation process over time. Selected points of entry would be very useful and welcomed, particularly in the early stages.</li> <li>• There were several topics that several Board members mentioned as areas of improvement including (1) somehow getting a sense, even in the candidating phase before appointment, of the scale and magnitude of the time commitment, workload, and meeting requirements; (2) some additional insights or even training on effective decision-making in an open, public environment, which for many Board members is different from their own life experiences or other board experiences; (3) include some way or provision to provide for relationship building opportunities between Board members and also with key staff. This happens during Board meetings, but the time is usually limited or compressed, and early on, this would provide significant value; (4) exploring the use of a better online Board calendar to clearly show all the moving pieces the Board needs to be aware of over time, including Board meetings and events, advisory committee meetings and events, key agency events, outside agency key events, due dates, etc.; (5) an opportunity fairly early on to visit a field office and get familiar with the people and operations of the agency on the ground; (6) some orientation about how to be an effective (and legal) ambassador of the</li> </ul>	<p>Having said that, the time commitment and workload’ of orientation itself must be accounted for and considered in the other workload and responsibilities of the board member. There is a ‘sweet spot’ of proper and complete orientation and readiness to do the work, and this point must be in view in all that is planned and delivered.</p> <p>It appears that the current approach is nearly at that ‘sweet spot’, but some caution is warranted about the overall load, particularly if some of the additional topics that were expressed by current Board members are included in future orientation efforts.</p> <p>There are many options to consider to approach the ‘sweet spot’ and these can be further explored during the Development (Phase 2) and Implementation (Phase 4) phases of the current project.</p> <p>One of the most valuable options would be the consideration of some amount of ‘Board effectiveness training’ that would occur periodically over time, not just for new members but for all members and key staff. This approach has dual benefits – it potentially ‘offloads’ some orientation workload so that the orientation effort itself does not become too onerous, and it also incorporates the notion of continuous improvement as an ongoing rhythm of the Board development process.</p>

Participant Perspectives	Consultant Commentary
<p>agency and the Board in external situations and encounters. This, in part, speaks to the proper role of the Board member in public settings, like liaison responsibilities with other agencies; (7) some expectations and/or training on how to interact with other Board members outside of meetings vis-à-vis Oregon public meeting law; (8) some expectations and/or training on how to operating within an Executive Session of the Board and what and what not to do post Session.</p> <ul style="list-style-type: none"> <li>• There was mention made by a couple of Board members and by staff that the current approach does need to be finalized and codified (institutionalized) so that the current effort of excellence can be repeated over time regardless of who is in the Board Administrator role.</li> </ul>	
<p><b><u>Board Records Management:</u></b></p> <ul style="list-style-type: none"> <li>• It was noted by several Board members and key staff that Board records are generally available and accessible. There was some concern expressed by several Board members about the timing of the Board materials sometimes coming too close to the meeting.</li> <li>• It was also noted that the current repository for Board material could be improved and hopefully made ‘searchable’ in a more straightforward way.</li> <li>• It was also noted that meeting minutes have not yet been completed and posted for many meetings back in time.</li> </ul>	<p>The consultant concurs with the participants’ perspectives.</p> <p>While the current Board web pages are very complete for meeting materials, there is less adequacy (or locating capability) for Board members regarding other Board and agency documents of need and requirements, e.g., budget information, financial information, governance information, etc.</p> <p>Short of the overall search tool for the agency website, there is no ‘tailored’ search for Board members or Board-specific materials. While the information is likely available, it is possibly more burdensome than necessary to locate and access the desired information. The former Decision Support System (DSS) that was developed for the Board in the early 2000s addressed these types of issues, but that system was apparently removed when the former ODFnet was taken down.</p> <p>As the Board moves to establish effective Board governance policy, a simple and quick repository of ‘Board materials’ will need to be established. This may include the actual materials themselves, or quick links to other online locations, or both.</p>

Participant Perspectives	Consultant Commentary
	<p>The backlog of uncompleted Board meeting minutes must be addressed as soon as possible. The last official set of minutes was for the August 24, 2021, Board meeting. Department staff are fully aware of the situation and share the concern. It is a workload issue at this point, but there are options and alternatives to consider that might involve outside resources and/or staging the completion of the minutes. At a minimum, the formal actions of the Board by meeting should be catalogued and made available as soon as possible.</p>
<p><b><u>Executive Sessions:</u></b></p> <ul style="list-style-type: none"> <li>• While there is a high level of understanding of the legal requirements of Executive Sessions of Board and Commissions under the Oregon Public Meeting law, it is nonetheless the concern of several Board members and key staff about how restrictive those requirements may be in light of the desire on the part of several Board members to have open, frank, informal discussions amongst themselves (not in a decision-making mode) to wrestle with important operational or governance topics together as a full Board and State Forester.</li> <li>• There was some expression of need for clarity around the expectations and deliberations of litigation discussions with the DOJ General Counsel in Executive Session. Topics of interest include how does the Board absorb advice from our attorney, and then what is the best way to act, and how much discretion does the Board have to consider other alternatives.</li> </ul>	<p>The consultant concurs with the participants’ perspectives and concerns.</p> <p>This is actually a topic that is very relevant to good governance. Every effective board has to have the opportunity, at times, to engage in open, frank, informal discussions. While Oregon law provides for this in specific cases or for specific topics or reasons, there does not seem to be an avenue open to a more regular use of Executive Sessions for the purposes described. The limitations primarily revolve around allowable topics for formal Executive Sessions and the issue of the presence of a quorum of the Board under public meeting law generally. The questions around litigation discussion are also a valuable governance topic.</p> <p>Some exploration of this issue is warranted in the governance policy development process and further work is needed to determine if reasonable alternatives exist or not. This might include some amount of DOJ General Counsel involvement.</p>
<p><b><u>Board Subcommittees and Advisory Committees:</u></b></p> <ul style="list-style-type: none"> <li>• This topic was mentioned by a couple of Board members and key staff. While the Board has authority to establish advisory committees, and several current committees are prescribed by either law or rule, the question remains about how best the Board utilizes the efforts and responsibilities of these committees over time.</li> </ul>	<p>The consultant concurs with the participants’ perspectives.</p> <p>This topic not only relates to the governing aspect of the use of advisory or subcommittees of the Board, but also relates to the question of Board member workload and the overall demands of the Board work itself.</p> <p>There are plans in the works for further examination of this topic. For now, the governance policy development work will</p>

