

STAFF REPORT

Agenda Item No.:	3
Work Plan:	Fire Protection
Topic:	Annual Topic: Approval of Forest Protection Association District Budgets and Rates
Presentation Title:	Approval of the Forest Protection Association District 2025 Fiscal Budgets and Rates
Date of Presentation:	June 6, 2024
Contact Information:	Chris Cline, (Interim)Fire Protection Division Chief 541-505-4521; Christopher.L.Cline@odf.oregon.gov Ron Graham, Deputy Chief of Operations-Fire Protection 971-718-6862, Ron.Graham@odf.oregon.gov

SUMMARY

ORS 477.265 requires the Board of Forestry to annually review the forest protection district budgets and pass final approval on all district budgets including the prorated acreage assessment rates.

CONTEXT

Oregon’s wildfire protection system has historically provided an effective and efficient method of addressing the state’s fire protection responsibilities – both in initial attack and large fire management needs. The system uses a “complete and coordinated” methodology and is funded through a complex mix of landowner and state general fund dollars. The system provides policy, prevention, and suppression activities at the national, statewide and district levels. The delivery of these services is reviewed annually and predominately funded through the development of fiscal protection budgets in which the costs are proportioned on a legislative determined statutory ratio of landowner and general fund dollars.

Budget Development Process:

Consistent with statutory direction¹, each year in January, the state office and districts begin developing a fire protection budget to fund activities for the upcoming fiscal year (July 1st – June 30th). During the development process, district budget committees² analyze and review the draft budget prior to making recommendations to the District Forester. The budget committee then carries the final recommended budget to the Board of Directors of the Forest Protective Association for consideration at the annual spring association meeting. Additionally, each district holds a public budget meeting³ for any landowners affected by the budget to provide an opportunity for any additional public comments on the budget.

The last step in the district fiscal protection budget process is submittal to the State Forester and then official approval by the Board of Forestry in June. Attachment 1 provides a summary of the fiscal year 2025 recommended budgets.

¹ ORS 477.235 Forester to prepare tentative budget estimates for districts.

² ORS 477.240 Advisory and guidance committees

³ ORS 477.255 Holding of budget meeting; revision and submission for final approval.

BACKGROUND / ANALYSIS

Throughout the development of the fiscal year 2025 budgets and spring association meetings, landowners have expressed appreciation for the level of protection and service they receive from the Associations and the Department. Association meetings have been very collaborative and productive with excellent dialog focusing on important fire protection related topics. Attachments 2 and 3, annual letters to the State Forester and public budget hearing comments, highlight some of the topics discussed at the district budget committee, fire protection association, and public budget meetings. The conversations largely consisted of the continued increase in district budgets, the costs of fires occurring on adjacent federal land ownership, the attempt to find an alternate funding solution with HB 4133, and the tasking of a workgroup to continue the efforts. The Eastern Oregon Forest Protective Association chose to not support their district fiscal budget.

Per OAR 629-041-0035, one landowner (Attachment 4) is appealing the fiscal budget with a remedy sought of a more general fund assessment based on local markets reflecting timber value, site location, and timber growth potential. The appellant did not request a hearing before the Board.

Upon review of the letter submitted by Ross Ryno and the facts described and presented in the proposed final order (Attachment 5), the Board may:

1. Remand the matter to Department staff for further review on such issues as the Board specifies and to prepare a revised proposed order as appropriate;
2. Reject the proposed order and direct the Department to prepare a different final order; or
3. Adopt the proposed order as the Board's final order.

RECOMMENDATIONS

1. The Department recommends the Board approve all Fiscal Year 2025 district and association protection budgets as presented in Attachment 1.
2. The Department recommends that the Board adopt the proposed final order as written for Ross Ryno.

ATTACHMENT

- (1) FY 2025 Protection Budget Summary, by District, and Area
- (2) Letters to the State Forester from Forest Protective Associations
- (3) Public Budget Hearing Minutes
- (4) Budget Appeal
- (5) Proposed Final Order



WESTERN LANE FOREST PROTECTIVE ASS'N.

87950 TERRITORIAL ROAD

VENETA, OREGON 97487-0157

State Forester Cal Mukumoto

May 7, 2024

President

*Lindsay Reaves
Bauman Tree Farm*

Vice President

*Nikolai Hall
Forest Investment Assoc.*

Secretary

*Garrett Yarbrough
Giustina Land & Timber*

Treasurer

*Mike Emmons
Sierra Pacific Industries*

Directors

*Willie Bronson
Martha Bronson Family*

*Randy Hereford
Starker Forests*

*Lindsay Sage
Campbell Global*

*Tim Truax
Roseburg Resources Co.*

*Jeff Yost
Weyerhaeuser*

*Dan Eddy
BLM*

*Kristin Babbs
Keep Oregon Green*

Oregon Department Board of Forestry
2600 State Street, Salem, OR 97310

Mr. Mukumoto & Members of the Board of Forestry,

Western Lane Forest Protection Association (WLFPA) has just finished approving our 2024/2025 district budget and this letter is to share that while all members voted to approve, it was with great discussion and reservation. Knowing that many associations have already expressed great concern regarding the increase in land rates over the past 4 years, and that a joint letter from the Oregon Forest Protection Association is also addressing concerns, I will not repeat what has already been well articulated, other than stating that all points are agreed upon. Myself and the board greatly hopes that the letters are read and what shared, is heard.

