

## **STAFF REPORT**

Agenda Item No.:	6
Title and # of Issues:	State Forests Management—Issue 2 Objective 1—Adapting Forest Management Plans
Date of Presentation:	June 6, 2007
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### **SUMMARY**

At the March 7, 2007 meeting the Board of Forestry reviewed and approved nine State Forests' performance measures and associated indicators (now referred to as "metrics"). The Board also gave approval to conduct a review of the initial reporting on those performance measures at the June 6, 2007 meeting.

The purpose of this agenda item is to present a summary of the performance measures in order for the Board to evaluate those measures and determine whether or not improvements to the current forest management plans should be considered to provide adequate assurances that greatest permanent value (GPV) is being achieved on State Forestlands.

### **CONTEXT AND BACKGROUND**

Over the past year the Board has been developing and deliberating on a set of State Forests' performance measures, adopting a final set of measures in March 2007. These measures provide a key tool to assist the Board in conducting regular evaluations over time of the adequacy of the forest management plans towards achieving GPV. By adopting a range of measures that span the breadth of what is to be provided under GPV, these measures will inform the Board on a periodic basis of the economic, environmental, and social outcomes resulting on State Forestlands, and whether or not those outcomes are judged by the Board as achieving the GPV. Each of the nine performance measures and associated metrics are presented in detail in Attachment 1.

### **ANALYSIS**

Table 1 provides a summary of the key results of the initial assessment of the performance measures presented in Attachment 1. The Department made every effort to report on as many of the performance measure metrics as possible, however it was not possible to report on all of the metrics for this agenda item. The Department anticipates reporting on the complete set of performance measure metrics for the subsequent assessment of the measures in the fall of 2008.

The Board has yet to establish targets for the performance measure metrics, and for most of the measures Table 1 suggests consideration of 'maintain or improve' in the short term until trend and/or benchmark targets are adopted by the Board. One exception to this is for performance measure six, which references the goals of the current plans.

**Table 1: Summary of State Forests Performance Measure Results**

Performance Measure	Metric(s)	Target (Initial)	
#1: Net Return on Asset Value	Northwest Oregon FMP Districts: 1.2 or 2.4% (depends on method) Southwest Oregon District: -1.0% or -0.2% (depends on method)	(Maintain or Improve?)	
#2: Financial Contributions to Communities	Fiscal Year 2006 Volume Harvested: 295 mmbf 5-Year Average Volume Harvested: 285 mmbf Community Economic Vitality: <ul style="list-style-type: none"> <li>• % of population &gt;25 yrs-old with higher education degree: 14.8%</li> <li>• % of population unemployed: 7.0%</li> <li>• % of population below poverty line: 11.7%</li> <li>• Household income inequality: 3.2</li> </ul>	(Maintain or Improve?)	
#3: Financial Contributions to Government Services	Annual Revenue Distributions to:	(Sustain stable levels, or improve to a higher stable level?)	
	2006		County Share \$57,997,327 Common School Fund \$9,656,593
	5-yr. average		\$49,399,497 \$13,266,068
	10-yr. average		\$42,887,595 \$15,755,030
#4: Invasive species, pests, disease, & fire risks/affects	Disease: Swiss Needle Cast detected in 2006: Moderate: 31,668 ac. Severe: 9,988 ac. Total: 41,656 ac. 6% of applicable districts affected Pests: 1,345 acres affected by a variety of pests, primarily Douglas-fir beetle and fir engraver.	(Maintain or Improve?)	
#5: Forest Road risks and fish habitat	Percent of crossings on fish streams that are barriers to adult and juvenile fish passage: 4.7% Proportion of hydrologically connected roads: 16.0%	(Maintain or Improve?)	
#6: Wildlife Habitat: Stand Structure, snags, and downed wood	Current Stand Structure Ranges by district %: Regeneration (REG) 1.3% - 14.6% Closed Single Canopy (CSC) 10.5% - 45.2% Understory (UDS) 35.3% - 84.9% Layered (LYR) 0.0% - 7.9% Older Forest Structure (OFS) 0.0% - 3.2%	Current FMP Targets: REG 5-15% CSC 10-20% UDS 15-35% LYR 20-30% OFS 20-30%	
#7: Recreational opportunities & educational programs	<ul style="list-style-type: none"> <li>• 14 developed campgrounds, 250 campsites, 37 developed trailheads and day use areas, 186 miles of non-motorized trails, 250 miles of motorized trails.</li> <li>• <b>57,866</b> visitors to the Tillamook Forest Center (April 06 to March 07)</li> <li>• Tillamook Forest Center (April 06 to June 06): 2,156 students; 2,519 visitors participated in interpretive programs. North Cascade district: 3,000 students.</li> <li>• 30,782 annual camping user days</li> </ul>	(Maintain or Improve?)	
#8: Public & Stakeholder Involvement	<ul style="list-style-type: none"> <li>• 15,442 volunteer hours on recreation projects; 2,796 hours at TFC.</li> <li>• FTLAC: <i>Timeliness of services: good. Accuracy of services: poor – forests being underutilized. ODF helpfulness: Excellent. ODF expertise: Excellent regarding forestry; poor regarding trust land history. Info availability: excellent. Overall service: fair – should focus on fiduciary.</i></li> <li>• SFAC: <i>ODF interaction very good, open and sincere. Progress toward meeting goal of improving implementation of NW &amp; SW FMPs : useful tool, progress made, need to be able to see if plans are working and changes are necessary.</i></li> </ul>	(Maintain or Improve?)	
#9 Oregonians' Awareness & Support	Public opinion survey conducted March/April 2006 by Responsive Management for ODF Report.	(Majority responding positively to survey questions?)	

At the March 2007 meeting the Board requested that along with reporting on the current performance measure outcomes, the Department also bring forward 'some different looks' at some hypothetical changes to the plans and a general assessment of the effect of those hypothetical changes on the suite of measures. The intent of this request was to help the Board be better informed on the sensitivity of the various measures, and to what extent different performance measures might be affected by different levels of adjustments to the plans.

As part of the presentation of this agenda item in June, the Department will respond to this request by reviewing a range of forest management plan scenarios that have previously been modeled, and some of the implications of those scenarios in the context of the measures. The presentation will also include a discussion of a general range of scenarios that have not been modeled, and consider if there is the potential for plan improvements that might achieve performance measure outcomes consistent with the following principles:

1. Improvements should seek to maintain or improve outcomes across economic, environmental, and social measures.
2. Improvements to the structure-based management concept should consider the utility of active and passive management, as well as the means to provide greater assurances around the achievement of complex structure in a timely manner.
3. Improvements should explore ways to enhance financial performance.

### **RECOMMENDATION**

The Department recommends the Board make a determination on whether or not improvements to the current forest management plans should be considered in order to provide adequate assurances that greatest permanent value is being met on State Forestlands. This determination would include an articulation of performance measure outcomes desired by the Board to ensure the achievement of GPV, and also some sense of the timeframe under which the Board wishes to operate.

### **NEXT STEPS**

If the determination is that improvements to the current forest management plans *are not* needed to provide adequate assurances that greatest permanent value is being met, the Department would continue to implement current plans, with the next review of the performance measures by the Board anticipated to occur in the fall of 2008.

If the determination is that improvements to the current forest management plans *are* needed to provide adequate assurances that GPV is being met, the Department would initiate an examination of such improvements. The range and scale of improvements examined would be based on Board direction on the performance measure outcomes desired to ensure the achievement of GPV. Part of this process would include an analysis of the effect of possible plan improvements on the full suite of performance measure metrics.

### **ATTACHMENT**

- (1) State Forests Program Performance Measures