Participant Perspectives	Consultant Commentary
	<p>examine this point during development of draft policy, and explore, at least preliminarily, some options or alternatives for utilizing Board subcommittees and advisory committees more effectively and efficiently.</p>
<p><b><u>The Role of a Board Member in External Settings (e.g., other agency liaison):</u></b></p> <ul style="list-style-type: none"> <li>Several Board members mentioned the roles and responsibilities of some Board members as liaison to other agencies. It was mentioned that there may be value in providing some additional clarification on expectations, roles, responsibilities, and outcomes. This was not expressed as a significant issue or need, but one of interest and clarification.</li> </ul>	<p>The consultant concurs with the participants’ perspectives.</p> <p>While this topic area is understandably role-specific (i.e., not all liaison roles are the same), it would be of value to clarify the Board’s expectations for these types of roles and what outcomes are generally expected. This can be achieved during the Board’s governance policy development effort.</p>
<p><b><u>Conflict of Interest:</u></b></p> <ul style="list-style-type: none"> <li>A couple of Board members raised the topic of the lack of a formal conflict of interest policy and procedure for Board members. State ethics law speaks to the issue broadly, but what is mentioned here is the actual Board policy for declaring and affirming a conflict and how to address that declaration. The issue was not raised because of any concern about an actual conflict of interest, but rather that the Board does not currently have adequate policy and procedure around this topic.</li> </ul>	<p>The consultant concurs with the participants’ perspectives.</p> <p>This is a primary topic of good governance generally, and the methodology that will be employed to develop the draft Board governance policy will address this topic. Supplemental procedures will need to be crafted to implement the policy, but excellent resources exist to make this procedure development very workable.</p>
<p><b><u>Linkage to the <i>Forestry Program for Oregon</i>:</u></b></p> <ul style="list-style-type: none"> <li>Several Board members mentioned the linkage of this project to the revision of the <i>Forestry Program for Oregon</i> and suggested that the timing is good for synchronization and interplay of the two efforts.</li> </ul>	<p>The consultant concurs with the participants’ perspectives.</p> <p>The revision of the <i>Forestry Program for Oregon</i> will establish a refreshed and current top-level mission, vision, values, and goals for the Board and the Department for the next planning cycle. These elements will become a part of the Board Policy Manual, as foundational elements on which the Board policies will rest.</p>

## Conclusion

### Key Points Summary

In summary, the Board Governance Project Phase 1 Scoping and Assessment effort reveals the following key points:

- The Board is currently fully constituted at seven members.
- The current Board members have an individual and collective passion and commitment to their roles and responsibilities, and to the best possible service to the forests, people, and communities of Oregon.
- Likewise, the current State Forester is passionate about the work of the Board, his role and responsibility in leadership of the agency, the value and importance of all agency staff, and the roles that forests and the Department play in the lives of all Oregonians and in and livelihoods of those who depend on sound forest and allied natural resource policy.
- The workload and tasks before the Board and the Department are often significant, and at times, daunting.
- The Phase 1 effort did not reveal any ‘critical points of failure’, either presently or anticipated.
- While the Board does have one written policy regarding governance, that policy only requires the development of a set of bylaws, i.e., comprehensive governance policy. In other words, the current governance policy simply requires the development of governance policy. Therefore, the Board does not currently have written, codified governance policy in place that is current, comprehensive, standards-based, and broad enough in scope to address all necessary aspects of effective governance including the relationship and interactions with the State Forester.
- The current Board members and the State Forester are genuinely interested in making needed improvements in the respective and joint governance work and are supportive of the efforts needed to make these improvements over time.

### Next Steps

The next step of the project is Phase 2 Governance Policy Development. Using well-tested tools and methodologies, the draft Board governance policies will be developed as a ‘Board Policies Manual’. This draft development effort will be conducted by a development workgroup established by the Board Chair and State Forester, comprised of the following people:

- Board Chair Jim Kelly
- Board Member Chandra Ferrari
- State Forester Cal Mukumoto
- Planning Branch Director Ryan Gordon
- Board of Forestry Administrator Hilary Olivos-Rood
- Klamath-Lake District Assistant District Forester Teresa Williams
- The consultant, Clark Seely

The workgroup will be facilitated by the consultant and guided by the framework established in *Good Governance for Nonprofits*, by Fredric Laughlin and Robert Andringa, and use the results of this Phase 1 Scoping and Assessment work.

The workgroup will meet periodically over the next five months via Zoom, and in an iterative process, develop a set of draft governance policies. It is anticipated that during the cycles of development, both the Department of Justice General Counsel for the Board and the Department and the Office of the Governor's Executive Appointments will be engaged in the draft work for review and/or consultation as needed.

In addition, over the next several months, the consultant and key Department staff will meet with the agency Executive Team and Leadership Team to review and discuss the project, the process, intended outcomes, and their engagement.

### Special Thanks

A special thanks is given by the consultant to each of the Board members for their time and sharing of perspectives, and to the five key staff members for the same. Also, a special thanks to Hilary Olivos-Rood for her continued support and assistance with the project. And finally, a special thanks to Alan Maul, Department retiree and Director of the ODF Forest History Center, for his assistance and support in framing the historical context of the project.

## Appendix A – Board Governance Through Board Policy Background Paper

### Board Governance Through Board Policy<sup>8</sup>

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### Effective Governance in a Partnership Relationship

#### *A Background Paper*

#### What is Governance?

“Governance is the exercise of authority and influence over an organization through deciding what and what not to do to further the mission and achieve intended outcomes.”<sup>9</sup>

#### What is Policy?

“Policy is a definite course of strategic action adopted (usually in writing) by a decision-making body to guide a path towards and achieve an end result.”

#### What is Board Governance Through Board Policy?

- Governing boards of all types – public, private, for profit, nonprofit, governmental – adopt some system and style for conducting their business.
- Sometimes it is loosely defined and relatively informal, and sometimes very structured and formal (often because of external requirements), with many points in between.
- Sometimes the system and style are based on past practice, carried forward, without much regard to current needs and ‘goodness of fit’. In fact, at the extreme, no one on the current board or the chief executive may know why certain things are done the way they are, or how it was decided that a particular role or responsibility is placed on some element of the governing structure or with some individual – ‘it’s just the way we’ve always done it.’
- Other times, the governing system is quite intentional and purpose-built for the organization’s needs now and in the future, and of course as a principle of modern organizational management and best practice, this is the preferred approach.
- And while nearly every governing body has some sort of system in place, the approach and framework around which that system is built can be based on differing principles and requirements, e.g., legal, operational (programmatically or functional), collective, management, constituent, advisory.
- In more recent times, many boards of all stripes and persuasions which have a governing responsibility have gravitated toward using a framework or approach that is based on establishing policy as the key element to their governance methodology.