Here at the Western Lane District, we are in a multi-year process of information gathering, and many facility meetings with the ODF staff to explore how we will upgrade our Veneta compound. Most of the wildland fire buildings are so old that they are unusable or functioning minimally. Cost to repair or re-furnished has been assessed and the need for total removal of most buildings has been determined. Part of this process is looking at an overall compound footprint and new structure (replacing many building functions into one), with a perspective of planning not only for current needs, but also for our future predecessors. Our goal is to build a working facility that promotes safety and efficiency, and a work and training environment that will recruit and retain the next generation of wildland fire fighters and the future leaders of fire protection in Oregon. As mentioned, current compound conditions are not functional, and as more demand is made upon shared buildings with state lands and forestry resources, space is being squeezed to make room for additional employees and needs of an ever expanding work force. The association applauds the great problem solving and space management alterations done literally over the past 10 years by ODF staff (many staff working in less than optimal noise and heat conditions), but the wiggle room opportunity has run out.

WLFPA board, in close partnership with ODF staff, has decided to move forward with an extensive compound rebuild and a site plan has been developed. Even with the most scaled down of needs, a very expensive project is projected. Again, after much exploration and discussion, a future POP request is seen as our only option, of which we have recently voted to proceed upon. If we are able to get approval to sell bonds to pay for the compound project, the board is looking at a significant land rate increase in the future as we start a bond payback process, and a rate increase for potentially 20 years. As we look to future budget projections, we are truly hoping the increased land rate costs will have a 'fix' so that rates can be more predictable. Future planning with financial feasibility is needed.

As we head into the 2024 fire season, Western Lane District is ready. We look forward to supporting the truly great working relationships we have with ODF as our complete and coordinated systems are probably, once again, put into use.

On behalf of our board and all forested lands in Western Lane,
Lindsay Reaves, WLFPA President

Coos Forest Protective Association

DIRECTORS

JIM CARR
DARIN MCMICHAEL
JEFF MILLER
JASON RICHARDSON
CHRIS SEXTON
TIM TRUAX
CHARLIE WATERMAN
BRANDON WOOD

63612 Fifth Road



Coos Bay, Oregon 97420



TELEPHONE
(541) 267-3161

FAX
(541) 266-8452

May 3, 2024

Chair Kelly and Members of the Oregon State Board of Forestry
2600 State Street
Salem, OR 97310

As the Directors of the Coos Forest Protective Association, we wish to inform you again of our concerns regarding Oregon's wildfire funding model. Oregon's antiquated funding system has been pieced together over the last 100 years and is in dire need of change to ensure that the Oregon Department of Forestry (ODF) and the three operating Forest Protective Associations (FPA) can continue to provide an adequate level of protection and maintain Oregon's complete and coordinated fire protection system.

Oregon's complete and coordinated fire protection system is the premier firefighting system in the United States. This public/private partnership relies on costs being allocated fairly to those who benefit from the complete and coordinated system. This is accomplished by each operating and non-operating FPA analyzing performance, capacity, and determining an adequate level of protection for their respective districts, then approving a fiscal budget that supports that level of fire protection.

The intent behind the laws in ORS Chapter 477 that govern these processes was for landowners to pay for adequate protection at the local level. The intent was never for ratepayers to provide an adequate level of funding for ODF's administrative costs at the Salem or Area level, costs which ballooned last year with the passage of SB762 and were allocated outside the control of the FPAs. There is also no other example in Oregon's system where state agencies pass along their administrative costs to ratepayers. It is these costs that are contributing to the financial burden put on landowners at a pace that far exceeds a landowner's ability to recoup costs from those lands in commodity markets.

Oregon's current funding model was created during a time when the threat and impacts of fire were mainly limited to forest landowners directly, and causes of large costly fires were frequently caused by forest operations. Forest operation-related ignitions over the last several decades have been reduced drastically with newer technology. There were zero fires caused by forest operations during the 2023 fire season. Currently, the leading causes of fire ignitions on the Coos Forest Protective Association (CFPA) protected lands are directly related to the unsheltered population, followed by recreational campfires escaping, and vehicle-related fires caused by motorists.

While fire ignitions from landowner activities have been decreasing, fires resulting from public and natural ignitions have been wreaking devastation on a scale not seen since the formation of organized firefighting systems. Over the last decade, we've seen fires that have turned cities into ashes and threatened major metropolitan areas. Fires have sent unhealthy air to every corner of the state and threatened the watersheds that provide clean water for our cities and communities. These fires have had a significant impact on wildlife, recreation, and tourism, and have threatened what Oregon is known for: our forests. It is truly an all-Oregonian problem, and all Oregonians should be included in the solution.

