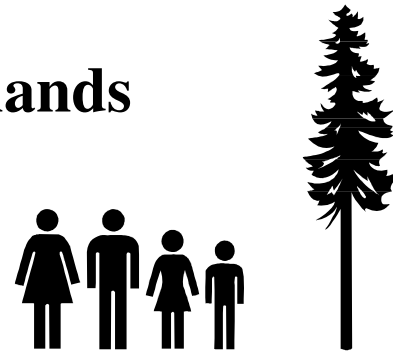


# Committee for Family Forestlands

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John L. Blackwell, Chair  
Oregon Board of Forestry  
Oregon Department of Forestry  
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May 20, 2009

RE: Committee for Family Forestlands input for Board's 2009 Issue Scan

Chair Blackwell,

The Committee for Family Forestlands (CFF) is providing this letter as a formal document to the Board's 2009 issue scan. The CFF continues to draw direction from the second family forestland symposium, *Looking Forward II, Oregon Families & Their Forestlands: What's at Stake*. One of the purposes of the Symposium was the development of potential solutions to issues challenging family forestland viability. The CFF developed a forward working agenda by prioritizing symposium outputs during 2007-2008; the prioritized agenda (attached) was reported to the Board in July 2008 as a part of our annual report. We developed this working agenda using as guidance the *Forestry Program for Oregon* and *Oregon Indicators of Sustainable Forest Management*.

In this year, 2008-2009, the CFF has been working from our agenda and responding to the increasingly dark State revenue forecast and projected ODF budget responses. In January, the CFF framed a formal response to the Board underscoring the principles CFF recommends for responding to budget reductions (attached). These documents and work products reflect a consistent set of concerns, issues and priorities important to the CFF and the forest landowners we are charged to represent. We offer these priority concerns as inputs to the Oregon Board of Forestry's 2009 issue scan.

The **overall priority** for the Committee for Family Forestlands is to address the challenges to family forestland viability. Economic, market, regulatory, social and communication challenges all create pressures on family forest landowners to opt out; reducing the likelihood these forestlands will remain part of the Oregon forested landscape in the future.

### **High Priority Topics from CFF Work plan**

- Develop financial incentives (cost-share programs, others) for maintaining and enhancing environmental values and services. Create a “green credit” forest fund to pay for conservation easements on working family forestlands.
- Help families and communities recognize and address issues around transferring forestlands from one generation to the next. Support use of the Ties to the Land curriculum to engage landowners, and help train foresters who interact with family forestland owners, to talk about the importance of succession planning.
- Enact tax credits for keeping land in forest.
- Improve Oregon's land-use planning process to increase private flexibility while retaining public value.
- Reconnect urban and rural Oregonians through the marketplace. Build awareness of and pride in using locally grown wood and other products. Improve marketing and public relations efforts on behalf of local wood products. Develop local farmer's market-style outlets for wood products.
- Examine potential role for the Department in the forest certification process.
- Develop intensive public education on family forestland issues. Collaborate with NGOs to find funding, provide training, develop educational material, and build solutions.
- Examine the current approach to wildfire risk and suppression costs, relative to investments in fire hazard reduction, fuel treatments, and prevention versus investment in suppression across all forested landscapes.
- Reach out to property owners with diverging views; address changing demographics of family forestland owners.

### **Summary of Major Issues**

1) Reduction and Change in Services to Family Forestland Owners. The CFF views reductions in ODF's Private Forests program with alarm for several reasons. The May 2009 Co-Chairs Budget framework presents a 25 percent reduction in general fund contribution the Department of Forestry, significantly larger than 15 percent reduction planned for other natural resource agencies and program. The corresponding reduction of harvest tax cost shares only compounds the problem. Of greatest concern to family forestland owners, the Co-Chairs Budget represents a significant reduction in ODF services via the elimination of 49 Full-Time Equivalent (FTEs) in the Private Forests Program. This roughly equates to a 50 percent reduction in services provided to landowners most in need of those services. In addition, the fund shift in the Fire Protection Program adds an additional cost burden to family forestland owners. As we move forward in the next two years,

ODF's services will be very different, including longer response times, change in type of response, and a likely reduction in available expertise.