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<sup>8</sup> Prepared by Clark W. Seely, Seely Management Consulting, Inc., based (1) specifically on the Governance Roadmap Approach expressed in *Good Governance for Nonprofits*, Fredric L. Laughlin and Robert C. Andringa, 2007, and other related Andringa Group materials; and (2) generally on *Boards That Make A Difference*, Third Edition, John Carver, 2006 and *Reinventing Your Board*, John Carver and Miriam Carver, 2006.

<sup>9</sup> See other definitions and perspectives on the concept of governance in Appendix 1 of this paper.



- This is due, in part, because boards are typically accustomed to working in the realm of policy, even though most of it is operational in nature. So, this familiarity helps transition to a governance system that is built around the use of policy.
- Thus, in this approach, the formation and implementation of policy is the ‘framing structure’ and ‘system tool’ for board governance.

### Why is Board Policy Required for Effective Board Governance?

- Most governing boards today are not in need of complete ‘tear-down and reconstruction.’ This is in part due to the significant focus on the subject of governance in both public and private sectors over the past four decades, ironically often due to catastrophic failures in governance, e.g., the Enron story. And there have been catastrophic failures in the nonprofit and governmental arenas as well.
- Because of this intense focus, there has been much study and knowledge developed around the subject of governance generally and best practices specifically that many boards have adopted or incorporated into their existing governance systems, either by choice or by legal direction.
- However, the vast majority of boards have areas of need, sometimes significant, that are constraining or confounding effective and efficient governance.
- Yet they often have incorporated governance changes in a fragmented, piecemeal fashion, rather than in a deliberate, wholistic, systems approach. This may meet an immediate, isolated need, but is rarely durable for the long term.
- According to Fredric Laughlin and Robert Andringa in their 2007 book, *Good Governance for Nonprofits*, some of the more significant benefits or values that a policy-driven governance approach provides can be seen at both a strategic level and a tactical level.<sup>10</sup>

### *Strategic Value and Benefits*

- Governance scholar John Carver suggests that there are three basic products or contributions of the nonprofit board that it cannot delegate. He calls them, “the irreducible minimum contributions of governance.” They are:
  1. ***Linkage to the Ownership*** – Connecting the moral owners with the organization.
  2. ***Explicit Governing Policies*** – Expressing the values and perspectives of the organization in explicitly enunciated and properly catalogued policies.
  3. ***Assurance of Organizational Performance*** – Ensuring organizational performance that is consistent with applicable policies.
- The order here is intentional and important – ownership; governing; assurance. Carver goes on to say that

“Boards can contribute any number of products to an organization, but these three products cannot be delegated, and this irreducible trio applies to all governing boards.

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<sup>10</sup> Fredric Laughlin and Robert Andringa, *Good Governance for Nonprofits* (New York: AMACOM, 2007), 24-29.

The board may add other products to this list, but it cannot shorten it and still govern responsibly.”<sup>11</sup>

- A governance approach that rests upon board policies allows a board to adequately define, articulate, and implement the ‘why, what, and how’ of these three strategic contributions.

#### *Tactical Value and Benefits*

- Laughlin and Andringa go on to articulate seven values and benefits of a policy approach at what they call a ‘tactical’ level. They are:
  1. ***The Board Speaks with One Voice*** – When the board finally speaks to an issue in the form of policy, it should speak with one voice. The policy approach ensures that the board’s voice is clear, consistent, and current. This is the primary benefit, at a tactical level, of the policy approach.
  2. ***Policies are Explicit*** – The board codifies its intentions through written policy. It does not govern or function on the basis of ‘unwritten rules’ or ‘wisdom from the past.’
  3. ***Clear Guidance to the Chief Executive*** – There is no more important job of the board than assuring the performance of the chief executive, and thus the organization. Guidance comes in the form of delegation, limits on authority, and performance evaluation.
  4. ***Efficient Orientation of New Board Members*** – The policy approach ensures that new board members are confident in assuming their new roles and responsibilities from the beginning and can effectively contribute and ‘play their role’ early on.
  5. ***Eased Policy Development and Elimination of Duplication*** – The policy approach ensures that boards see all their governing policies in context of one another and allows for consideration of the linkage of their governing policies to the organization’s operational policies.
  6. ***Efficiency of Having Board Policies in One Place*** – While this value seems simple on the surface, due to regularly occurring turnover and change of board members (in most situations), many boards collectively, and members individually, lose track of where policies are and how to recall and use them as needed. Technology has greatly improved this situation over time, but the value of ready access and availability is ensured with the policy approach.
  7. ***Modeling Efficiency and Competence to the Owners, Chief Executive, and Organizational Staff*** – Through the policy approach, the board makes clear that its system of governance is effective, efficient, and robust, and provides assurance to the owners and models competence to the chief executive and staff. This is a subtle, but very important value and benefit of the policy approach. In many respects, this is the key to boards continuing to have the ‘license to operate’ from the owners.
- Thus, we understand that the policy approach addresses the most core aspects of organizational governance while providing significant tactical and ‘day-to-day’ benefits.

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<sup>11</sup> John Carver, *Boards that Make a Difference, Third Edition* (San Francisco: Jossey-Bass, 2006), 199.