We are thankful for the efforts of Senator Steiner and her workgroup to gain understanding in the legislature of the issues and complexities of Oregon's wildfire funding system during the 2024 short session, and their work toward tenable solutions. We do believe the proposed changes would have been a step in the right direction and were disappointed it fell short this last legislative session. We are cautiously optimistic that the budget note included in HB4133, which requires the Oregon Department of Forestry to work with the Oregon State Fire Marshall on a fire funding solution, will be productive. As we understand, the workgroup associated with the budget note has already grown to include stakeholders outside of OSFM and ODF. We are offering support from CFPA staff to engage with this workgroup, as we will be directly impacted by changes made to Oregon's funding model.

The Coos Forest Protective Association has been providing fire protection in Oregon since 1910. We have a passion for protecting Oregon's ecosystems and communities and want to be a part of the solution to the wildfire crisis. Thank you for your continued attention to this important issue affecting all Oregonians.

Respectfully,



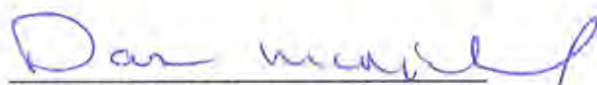
Chris Sexton
President, Board of Directors
Coos Forest Protective Association



Tim Truax
Vice President, Board of Directors
Coos Forest Protective Association



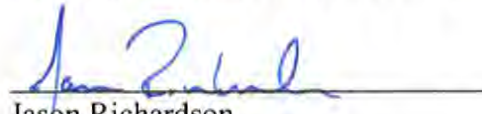
Jim Carr
Board of Directors
Coos Forest Protective Association



Darin McMichael
Board of Directors
Coos Forest Protective Association



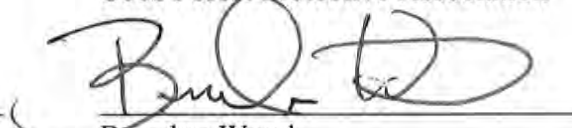
Jeff Miller
Board of Directors
Coos Forest Protective Association



Jason Richardson
Board of Directors
Coos Forest Protective Association



Charlie Waterman
Board of Directors
Coos Forest Protective Association



Brandon Wood
Board of Directors
Coos Forest Protective Association

CC: Tina Kotek
Doug Grafe
Cal Mukumoto
Jim Kelly
Senator Steiner
Senator Golden
Representative Marsh
Representative Boice
Senator Brock Smith
Senator Anderson
Representative Wright

OREGON FOREST PROTECTION ASSOCIATION

-OFPA-

AN ASSOCIATION OF PRIVATE FOREST LANDOWNERS IN OREGON

1758 NE Airport Road, Roseburg, Oregon 97470

Ph: (541) 672-6507

Organized 4/1/1910

Incorporated 1/16/1911

May 6, 2024

Milton L. Moran Jr.
President

Melvin L. Thornton
Manager

ASSOCIATIONS
BOARD OF DIRECTORS

Milt Moran
Chris Johnson
Ted Reiss
Chris Sexton
Caleb Brown
Jim Crawford
Jered Schwabauer
Keith Little
Ken Canon
Lindsay Reaves
Luke Bergey
Mikaela Gosney
Kathryn VanNatta
Melvin L. Thornton

ADVISORY DIRECTORS

Kristin Babbs
Jeff Fedrizzi
Rex Storm
Mike Robison
R.D. Buell
Dave Jessup
Kevin Martin
Richard Zabel

MEMBERS AT LARGE

Rod Greene
Roy Woo
Steve Cafferata
Tim Keith

IN MEMORY

E.T Allen
James Corlett
Tom Lane
Jeff Schwanke
Barte Starker

Chair Kelly and Members of the Oregon State Board of Forestry
State Forester Cal Mukumoto
2600 State Street
Salem, Oregon

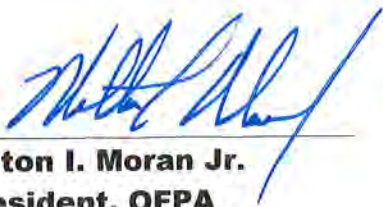
The Oregon Forest Protection Association (OFPA), representing Oregon's forest landowners, and the 12 Forest Protective Associations since 1910, provides leadership and representation to maintain and enhance wildland fire prevention, detection and suppression. Forest Protective Association board members across our state work hand in hand with local State Districts and Operating Associations building Adequate Levels of Protection and appropriate budgets to protect timberlands, natural resources and communities from wildland fires.