2) Fire Protection Fund Shift to Landowners. Proposed fund shifts in the Fire Protection Program that increases cost to private forest landowners represent a real burden to those landowners. At a time when markets (stumpage prices) are down dramatically (60-80%) and unemployment rates are high (18-20%) in rural areas, this fund shift represents a double burden – increasing costs while revenues are down. CFF members note that Oregon has the highest allocated financial burden to private forest landowners for fire protection among all western states. This burden weighs heavily on family forestland owners. Addressing our overall approach to fire protection, forest health and structure of fire cost allocation is a high priority issue for the CFF.

3) Compensation for Ecosystem Services. Public benefits from Private Forestlands include water quality, sensitive wildlife habitat, climate mitigation, and other environmental values. Landowners contribute to the protection of public values by funding administration and enforcement of the Forest Practices Act (FPA). They pay with harvest taxes, pay their part of the public share through income taxes, and contribute a third way with FPA required foregone timber harvest. Family forest landowners desire a mechanism that creates fair compensation for ecosystem services and other societal benefits...compensation that will return to forest landowners. Some portion of such public benefits compensation could also be directed to ODF to support services to family forest landowners. This approach would greatly promote the retention of family forestlands.

4) Education and Outreach. Many family forestland owners need technical education to prevent resource damage and to foster stewardship and sustainable management. Intensive public education on family forestland issues is also needed to help the public understand how much we all depend on the sustainable benefits from these lands. Finally, part of the education and outreach needs to be directed to potential next generation forest landowners. The ownership demographics suggest that we are in a critical period of transition with those likely to inherit forestlands less connected to the land than are their parents. One approach would be to collaborate with other organizations to find funding, provide training, develop educational material, and build solutions.

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

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**Relationship of our issues for Private Forests work plan:**

The issues identified above correspond to the Board's development of the Private Forests work plan and policy objectives. At the March 2009 Board meeting, the Board reviewed and discussed the first draft of the Board of Forestry Private Forests Issue Paper, and began to develop ten policy objectives for private forestlands. At subsequent meetings, the Board will refine and prioritize these policy objectives and discuss potential changes to program funding sources and/or mechanisms needed in order to ensure the policy objectives are achieved. The CFF issues inform the Board of family forestland priorities for these policy objectives.

The overall priority for the CFF forward looking agenda is to address the challenges to family forestland viability. This priority aligns with the Board's policy objective #1, "identify current and future risks of forest fragmentation and the conversion of forests to non-forest use as the primary, overarching challenge to sustainable forestry and keeping working forests working." The CFF major issue #3 aligns with policy objective #4, "place a high priority on dedicating resources towards the development and support of future non-timber markets that will increase forestland value, including biomass, carbon sequestration, and other ecosystem services."

The CFF has spent considerable time and energy on understanding the programmatic impacts of projected declines in state revenues and the executive and legislative requests for budget reductions. Issues above related to ensuring a viable FPA program, services to family forest landowners, and fair apportionment of costs for fire protection all point to support of the policy objective #2, "explore alternative, more stable funding mechanisms for the public share portion of the department budget directed at keeping forests in forests (i.e., alternatives to state general funds)". We have seen how modest cuts in state general fund disproportionately affect the Private Forests Program. At the levels likely in 2009-11 budget about 50 FTE will be lost. While some staff may be redirected and their expertise maintained, they will not be delivering services to landowners or implementing the FPA. The fact that many Private Forests Program employees have considerable fire training and experience means losses in capacity will impact fire protection as well.

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

**Conclusion**

In summary, the members of the Committee for Family Forestlands support including these issues in the 2009 issue scan process. There is additional information regarding these and other issues in the attached CFF documents.

Sincerely,



Craig W. Shinn, Chair  
Committee for Family Forestlands