### How is Effective Board Policy Developed and Implemented?

- Laughlin and Andringa say that, given the significant examination of governance over the past four decades, many ‘best practices’ have been formulated to express and define what ‘good governance’ looks like, particularly for nonprofits. The organization, BoardSource, is nearly exclusively dedicated to examining and formulating these governance best practices for nonprofits.
- So, for Laughlin and Andringa, the key question is no longer the ‘what’ to do, but rather, ‘how to do it.’
- This is the point at which many boards get stuck – they understand the need (usually), they begin to understand the ‘what’ of best practices, but they can’t figure out the ‘how.’ Laughlin and Andringa put it this way, as they reflected on the work of Jim Collins and his seminal organizational management research in his 2001 book, *Good to Great*:

“...Our concern is not so much with the lack of definition of ‘great’ or ‘exceptional’ boards, but rather with how one moves into that category, i.e., how a nonprofit board goes from good to great.”<sup>12</sup>

- A bit later in their book, they make the point more directly:

“The fundamental reason for not developing a board policies approach is that boards and chief executives don’t know how to do it.”<sup>13</sup>

- This has become the crux of the matter for many boards and organizations. Yet, through the work of experienced guides like Laughlin and Andringa, coupled with some supportive expertise, boards and chief executives can, in fact, learn how to do it and achieve success.
- Board Policy must be intentional and described. This is achieved by the creation and implementation of what is known as a ‘Board Policies Manual’, or BPM.
- The BPM is a thorough, clear, concise, written expression of the governance policies of the board in a way that addresses three interrelated aspects:
  1. The roles and responsibilities of the board and how the board governs and functions;
  2. The authorities delegated to the chief executive of the organization; and
  3. The governance partnership relationship between the board and the chief executive including roles, responsibilities, and accountabilities.
- Once the BPM is created and implemented, it becomes the expression of the ‘what, how, who and why’ of governance of the organization, agreed upon by the board members and the chief executive. In this way, it is assured that there is a mutual understanding and agreement between the board and the chief executive regarding roles, responsibilities, expectations, and accountability. Everyone is, as they say, ‘singing off the same sheet of music.’
- It also becomes a living document, adaptable through time as governance needs change.

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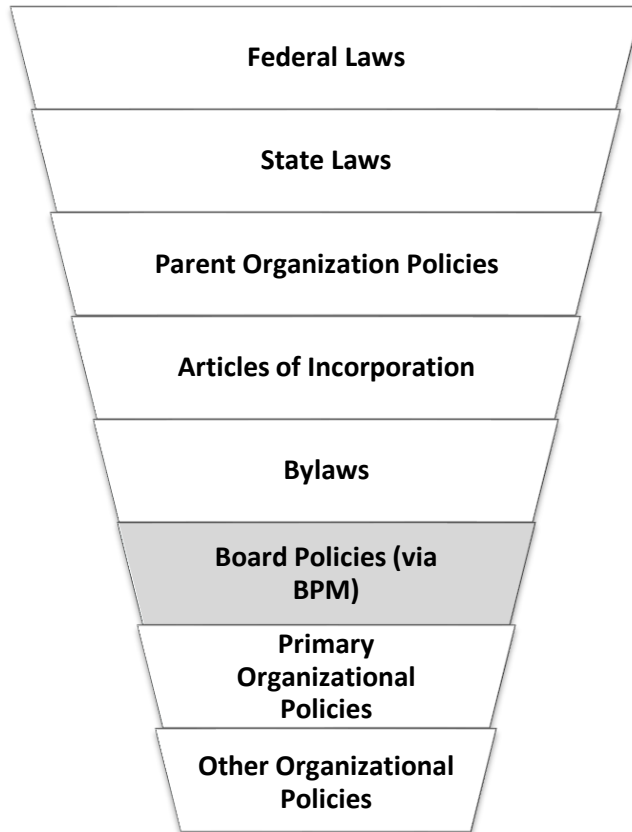
<sup>12</sup> Laughlin and Andringa, *Good Governance*, 13.

<sup>13</sup> Laughlin and Andringa, *Good Governance*, 29.

- The BPM is built in three primary stages:<sup>14</sup>
  1. ***Committing to the BPM*** – Developing a BPM requires the full buy-in from the board and the chief executive. Without this commitment, pursuing this approach does not make sense, and frankly, is not worth the time, and in fact, may do more harm than good.
  2. ***Developing the BPM*** – Notwithstanding the importance of the BPM for a board, its development does not have to be a daunting task or process. Board member involvement is key and required, but with support, does not have to be burdensome or overwhelming. A time-tested methodology is in place in the work of Laughlin and Andringa, and much of the ‘heavy lifting’ of structure and best practices have already been incorporated into their model and accompanying template, which is based on six overall parts or sections. They suggest that BPMs of most organizations can be 15-25 pages in total length. Through eight progressive steps, the BPM is developed in an orderly and complete manner.
  3. ***Implementing and Integrating the BPM*** – The BPM is not intended to be a static document, ‘one and done’. Its role is to be a part of the governance process, like a tool, on a continuing basis. Like any effective policy, it must be kept current, up-to-date, and relevant.
- The BPM exists within a hierarchy of other organizational ‘policies’ that influence, and may even direct, the governance and management of the organization. A simplified model of this hierarchy in western societies looks like this:

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<sup>14</sup> Laughlin and Andringa, *Good Governance*, x-xi.



etc.

- A key principle of the hierarchy is that the policies at a particular level must not conflict with nor contradict the policies above it.
- As the BPM is built, checks are made to ensure that coherence and compatibility is maintained up and down the hierarchy.
- The ‘Primary Organizational Policies’ would be the key organizational policies that typically would be found in such documents or materials as strategic plans, HR policies, financial and accounting policies, internal controls and audits policies, public involvement and participation policies, etc.
- The ‘Other Organizational Policies’ would typically be policies at levels below the organization itself, i.e., divisions, programs, units,

- Laughlin and Andringa’s experience reveal that (1) each step in the process is necessary, and (2) the overall process is sufficient to move an organization from its present level of governance to where it wants to go.
- Key to their approach is that, at the end of the day, the results must be practicable and usable. If done well, the result will be serviceable and long-lasting.
- Finally, realistic expectations are important:
  - Is the policy approach to governance and a BPM a ‘silver bullet’ to correct all the issues and concerns of governance that a board may have? No.
  - Is the approach a guarantee that the board will not encounter issues or concerns in the future? No.
  - Does the policy approach and BPM ensure that the board and chief executive make gains and strides in governance, leadership, and management of the organization together, in an effective partnership relationship, which serves the owners and the organization effectively? Yes, most assuredly.