Our member associations are currently conducting their Spring Business meetings and preparing for the upcoming fire season, as well as annual budgets. We are seeing both passage and failure of Fire Protection Budgets across the state. Many Association Board Members are struggling to make the rate increases palatable. We find no fault of our local District or Operating Association leadership and staff, as they present the budget to our Boards of Directors. The cost shift of SB 762 to private landowners continues to be of great concern as it has created a significant increase in our rates per acre. SB 762 was accepted by private landowners as it was originally rolled out, however was promised to be wholly supported statewide by the General Fund. ORS Chapter 477 governs the process for private landowners to pay for an adequate level of protection at the local level. The intent was not for rate payers to provide an adequate level of funding for the Oregon Dept. of Forestry administrative costs at the Salem and Area level. The cost shifts of SB 762 and the ODF admin costs is not sustainable and may drive some away from forestland management.

As you are aware, Oregon's wildland fire funding is complex and difficult for many to fully comprehend. We applaud the 2024 Short Session efforts of Senator Steiner and the work group in seeking to find solutions to this ever-growing issue of Oregon's Wildfire Funding System. The group recognized that wildfire, smoke, both short and long term, evacuations, impacts to tourism and other issues affect all Oregonians. We truly believe this is an all-Oregonian issue.

Many of our members and our operators provide trained personnel and multitudes of firefighting and communications equipment at our expense to detect and suppress wildfires. We are part of Oregon's Complete and Coordinated Fire Fighting System. Please continue to seek opportunities to involve all Oregonians in finding solutions to protect all lands, properties and communities from wildfires.

Sincerely,
The Board of Directors, Oregon Forest Protection Association



Milton I. Moran Jr.
President, OFPA



Melvin Thornton
Manager, OFPA

Chris Sexton

Coos Forest Protective Assoc.

Chris Johnson

Klamath Forest Protective Assoc.

Lindsay Reaves

Western Lane Forest Protective Assoc.

Ken Canon

Douglas Forest Protective Assoc.

Jim Crawford

Clackamas Marion Forest Prot. Assoc.

Ted Reiss

Eastern Lane Forest Prot. Assoc.

Luke Bergey

Western Oregon Forest Prot. Assoc.

Calob Brown

Linn Forest Protective Assoc.

Keith Little

Walker Range Forest Prot. Assoc.

Mikaela Gosney

Rogue Forest Protective Assoc.

Kathryn VanNatta

Northwest Oregon Forest Prot. Assoc.

Jered Schwabauer

East Oregon Forest Protective Association

All board members approved this letter via e-mail and/or phone calls, including the listing of their names and Protective Associations.

KEN CANON
President

RYAN BRONSON
Vice-President

JILL MILLER
Secretary-Treasurer

PAT SKRIP
District Manager

Douglas Forest Protective Association

BOARD OF DIRECTORS

Rick Barnes – Nickel Mountain LLC
Dan Dawson – Dawson Ranch
Brennan Garrelts – Lone Rock Timber Co.
Dave Archambault – Sierra Pacific Industries
Paul Zolezzi – Rocking C Ranch LLC
Ken Canon – Aurora Resources
Quinton Quisenberry – Quisenberry Ranch
Dana Kjos – Roseburg Forest Products
Ryan Bronson – Silver Butte Timber Co.
Tim Vredenburg – Cow Creek Band of Umpqua Indians
Jason Richardson – Weyerhaeuser Co.



HEADQUARTERS

1758 NE Airport Road
Roseburg OR 97470
Phone: (541) 672-6507
Fax: (541) 440-3424
www.dfpa.net

May 6, 2024

Chair Kelly and Members of the Oregon State Board of Forestry
State Forester Cal Mukumoto
2600 State Street
Salem, Oregon

For 112 years the Douglas Forest Protective Association (DFPA) has provided prevention efforts and initial attack on wildland fires occurring on 1.6 million acres of public and private timber and grazing land in Douglas County. DFPA is a non-profit operating Forest Protective Association with a variety of members including farmers, small woodland owners, ranchers, large timberland owners and others.

I am a small woodland owner (282 acres) and am also the President of DFPA's Board of Director's on behalf of whom I am writing this letter. Over the last two months the DFPA Board has been actively reviewing and ultimately approving our 2024/2025 budget.

As a Board we are concerned about the rising costs of wildland firefighting and the impact of those costs on landowners' Forest Patrol Assessments. Small woodland owners have a long-term investment horizon as our trees are harvested at the 50 – 60 year mark. But rapidly rising short-term costs, including the DFPA Forest Patrol Assessments, calls into question the continued financial viability of our long-term investments. While different, ranchers and farms face similar economic challenges with volatile markets and small margins. These increasing costs have a significant impact on all of rural Oregon. These financial risks can also cause landowners to consider converting their timber and grazing lands to other uses perceived to be more fiscally sustainable.

DFPA's FY 2019/2020 base budget was \$5,677,678. The base budget pays for our personnel, buildings, aviation resources, vehicles and everything needed to aggressively prevent and suppress wildland fires. Just five year later, our FY 2024/2025 base budget is \$8,858,070, a 58% increase. In addition, DFPA pays funds to support the administrative costs of the firefighting component of the Department of Forestry, both at the State Fire Management level and at the "Area" level. The state costs have risen from \$353,767 in FY 2019/2020 to \$807,596 in our current budget, a 128% increase. Area costs have risen from \$59,231 to \$156,691 a 164% increase. Collectively, these payments to

the state are over 10% of our budget, and are therefore collected in our Forest Patrol acreage assessment.

