

**CHASE Jeri**

---

**From:** BROWN Marvin D  
**Sent:** Wednesday, May 13, 2009 9:35 AM  
**To:** ALL FORESTRY  
**Subject:** Message from Marvin Brown

Dear Fellow Employees:

I hope everyone can take a few moments to read this.

We are still uncertain what our Private Forests and Fire Protection budgets will look like for the next two years. As I'll discuss below, that outlook depends on decisions we expect the Legislature to be making in the next several weeks.

On the other hand, there have been detailed discussions to decide if the State Forest Division can wait for the Private Forest and Fire budgets to be completed by the legislature. The State Forests Division leaders and the Executive Team agree that moving forward with the State Forests Division reduction process is a necessary action. The primary factors in this decision include the latest revenue forecast, current market situation, and the need for the Division to maintain a positive cash flow over the next few years that assures we can meet forest management plan implementation priorities even at a base level.

State Forests Division revenues have been significantly impacted by the national economic situation (Division stumpage prices correlate very closely with housing starts in the U.S., which in recent years were around two-million annually and are now at a low of below five-hundred thousand). At the same time, the Division has continued to refine what forest management plan implementation levels are appropriate in order to ensure alignment with forest management plan policy. As a result, implementation plans have been adjusted and at this point there will be a reduction in harvest levels – specifically in the north coast.

State Forests Division revenues from Board of Forestry (BOF) lands have declined by twenty-percent in the current biennium compared to the 2005-2007 biennium. The most recent BOF revenue forecast for 2009-2011 reflects a further decline from the current biennium by over forty-percent. The Division has had to utilize the forest development fund's standing balance during the current biennium even with the cost reductions that were implemented throughout the current fiscal year.

Though it appears the forest development fund balance will not be appropriated for other purposes during the legislative budget process, it is now apparent the Division will need these funds to manage through what is now a more challenging time than previously forecasted. Common School Forest Land (CSLF) revenue forecasts have also been in a decline. Overall impacts create the need for a thirty-percent cost reduction on Board of Forestry lands and about a twenty-percent reduction on CSFL management.

Unfortunately, this means that about forty state forests employees will receive layoff notices next week, on Tuesday or Wednesday, which will become effective June 30, 2009. The total reduction is actually 50 permanent and about 30 seasonal positions. Both field and central office staff will be affected. About ten of these positions are currently vacant, but regrettably many are not.

Please don't expect managers to provide any details beforehand. These are very difficult decisions that

05/14/2009

continue to receive substantial review by staff and area directors. Therefore, no information about specific positions will be valid until affected employees start receiving their notices.

Following is the timeline associated with implementing the State Forests budget reductions:

Monday – May 18: A new listing for “Lay-off Service Dates” by geographic area will be posted on the Department’s Human Resources website Monday. This will allow represented employees with seniority rights to consider what options they wish to choose. An explanation of those options is also on the website, plus important information about employee assistance and services that can be of help.

Tuesday & Wednesday – May 19 & 20: Each affected employee will receive notification in person from their manager. A member of the Human Resources staff will participate in each meeting to make sure everyone understands the procedures and timeframe for identifying preferred options.

This is an incredibly hard thing to announce, but everyone should understand that it is just the beginning of a series of events and decisions that will take several more months to reach conclusion.

From this point, any additional employee who receives a lay-off notice when someone exercises their lay-off/bumping rights will also have their own lay-off/bumping rights to exercise. Therefore, the “Lay-off Service Date” list will have to be regularly updated.

May 21 – June 30: During this period Human Resources staff and appropriate supervisors will be following the layoff procedures while working with affected employees. It is recognized that other sources of revenue/job opportunities may be realized within the agency through the stimulus grants. Coordinating these opportunities in a way that provides some relief for affected employees is an agency priority during this time as well. The State Forests Division will also be coordinating with the Fire Protection Division to find ways to utilize displaced employees during the 2009 fire season.

July 1, 2009 will be the first day of implementation of the fiscal year 2010 budget. Layoffs will be in effect and some employees will be shifting to new positions.

As we have said before, you are all valued employees. These are challenging times for everyone. Unfortunately, waiting any longer to make reductions increases the budget challenges and would mean even greater reductions to make up the shortfall. This is not a tradeoff we can choose, given it would compromise the Divisions capacity to meet forest management plan goals.

Next week we will also be opening statewide recruitments, for Department employees only, who want to be considered for temporary positions that will be funded with federal “economic recovery” or “stimulus” dollars.

You are probably aware that a significant amount of federal money will likely come to the Department for fuels treatment, restoration, habitat improvement and other work. In addition, both the Forest Service and the Bureau of Land Management have indicated a strong interest in developing cooperative arrangements so that our staff can assist them with their “stimulus” projects.

Using these employment opportunities, we will be actively working to provide other jobs that are focused on administering contracts for federally funded projects, for at least some of the employees who

will be affected by lay-offs. We don't yet know how many opportunities this will provide, but we will need to know soon whether employees want to be considered.

In terms of the Private Forests and Fire Protection Divisions, the legislative budget process has not yet yielded any clear picture, and probably won't until late this month or next. I think everyone is aware that additional positions in the Department could be lost because of potential budget cuts in these two programs. Obviously, we can't deal with that possibility until we have final budget decisions. In addition, we are evaluating what reductions will be necessary in agency administrative services to align with cutbacks in the rest of the Department.

The May Revenue Forecast will be released this Friday, May 15<sup>th</sup>. I am certain there will be much media coverage around what is said. Once the forecast is known, the Legislature will start to quickly make decisions about funding for all state programs.

To that end, I think we have positioned ourselves as well as we possibly can. The Department's budget hearings with the Natural Resources Ways and Means Sub-Committee concluded late last week. Division Chiefs and involved stakeholders did an outstanding job communicating the importance of our programs and the negative impacts that could result from significant budget cuts.

Industrial landowners, non-industrial landowners, environmental groups and residents from all corners of the State weighed in on our behalf. I know they were willing to do this because of the excellent work that all of you accomplish everyday.

Know that we are expending every possible effort so that you can continue to provide such great service to the people of the State.....and, please take care.

Marvin Brown