Appendix 1 – Governance Considered

*“The purpose of governance is to ensure, usually on behalf of others, that an organization achieves what it should achieve while avoiding those behaviors and situations that should be avoided.”* John Carver, *Boards That Make A Difference*, 2006, page xxvii

*“Governance comprises the arrangements (includes political, economic, social, environmental, administrative, legal, and other arrangements) put in place to ensure that the intended outcomes for stakeholders are defined and achieved.”* Good Governance in the Public Sector—Consultation Draft for an International Framework, CIFPA, 2013

*“Governance is concerned with structures, processes for decision making, accountability, control, and behavior at the top of organizations.”* Governance in the Public Sector: A Governing Body Perspective, IFAC, 2001

*“Governance is the process by which decisions are made and implemented (or not implemented). Within government, governance is the process by which public institutions conduct public affairs and manage public resources.”* Manual On Fiscal Transparency, IMF 2007

*“Public sector governance encompasses the policies and procedures used to direct an organization’s activities to provide reasonable assurance that objectives are met and that operations are carried out in an ethical and accountable manner.”* The Role of Auditing in Public Sector Governance, Institute of Internal Auditors, 2012

Note the Common Themes or Keywords: (1) outcomes, achievement; (2) assurance, accountability; (3) decision making, directing, controlling; (4) public resources, public affairs; (5) policies, processes, procedures, arrangements, structures

Appendix B – Oregon 1911 Legislative Assembly House Bill 50 Sections 1 and 2

26<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY—1911 Regular Session

# House Bill 50

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## AN ACT

[H. B. 50.]

For the protection of the forests of the State of Oregon; to prevent and suppress forest fires; to create a State Board of Forestry to serve without compensation, and a State Forester and deputy, and for the appointment of fire wardens, and to prescribe their rights, powers and duties, and to provide for the payment of their compensation and expenses and the expenses of said Board; providing penalties for the violation of the provisions of this act, making an appropriation therefor; repealing Sections 5508, 5509, 5510, 5511, 5512, 5513, 5514, 5515, 5516, 5517, 5518, 5519, 5520, 5521, of Lord's Oregon Laws (Chapter 131 of the Laws of Oregon for the year 1907), and declaring an emergency.

*Be it enacted by the People of the State of Oregon:*

*Be it enacted by the Legislative Assembly of the State of Oregon:*

Section 1. There shall be a State Board of Forestry, consisting of the Governor, the acting head of the Forest School of the Oregon Agricultural College, and five electors of the State of Oregon, to be appointed by the Governor from and upon the authoritative recommendation of the Oregon State Grange, the Oregon Forest Fire Association, the Oregon and Washington Lumber Manufacturers' Association and the United States Forest Service, and Oregon Wool Growers' Association, each to select and name one of such electors. In the absence of such recommendation the Governor shall nevertheless appoint said electors. Said Board of Forestry shall supervise all matters of forest policy and management under the jurisdiction of the State, and approve claims for expenses incurred under the provisions of this act. The members of said Board shall receive no compensation for their services thereon but shall be entitled to actual traveling expenses which may be incurred in attending Board meetings.

Said Board shall meet at any convenient place in the State upon the call of the Governor or its secretary. A majority of said Board shall constitute a quorum.

Section 2. The State Board of Forestry shall appoint a State Forester, who shall be a practical forester familiar with western conditions and experienced in organization for the prevention of forest fires. He shall hold office at the pleasure of said Board, who shall also have power to fix his compensation at not to exceed three thousand dollars (\$3,000) per annum. He shall be authorized and empowered to appoint a deputy whose salary shall be fixed by the State Board of Forestry at not to exceed eighteen hundred dollars (\$1800) per annum. He shall be allowed necessary office and contingent expenses, including clerical help and he and his deputy shall be paid actual traveling and field expenses which may be incurred in the performance of their official duties. He shall, under the supervision of the State Board of Forestry, execute all matters pertaining to forestry within the jurisdiction of the State; appoint and instruct fire wardens as provided for in this act; direct the improvement and protection of State forest lands; collect data relative to forest conditions; take such action as is authorized by law to prevent and extinguish forest, brush, and grass fires; enforce all laws pertaining to forest and brush-covered land and prosecute for any violation of said laws; co-operate with land owners, counties or others in forest protection; advise and encourage re-forestation; and publish such information on forestry as he may deem wise. He shall act as secretary of the State Board of Forestry and prepare annually a report to the Governor on the progress and condition of State forest work, containing recommendations for improving methods of forest protection, management and reproduction within the State of Oregon. During the State Forester's absence or disability, all his authority shall be exercised by his deputy.

Filed in the office of the Secretary of State February 24, 1911.

1911 Oregon Laws, Chapter 278

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Editor's Note: This document is a rendition of House Bill 50 of the 1911 Oregon Legislative Assembly as it appears in 1911 Oregon Laws, Chapter 278. The document contains the full and complete wording of the bill, but is formatted in a more current Oregon bill design.

The original bill was passed by the Oregon House of Representatives on February 13, 1911, passed by the Oregon Senate on February 17, 1911, received by the Oregon Executive Department on February 18, 1911, and filed in the office of the Oregon Secretary of State on February 24, 1911.

February 16, 2011



## Appendix C – Current Oregon Statutes and Administrative Rules for the Oregon Board of Forestry and Oregon State Forester Relating to Governance

### **526.009 State Board of Forestry; chairperson; terms; vacancies; confirmation; qualifications; removal.**

(1) There is created a State Board of Forestry consisting of seven members appointed by the Governor. The members appointed to the board shall be subject to confirmation by the Senate as provided in ORS 171.562 and 171.565. The Governor shall designate one member of the board as chairperson to hold that position until that member's term expires or until relieved by the Governor as provided in subsection (6) of this section. The chairperson shall have such powers and duties as are provided by the rules of the board.

(2) The term of office of a member of the board is four years. A member shall be eligible for reappointment, but no member shall serve more than two consecutive full terms. In case of a vacancy for any cause, the Governor shall make an appointment as provided in subsection (1) of this section.

(3) Appointments made by the Governor under subsection (1) of this section shall include appointment of at least one member from each of the forest regions established under ORS 527.640 and the rules adopted thereunder by January 1, 1987.

(4) No more than three members of the board may derive any significant portion of their income directly from persons or organizations that are subject to regulation under ORS 527.610 to 527.770, 527.990 (1) and 527.992.

(5) Except as provided in subsection (4) of this section, no member of the board shall have any relationship or pecuniary interest that would interfere with the member representing the public interest.

(6) The Governor may at any time remove any member of the board for inefficiency, incompetence, neglect of duty, malfeasance in office, unfitness to render effective service or failure to continue to meet the criteria of appointment pursuant to this section. [1965 c.253 §4; 1973 c.230 §1; 1979 c.394 §1; 1983 c.759 §5; 1987 c.919 §6]

**526.016 General duties; limits; compensation and expenses; meetings; rules.** (1) The State Board of Forestry shall supervise all matters of forest policy and management under the jurisdiction of this state and approve claims for expenses incurred under the statutes administered by the board except as otherwise provided by law. Advisory committees may be appointed by the board to make recommendations concerning any function vested by law in the board. Notwithstanding any other provisions of law, the board shall not supervise or direct the State Forester in matters relating to the geographic scheduling, annual volume and species allocation, appraisals and competitive timber sale techniques used in the sale of forest products from lands managed under the provisions of ORS chapter 530.