As a landowner and DFPA Board member, I have supported the increase in DFPA's base budget as it goes directly to firefighting at the local level. However, the administrative costs associated with ODOF should more appropriately be carried by the General Fund, not land owners protected by DFPA. DFPA has its own staff that does finance, payroll, human resources, safety and management of our motor pool of over 100 vehicles.

Land owners, large and small, pay directly for fire prevention and aggressive initial attack. In addition, these land owners expend additional funds to maintain their roads for access to limit fire spread, provide their heavy equipment and personnel to assist DFPA on active fires and are active in detecting and reporting fire starts. Obviously, we also pay into the General Fund.

Wildfires are an all-Oregonian issue. All Oregonians suffer when population centers are blanketed by smoke for months at a time, negatively affecting citizens' health, commerce, tourism, transportation, and overall quality of life. All of Oregon suffers when our air, water and wildlife habitat ecosystems are directly and indirectly harmed by fire on the landscape. All of Oregon suffers when timber and agriculture resources are consumed or degraded by fires. And, unfortunately, all Oregonians, not just rural residents, contribute to the large number of human-caused fires that we at DFPA work so hard to prevent.

As a Board we are very supportive of Oregon's complete and coordinated firefighting system and are proud of DFPA's role in that system. Recognizing that both the ignition and devastating impacts of wildfire are an all-Oregonian problem, we do believe the funding of this system needs to be updated.

Thank you for your commitment and support of Oregon's nationally recognized complete and coordinated wildland firefighting system.

Sincerely

Ken Canon, DFPA President on behalf of the DFPA Board of Directors

Rick Barnes

Nickel Mountain LLC

Dan Dawson

Dawson Ranch

Brennan Garrelts

Lone Rock Timber Co.

Dave Archambault

Sierra Pacific Industries

Paul Zolezzi

Ken Canon

Rocking C Ranch LLC

Quinton Quisenberry

Quisenberry Ranch

Ryan Bronson

Silver Butte Timber Co.

Jason Richardson

Weyerhaeuser Co.

Cc:

Governor Tina Kotek

Senator Rob Wagner – President, Oregon Senate

Senator Elizabeth Steiner – Co-chair, Joint Committee on Ways and Means

Senator Daniel Bonham – Senate Republican Leader

Senator Mark Meek – Chair, Senate Committees on Finance and Revenue

Representative Julie Fahey – Speaker, Oregon House of Representatives

Representative Tawna Sanchez – Co-Chair, Joint Committee on Ways and Means

Representative Jeff Helfrich – House Republican Leader

Representative Nancy Nathanson – Chair, House Committee on Revenue

Doug Grafe – Wildfire Program Director, Office of the Governor

Kyle Williams – Deputy Director of Fire Operations, ODOF

Aurora Resources

Dana Kjos

Roseburg Forest Products

Tim Vredenburg

Cow Creek Band of Umpqua Indians



EASTERN LANE FOREST PROTECTIVE ASSOCIATION

3150 MAIN STREET
SPRINGFIELD, OR 97478

(Incorporated)

President:

Ted Reiss

Giustina Land & Timber Co.

Vice President:

Chase Kinion

Franklin Clarkson Timber Co.

Secretary:

Mark Willhite

Sierra Pacific Industries

Treasurer:

Dylan Johnson

Weyerhaeuser Company

Directors:

Susan Fricke

Eugene Water & Electric Board

Will Hansen

RDK Land & Timber, LLC

Kenny Rose

Giustina Resources

Advisory Directors:

ODF Area Manager:

Dave Larson

ODF Acting District

Forester:

Craig Pettinger

ODF Unit Forester:

John Flannigan

NW Oregon Interagency

Fire Management:

Kevin Reese

Or. Forest & Ind. Council:

Kyle Williams

Keep Oregon Green Assn:

Kristin Babbs

Army Corp. of Engineers:

Wendy Jones

May 7, 2024

State Forester Cal Mukumoto,
Chair Kelly, and Members of the Oregon Board of Forestry,

Greetings from the Eastern Lane Forest Protective Association (ELFPA), the organization that started private cooperative fire protection and suppression in Oregon 120 years ago. Over the years all members of the ELFPA have maintained their focus on the critical mission of forest and community resource protection. This unwavering commitment has provided benefits in the viability of the natural environment and economic conditions in Lane County.

On behalf of the Board of Directors and membership of ELFPA, I express concern about the rising costs of annual preparation and suppression of wildfire in our area (South Cascade District of ODF). Several factors have caused extreme cost increases in recent years. These are stacked on top of additional costs landowners already incur for preparation efforts as an integral part of the Oregon Department of Forestry's complete and coordinated system of wildfire prevention and suppression. Members of ELFPA are extremely concerned about the future of wildfire funding, in total, and how the system may fail to provide the high level of protection required to avoid catastrophic damage to life and property.

Here is a short list of the concerns ELFPA members have about the current funding system and recent experiences:

- **SB 762 Increased Costs:** The previously passed Senate Bill 762 increased ODF district staff beyond the cooperatively approved staffing needs to meet an adequate level of protection necessary to meet and exceed statutory requirements. Extra costs for these positions have been shifted to landowners to pay. Landowners believe the Oregon Legislature has reneged on a promise made to fund the extra positions mandated by SB762.
- **Salem ODF Administrative Costs:** No other agency within State of Oregon government requires direct payment of agency administrative costs. This increases total FY25 budget costs for our district by \$550K (approximately \$0.48 per acre).
- **Landowner Preparation Not Valued by Current Funding Model:** Members of ELFPA prepare for season by receiving fire training, purchasing firefighting

gear for personnel, purchasing and readying equipment that is set aside for fire response only, improving and maintaining water sources, etc. These costs to landowners are not considered in any funding mechanism except as a contribution to the complete and coordinated system of fire protection in Oregon. Current statewide preparedness costs by landowners for this preparation work may exceed \$20MM annually.

- Local Level Landowners Paying For State Of Oregon Assets: ODF is the only agency within the State of Oregon system that requires local landowners to pay for long term State of Oregon assets such as extremely expensive building renovations and new aerial wildfire detection platforms. It is simply unacceptable for local landowners to pay the cost burden for durable assets that provide service to the entire state.
- USFS Fires on Border with ODF: Large fires on USFS land immediately adjacent to ODF jurisdiction require huge amounts of energy and real costs to our district and ODF statewide. In FY24 our district spent \$4.6MM on these types of incidents. The strain on local personnel is extreme during the height of fire season.

In brief, the members of ELFPA believe the time has come to renovate the complicated funding model in place to provide for fire prevention and protection. A new funding and operations model must be centered NOT ONLY on providing service to all residents of the State of Oregon. A new funding model must be centered on securing funding from all recipients of the excellent prevention and protection efforts rendered each year by the Oregon Department of Forestry and all partners who engage in these exceptionally important endeavors.

Sincerely,



Ted Reiss
President – Eastern Lane Forest Protective Association

Cc:
Rep. Julie Fahey – Speaker, Oregon House of Representatives Rep.JulieFahey@oregonlegislature.gov
Rep. Tawna Sanchez – Co-Chair, Joint Committee on Ways and Means Rep.TawnaSanchez@oregonlegislature.gov
Rep. Jeff Helfrich – House Republican Leader Rep.JeffHelfrich@oregonlegislature.gov
Rep. Nancy Nathanson – Chair, House Committee on Revenue Rep.NancyNathanson@oregonlegislature.gov
Sen. Rob Wagner – President, Oregon Senate Sen.RobWagner@oregonlegislature.gov
Sen. Elizabeth Steiner – Co-Chair, Joint Committee on Ways and Means Sen.ElizabethSteiner@oregonlegislature.gov
Sen. Daniel Bonham – Senate Republican Leader Sen.DanielBonham@oregonlegislature.gov
Sen. Mark Meek – Chair, Senate Committee on Finance and Revenue Sen.MarkMeek@oregonlegislature.gov
Doug Grafe – Wildfire Programs Director, Office of the Governor Doug.C.GRAFE@oregon.gov
Kyle Williams – Deputy Director of Fire Operations, Oregon Department of Forestry Kyle.H.Williams@odf.oregon.gov
Milt Moran – President Oregon Forest Protective Association mmoran@cascadetimber.com
Brennan Garrelts – Chair Emergency Fire Cost Committee brennan.efcc@gmail.com
Bev Hansen - ELFPA Business Manager elanefpa@outlook.com

EAST OREGON FOREST PROTECTIVE ASSOCIATION
1919 JACKSON AVE
LA GRANDE, OR 97850

Cal Mukumoto, State Forester
Jim Kelly, Chair, Board of Forestry
Oregon Department of Forestry
2600 State Street
Salem, OR 97310

May 6, 2024

State Forester Mukumoto,
Chair Kelly,

The East Oregon Forest Protective Association (EOFPA) had their annual budget review meeting on April 23rd. During that meeting the association considered the ODF wildfire budgets for the Northeast Oregon and Central Oregon districts. As a result of those considerations, the EOFPA unanimously did not approve the budgets. This was the second year the association could not support the fire fighting budgets for the eastern half of Oregon.

This decision was not easy. The EOFPA and the local ODF districts have a long-standing working relationship and have collaborated for over 56 years to define and provide an adequate level of protection for landowners within the districts. The association does not want to damage that relationship by not approving the budgets but ultimately could not overcome the exorbitant cost increase for fire protection as presented.