(2) The members of the board are entitled to compensation and expenses as provided in ORS 292.495.

(3) The board shall meet on the first Wednesday after the first Monday in January, March, June and September, at places designated by the chairperson of the board or the State Forester. The board may meet at other times and places in this state on the call of the chairperson or the State Forester. A majority of the voting members of the board constitutes a quorum to do business.

(4) In accordance with the applicable provisions of ORS chapter 183, the board shall adopt rules to perform the functions defined by statute. [1965 c.253 §6; 1969 c.314 §62; 1973 c.230 §3; 1983 c.759 §8; 1987 c.919 §8]

**526.060 State Forestry Department Account; subaccounts.** (1) Except as provided in ORS 526.121, 530.147 and 530.280, all assessments, federal apportionments or contributions, and other moneys received by the forester or State Board of Forestry, shall be paid into the State Treasury and credited to the State Forestry Department Account, which is established separate and distinct from the General Fund. All moneys in the State Forestry Department Account are continuously appropriated, and shall be used by the forester, under the supervision and direction of the board, for the purposes authorized by law.

### **629-010-0010**

#### **Rules of Order**

Roberts Rules of Order are adopted for the conduct of meetings of the Board and committees of the Board; however, Oregon statutes, specific rules of order adopted by the Board, or actions of the Board will take precedence over Roberts Rules of Order. Rules of order adopted by a committee shall not be effective until approved by the Board.

**Statutory/Other Authority:** ORS 183.310(1), 192.610 - 192.710, 526.016(4) & 526.041(1)

**Statutes/Other Implemented:** ORS 192.610 - 192.710 & 526.016(4)

#### **History:**

FB 3-1992, f. & cert. ef. 3-10-92

FB 38, f. 6-10-74, ef. 7-11-74

### **629-010-0020**

#### **Chairperson**

Under the provisions of ORS 526.009(1), the Chairperson has the following powers and duties:

- (1) The duties of a presiding officer as prescribed by Roberts Rules of Order.
- (2) The duty to appoint standing and ad hoc committees.
- (3) Pursuant to ORS 526.016(3), in cooperation with the State Forester, the duty to determine where Board meetings are to be held.

**Statutory/Other Authority:** ORS 183.310(1), 192.610 - 192.710, 526.016(4) & 526.041(1)

**Statutes/Other Implemented:** ORS 192.610 - 192.710 & 526.016(4)

#### **History:**

FB 3-1992, f. & cert. ef. 3-10-92

FB 38, f. 6-10-74, ef. 7-11-74

### **629-010-0030**

#### **Agendas**

The Secretary shall send an agenda together with the minutes of previously held committee meetings and the minutes of the last Board meeting to all members of the Board prior to each Board meeting.

**Statutory/Other Authority:** ORS 183.310(1), 192.610 - 192.710, 526.016(4) & 526.041(1)

**Statutes/Other Implemented:** ORS 192.610 - 192.710 & 526.016(4)

#### **History:**

FB 3-1992, f. & cert. ef. 3-10-92

FB 38, f. 6-10-74, ef. 7-11-74

[629-010-0040](#)

**Order of Business**

The order of business of Board meetings shall be determined by the Chairperson in cooperation with the State Forester. At the request of any two Board members, the Chairperson shall include a specific item on the agenda.

**Statutory/Other Authority:** ORS 183.310(1), 192.610 - 192.710, 526.016(4) & 526.041(1)

**Statutes/Other Implemented:** ORS 192.610 - 192.710 & 526.016(4)

**History:**

FB 3-1992, f. & cert. ef. 3-10-92

FB 38, f. 6-10-74, ef. 7-11-74

[629-010-0050](#)

**Quorum**

A majority of the members of the Board or a committee constitutes a quorum to do business.

**Statutory/Other Authority:** ORS 183.310(1), 192.610 - 192.710, 526.016(4) & 526.041(1)

**Statutes/Other Implemented:** ORS 192.610 - 192.710 & 526.016(4)

**History:**

FB 3-1992, f. & cert. ef. 3-10-92

FB 38, f. 6-10-74, ef. 7-11-74

[629-010-0060](#)

**Meetings and Notice**

The Secretary shall follow the procedures established by the Attorney General for giving notices of Board and committee meetings. Unless a meeting is called exclusively for the purpose of holding an executive session pursuant to ORS 192.660, copies of the meeting notices shall be sent to organizations and individuals that the Board may designate. In addition, a copy of the notice shall be sent to any organization or individual that has indicated to the Chairperson or to the Secretary an interest in the subject matter to be considered at a meeting.

**Statutory/Other Authority:** ORS 183.310(1), 192.610 - 192.710, 526.016(4) & 526.041(1)

**Statutes/Other Implemented:** ORS 192.610 - 192.710 & 526.016(4)

**History:**

FB 3-1992, f. & cert. ef. 3-10-92

FB 38, f. 6-10-74, ef. 7-11-74

[629-010-0080](#)

**Committees**

The Chairperson may appoint standing committees or ad hoc committees to consider matters of Board responsibility which are not feasible to be handled by the Board as a whole.

**Statutory/Other Authority:** ORS 183.310(1), 192.610 - 192.710, 526.016(4) & 526.041(1)

**Statutes/Other Implemented:** ORS 192.610 - 192.710 & 526.016(4)

**History:**

FB 3-1992, f. & cert. ef. 3-10-92

FB 38, f. 6-10-74, ef. 7-11-74

[629-010-0090](#)

**Attendance**

In accordance with ORS 182.020, the Secretary shall submit a copy of the minutes of each Board meeting to the Governor or the Governor's Assistant including members present and absent with an attachment indicating the members' reason for absence.

**Statutory/Other Authority:** ORS 183.310(1), 192.610 - 192.710, 526.016(4) & 526.041(1)

**Statutes/Other Implemented:** ORS 192.610 - 192.710 & 526.016(4)

**History:**

FB 3-1992, f. & cert. ef. 3-10-92

FB 38, f. 6-10-74, ef. 7-11-74

**526.031 State Forester; deputy and assistants; compensation.** (1) The State Board of Forestry shall appoint a State Forester, who must be a practical forester familiar with western conditions and experienced in organization for the prevention of forest fires. The forester shall be the chief executive officer of the State Forestry Department. The forester shall hold office at the pleasure of the board, and shall act as its secretary.