In three years, from fiscal year 2022 to 2025, the base budgets have increased by over 47% or \$6,139,280.00. SB762 was intended to provide additional fire fighting capacity for all Oregonians but not create an undue burden on landowners. The landowner offset in SB762 was unfunded, forcing the landowners to shoulder an unacceptable burden for wildfire protection. We are thankful for the efforts of Senator Steiner and her workgroup as they attempted to fix the issue with HB4133, which failed because of a wording technicality.

The EOFPA is optimistic that the workgroup formed from the budget note contained in HB4133 can work towards a funding solution. Any changes made to the funding model will directly impact landowners represented by the EOFPA. As such, this association and its members are ready and willing to engage with and support this workgroup.

Cost increases have become untenable for the landowners in Eastern Oregon. As cost increases outpace the ability of the lands to generate revenue, these lands are shifting to non-traditional uses and are being developed to pay for the increases in protection. Working forests and ranches in Eastern Oregon are disappearing. Wildfire is a problem for all Oregonians. We urge you to voice our concerns to the Governor and Legislature and ask that you support our efforts to find a solution to update the funding of wildfire protection for all of Oregon.

Regards,



Jered Schwabauer
President EOFPA

John Breese, CO Vice President
Lance Barker, Treasurer Director
Doug Corey, Director
Roy Beyer, Director

Chris Heffernan, NEO Vice President
Chris Johnson, Director
Jeremy Gross, Director
Lynne Breese, Secretary

CC. Representative Julie Fahey
Representative Tawna Sanchez
Representative Jeff Helfrich
Representative Nancy Nathanson
Senator Rob Wagner
Senator Elizabeth Steiner
Senator Daniel Bonham
Senator Mark Meek

May 7, 2024

Cal Mukumoto
Oregon State Forester
2600 State St.
Salem, OR 97310

RE: FY 25 fire protection costs

Dear Mr. Mukumoto,

The Clackamas-Marion Forest Protective Association (CMFPA) voted unanimously to approve the North Cascades District budget for FY 2025. This unanimous approval was given to show our unwavering support of the outstanding results that NCAS District staff continue to achieve in providing fire protection services to private landowners.

However, as private landowners paying for this service, we are also deeply concerned about the continuing extreme growth in per acre costs. The rate of increases over the past two years is simply unsustainable. For example, in FY 2024 the protection rate increased an incredible 36%, and going into FY 2025 we are looking at a similar increase of 35%.

The NCAS District was catastrophically impacted by the Labor Day fires of 2020. The resulting loss of timber and reproduction has been and will continue to heavily influence landowners in the District. Simply put, landowners no longer have the same level of harvestable age timber to replace what has been lost, resulting in a drastically reduced ability to fund these ever-increasing wildfire protection costs.

The CMFPA represents landowners ranging in size from a few acres to hundreds of thousands of acres. The spiraling cost of fire protection may cause some landowners, large and small, to come to the difficult conclusion that this budgetary impact is unaffordable. The current complete and coordinated fire protection system is at risk of fracture if strained landowners pull out and provide their own Adequate Level of Protection at a lower cost. This would certainly lead to a cascading effect in which per acre costs increase yet again and additional landowners find alternative methods of controlling wildfire. I am particularly concerned about our federal partners at the Bureau of Land Management.

We would like to reiterate our sincere appreciation, support, and respect for the work that the NCAS District does on the ground in controlling wildfire and keeping fires small. Our close relationship is an incredible strength. However, our deep concerns regarding the cost of fire protection continue to rise. We urge your attention to a fair and equitable level of fire protection at a sustainable cost that allows working lands to be kept as working lands.

Thank you.



Jim Crawford, President
Clackamas-Marion Forest Protective Association



4690 Highway 20
 Sweet Home, Oregon 97386
 541-367-6108

President:

Caleb Brown
 Frank Timber Resources, Inc.

Vice President:

Jill Bell
 Weyerhaeuser Company

Treasurer/Secretary:

Meghan Thornton
 Campbell Global
 Franklin Clarkson Timber

Directors:

Milt Moran
 Cascade Timber Consulting, Inc.

Eric Kranzush
 Giustina Land & Timber Co.

Bruce Gibeau
 Giustina Resources, Giustina
 Woodlands & Lost Creek Timber

Stacey Whaley
 Linn County Parks

Scott Melcher
 Shadow Lane Timberlands

McKenzie Bredemeyer
 Sierra Pacific Industries

Christy Tye
 Small Woodlands

Randy Hereford
 Starker Forests, Inc.

Advisory Directors:
 ODF Area Director (SOA):

Bureau of Land Mgt:

US Forest Service:

Army Corp of Engineers:

Oregon Forest
 Industries Council:

Keep Oregon Green Association:

ODF:
 Interim District Forester:
Craig Pettinger

5/8/2024

Chair Kelly and Members of the Oregon State Board of Forestry
 State Forester Cal Mukumoto
 2600 State Street
 Salem, Oregon

Linn Forest Protective Association (LFPA) has been representing landowners within Linn County since 1911. We have been working hand in hand with South Cascade District staff to develop an adequate level of protection and maintain Oregon's complete and coordinated firefighting system. The private/public partnership between Oregon Department of Forestry (ODF) and local landowners is vital to this systems success over the years.