(2) With the approval of the board and subject to applicable provisions of the State Personnel Relations Law, the State Forester may appoint a Deputy State Forester, assistant state foresters and other employees of the department. During the State Forester's absence or disability, all authority shall be exercised by the Deputy State Forester or by the assistant whom the State Forester or the board, by written order filed with the Secretary of State, has designated as Acting State Forester.

(3) The board shall fix the compensation of the State Forester. In addition to their salaries, the forester, the deputy and assistants shall be reimbursed, subject to the limitations otherwise provided by law, for their actual and necessary travel and other expenses incurred in the performance of their duties. [1965 c.253 §7; 1983 c.759 §13]

**526.041 General duties of State Forester; rules.** The forester, under the general supervision of the State Board of Forestry, shall:

(1) In compliance with ORS chapter 183, promulgate rules consistent with law for the enforcement of the state forest laws relating directly to the protection of forestland and the conservation of forest resources.

(2) Appoint and instruct fire wardens as provided in ORS chapter 477.

(3) Direct the improvement and protection of forestland owned by the State of Oregon.

(4) Collect data relative to forest conditions.

(5) Take action authorized by law to prevent and extinguish forest, brush and grass fires.

(6) Enforce all laws pertaining to forestland and prosecute violations of such laws.

(7) Cooperate with landowners, political subdivisions, private associations and agencies and others in forest protection.

(8) Advise and encourage reforestation.

(9) Publish such information on forestry as the forester determines to be in the public interest.

(10) Enter into contracts and cooperative agreements pertaining to experiments and research in forestry.



(11) Sell, exchange or otherwise dispose of any real property heretofore or hereafter acquired by the board for administrative purposes and no longer needed.

(12) Coordinate any activities of the State Forestry Department related to a watershed enhancement project approved by the Oregon Watershed Enhancement Board under ORS 541.932 with activities of other cooperating state and federal agencies participating in the project.

(13) Prescribe uniform state standards for certification of wildland fire training courses and educational programs.

(14) Serve as the Governor's authorized representative for the purpose of initiating the fire management assistance declaration process with the Federal Emergency Management Agency and administering Federal Emergency Management Agency fire management assistance grants. [1965 c.253 §10 (enacted in lieu of 526.020); 1969 c.249 §2; 1975 c.605 §27; 1987 c.734 §13; 1993 c.415 §5; 1997 c.413 §5; 2003 c.539 §38; 2011 c.49 §2]

Appendix D – Oregon Board of Forestry Policy, *Governance Policy*

 <p><b>OREGON DEPARTMENT OF FORESTRY POLICY DOCUMENT</b></p>	
<b>Title:</b> Governance Policy	
<b>Division/Program:</b> Board of Forestry	
<b>Applicability:</b> All Board Members	
<b>Effective Date:</b> July 22, 2020	<b>Last Review Date:</b> TBD
<b>Approval Name:</b> Peter Daugherty	<b>Review Interval:</b> 4 Years
<b>Signature:</b> 	<b>Custodian:</b> Peter Daugherty
	<b>Position:</b> State Forester

**POLICY STATEMENT:**

It is the Policy of the Oregon Board of Forestry (Board) to have a set of bylaws to direct and clarify its actions, procedures and organization, which include expectations of members. The Board will establish written documentation for Board processes and procedures developed to execute its statutory responsibility.

**AUTHORITY:**

[ORS 526-009 to 526-052](#), [OAR 629-010-0005 to 629-010-0100](#), [Membership Handbook for Boards & Commission](#). Kate Brown, Governor State of Oregon. Revised 2/18/15.

**DEFINITIONS:**

**Governance:** the effective and responsible management of the organization , which includes considering needs, communication and decision making.

**RESPONSIBILITIES:**

**Board Chair:** Oversees and administers the Board policy framework and governance process, which provides the structure to guide the development of Board Policies.

**State Forester:** As Secretary to the Board, supports the Board Chair in administering the Board policy framework and governance processes.

**Board of Forestry:** Approves all Policies and ensures that they are appropriately reviewed and vetted with the Department.

**STANDARDS:**

- A. Establishment of Policies and support documentation shall only occur by approval of the Board of Forestry.
- B. All Policies and supporting documentation will be posted on the Board website and reviewed at least every four years, as specified in the Policy. Review of support documentation shall not exceed the policy review interval.
- C. Detailed instructions and forms will not be included in Policies but should be included in procedures, guidance, and other supporting documents associated with a Policy.
- D. If there is an existing policy from statute, administrative rule, or another agency (such as the Department of Administrative Services, State Archives, etc.) that applies to the Board, then this policy will not be duplicated in a Board Policy, and referenced appropriately.

**SUPPORTING DOCUMENTATION:**

Board of Forestry Governance: [Expectations of Board of Forestry Member](#), July 22, 2020.

Board of Forestry Governance: [Governance Topics](#), July 22, 2020.

Board of Forestry [Approved Meeting Minutes](#), July 22, 2020.

Policy History	
<i>Date</i>	<i>Description</i>
07/22/2020	Adopted by the Board of Forestry <a href="#">[audio]</a>

## Board of Forestry Governance

### GOVERNANCE TOPICS

Generated from the October 9, 2019, January 8, 2020 Board of Forestry Executive Sessions on the State Forester's Annual Performance Review, and March 4, 2020 Board meeting.

- Board develops a statement of expectations or guidelines to which members commit. For example, a code of conduct for Board members, Board charter, operating principles, or working guidelines. (In progress)
- Board reviews current process on developing Board work plans and revises as appropriate (Board discussion planned for September 2020 meeting).
- Board process to manage individual requests for information. While we currently use an informal process, the Board has not specifically discussed the process as a governance issue.
- Board process for two board members to submit a request for agenda topics. The Board discussed a potential process at the October retreat, but no decision was made to formalize the process.
- Board discussion on priorities and process for the revision of the Board's strategic plan, *Forestry Program for Oregon*. (Board will address this topic under the *Overarching Issues work plan*).
- Board members work collaboratively with staff on agenda topics to increase efficiencies and develop working relationships, e.g., call lists to discuss ideas.
- Board discussion on the level of information needed for policy decisions, their expectations about science included in Department staff reports, and the role of science in policy decisions.
- Process for assigning Board members to liaison positions to other Boards and Commissions and other Board positions.
- Process for staff evaluations / feedback of the Board performance. To be conducted in conjunction with Board self-evaluation process.
- Board prepares for calendared events and work plan topics that are communicated by State Forester or staff.



## Board of Forestry Governance

### Expectations of Board of Forestry Members

*The first set of expectations are from the Governor's Membership Handbook for Boards and Commissions – revised 2/18/2015 (Adopted by Board, March 4, 2020).*


- Regularly attend board meetings.
- Prepare for meetings by reading reports, proposals and other documents prepared or distributed by staff.
- Recognize that serving the public interest is the top priority. All members have been appointed to the board to serve the public at large.
- Understand the primary responsibility of every board member is to protect the health, safety and welfare of the general public.
- Recognize the board must operate in a public and open manner.
- If you were recommended by a professional association or special interest group, you will be expected to provide the board with your technical expertise, and to bring the point of view of the group to the board.
- All board members must work for the benefit of the public first, with the good of any particular profession, industry or special interest group taking a secondary position.
- Listen to all viewpoints and work as a cohesive group to create a forum for developing good policies and procedures and finding fair solutions to problems.
- Learn about issues affecting the board.
- Examine all available evidence before making judgment.
- Acknowledge that authority to act is granted to the board as a whole, not to individual members.
- Board members must be familiar with and operate within their board's governing statutes and bylaws, and state and federal laws at all times.
- To ensure accountability, all applicable policies and procedures adopted by the board should be in written form.
- No board member should make decisions or take unilateral action without the consent of the board as a whole.
- Questions about board issues should be directed to the board's administrative or executive officer, who will see that all board members receive full information by the next regular meeting.
- Board members should disclose no details of board investigations or matters dealt with in executive session unless they are part of the public record.
- Board members should use caution about participating in private discussions on behalf of one party in the absence of other parties to a dispute.

- Board members should remember they are seen as representatives of the board when they appear at industry or professional gatherings. They must take care not to appear to be speaking for the board unless specifically authorized by the board to do so.
- Board members must keep in mind that their mission is to serve the public, and it is inappropriate to use board membership to create a personal platform.

*This set of expectations are from discussions with Board Members and March 4, 2020 Board meeting. (Adopted by Board, July 22, 2020).*

- Understand that the board set standards for the department through policy.
- Individual Board members may not agree with a decision, but once a Board decision is made, all Board members will respect the decision and move forward.
- The Board will take action only after hearing the State Forester's (Department's) recommendation.
- Avoid surprising staff. If you have alternate recommendations or new requests for information, discuss with State Forester or staff prior to a board meeting so they can prepare accordingly.
- Board members will strive to get out in the forests to discuss policy topics with staff and stakeholders.
- Board members commit to fostering an environment that respects all individuals, that seeks diverse perspectives, and values differences.

Appendix E – Oregon Department of Forestry Policy, Financial Oversight of the Oregon Board of Forestry

 <p><b>OREGON DEPARTMENT OF FORESTRY POLICY DOCUMENT</b></p>	
<b>Title:</b> Financial Oversight of the Board of Forestry	
<b>Division/Program:</b> Administrative Branch	
<b>Applicability:</b> All ODF Employees	
<b>Effective Date:</b> April 12, 2022	<b>Last Review Date:</b> April 11, 2022
<b>Approver:</b> State Forester	<b>Review Interval:</b> 5 years or sooner
<b>Signature:</b> Cal Mukumoto /s/ (signature on file with ODF)	<b>Custodian:</b> Deputy Director for Administration

**POLICY STATEMENT:**

The Department of Forestry’s policy is to provide the Board of Forestry with consistent reporting of financial information. This policy’s purpose is to ensure the Board has the information required to fulfill their statutory responsibility in financial oversight.

**AUTHORITY:** ORS 291.015, 291.100, 293.590, 279A.015, 526.009, 526.016, 526.031, 526.036, 526.041, 526.046, 526.060; OAR Chapters 125 and 629; OAM 01.05.00; ODF Policy – Delegation of Authorities

**RESPONSIBILITIES:**

**Deputy Director for Administration:** is responsible for the Department’s presentation of financial results to the Board of Forestry.

**Employees:** are responsible for adhering to all state policies and procedures in performance of accounting functions, internal controls, and public contracting.

**Managers:** are responsible for the accuracy and adequacy of the Department’s accounting and financial reporting and holding employees accountable for adherence to state policy and procedure.

**State Forester:** is responsible for ensuring compliance with state statutes applicable to the Department.

**STANDARDS:**

**I. Financial Reporting**

The Department shall:

- 1) Provide the Board with information on the Department’s financial performance which includes quarterly agency actuals to budget and financial statements including performance indicators relevant to financial position, operations, and cash flows.
- 2) Provide the Board with comparative views of the Department’s current financial performance

as compared to that of previous years, and projections on how its financial future appears.

- 3) Prepare financial reports for board review adhering to the level of detail, frequency, deadlines, and distributions of the reports defined by the Board.
- 4) Adhere to financial reporting intervals as defined through the Board’s biennial work plan.
- 5) Provide the biennial agency request budget, annual forest protection district budgets and rates, and annual risk assessment for the Board’s review.

**II. Financial Policy and Procedure**

The Department shall:

- 1) Ensure policies and procedures for financial transactions are documented, reviewed, and updated.
- 2) Ensure agency employees are operating within approved policies.
- 3) Ensure approved financial policies and procedures are being followed.

**III. Financial Planning**

The Department shall:

- 1) Engage the Board in strategic financial planning and decision making.
- 2) Set long range financial goals along with strategies to achieve them.

**IV. Financial Management**

The Department shall:

- 1) Manage the agency in an efficient and effective manner according to best practices.
- 2) Evaluate and recommend trainings designed to support board members in fulfilling their financial oversight roles.
- 3) Ensure that the agency has sufficient cash on hand to pay its operating expenses.
- 4) Seek and provide resources necessary to support the Board’s assessments and review of the agency’s financial performance, adherence to approved policies and procedures, and effectiveness in management.

**EXCEPTIONS, EXEMPTIONS, AND CONDITIONS:** None

**SUPPORTING DOCUMENTATION:**

Board of Forestry Administrative Work Plan 2022-2024 (and subsequent versions)  
Sample Monthly Financial Report – February 2022

Policy History	
Date	Description
04/12/22	New ODF Policy – Financial Oversight of the Board of Forestry approved, published, and effective.