ORS Chapter 477 governs the process for private landowners to pay for an adequate level of protection at the local level. It was never intended to cover an adequate level of funding for administrative cost at Salem and Area level budgets. Budgets at the Salem and District level have representation from landowner, but the Area budgets are just a budget transfer line item that has NO landowner oversight. Area staff should present their budgets and allow landowners budget oversight so we know what we are paying for at the Area level. The graph below shows the Area budget transfer over the years.



As of May 6th, our budget has been approved and signed, however the new Western Oregon Operating Plan (WOOP) agreement has not yet been finalized between ODF

Providing Fire Protection in Linn County since 1911



4690 Highway 20
Sweet Home, Oregon 97386
541-367-6108

President:

Caleb Brown
Frank Timber Resources, Inc.

Vice President:

Jill Bell
Weyerhaeuser Company

Treasurer/Secretary:

Meghan Thornton
Campbell Global
Franklin Clarkson Timber

Directors:

Milt Moran
Cascade Timber Consulting, Inc.

Eric Kranzush
Giustina Land & Timber Co.

Bruce Gibeau
Giustina Resources, Giustina
Woodlands & Lost Creek Timber

Stacey Whaley
Linn County Parks

Scott Melcher
Shadow Lane Timberlands

McKenzie Bredemeyer
Sierra Pacific Industries

Christy Tye
Small Woodlands

Randy Hereford
Starker Forests, Inc.

Advisory Directors:

ODF Area Director (SOA):

Bureau of Land Mgt:

US Forest Service:

Army Corp of Engineers:

Oregon Forest
Industries Council:

Keep Oregon Green Association:

ODF:

Interim District Forester:

Craig Pettinger

and BLM. Depending on the outcome of negotiations between ODF and BLM, if the new agreement effects our protection level or the overall cost of protection, we should be allowed the opportunity to reassess our budget.

SB762 mandated an increase in the number of full-time employees in the district, surpassing the adequate level of protection identified in our external stakeholder study. This increase was implemented without any consideration for district staffs success in suppressing 96% of fires at 10 acres or less. Landowners are not just paying their share of this increase, but also now covering the \$15 million in General Fund offset that was missing from your biennial budget.

Large wildfire on USFS managed land adjacent to ODF protection have required large amounts of cost and energy to our district and ODF statewide. Over the course of FY24 our District spent over \$4.6 million on five fires that posed a direct threat to ODF protected lands. District spending wasn't the only contribution, LFPA member companies also spent a tremendous amount of time on the fire line protecting their timberlands instead of their regular job requirements.

LFPA members believe it's time to overhaul the complicated wildfire funding model that's in place to provide for fire prevention and protection. The new model should take into account that a bigger portion of our fire cost have been driven by large fires moving from USFS lands onto ODF protected lands. This new funding models should still have the excellent partnership between ODF and private landowner that has been working for over 100 years.

Respectively,

Caleb Brown
Linn Forest Protective Association - President

ROGUE FOREST PROTECTIVE ASSOCIATION

5286 Table Rock Road Central Point OR, 97502
(541) 664-3328 FAX (541) 664-4340

Officers:

President:

Mikaela Gosney

Vice Presidency:

Darin McMichael

Sec.-Treas.:

Mike Meredith

Directors:

Mike Backen

Ed Fallon

Mikaela Gosney

Todd Marthoski

Darin McMichael

Jeremy Kennedy

Justin Kostick

Whitney Henneman

Mike Meredith

Dave Streeter

Tom Young

Advisory Directors:

Kristin Babbs

Dan Quinones

Dave Larson

Chris Glode

District Forester

Dave Larson, *Acting*

Members:

Bureau of Land Mgt.

Chinook Forest Mgt.

FWS Forestry

Green Diamond

Manulife Investment Mgt.

Josephine Co. Forestry

Lone Rock Timber Co.

Miller Ranch

Murphy Timber Invest.

Silver Butte Timber Co.

Siskiyou Cascade Group

Snowy Butte Timberlands

Stanley Ranch

Members of:

Keep Oregon Green

OFIC Protection

Committee

May 2, 2024

Cal Mukumoto

State Forester

Oregon Department of Forestry

2600 State Street

Salem, OR 97310

Dear Mr. Mukumoto,

I am writing to you on behalf of the Rogue Forest Protective Association (RFPA) regarding the 2025 Protection Budget for the Oregon Department of Forestry Southwest Oregon District, serving Jackson and Josephine counties. Once again, the RFPA Board of Directors is facing the challenge of the rising cost of wildland firefighting and daily business on this extremely fire-prone district. With no real fire funding fix on the horizon, we are prompted to express our concerns for the viability of this funding structure moving forward.

The Southwest Oregon District's fiscal year 2025 budget comes out to \$12,270,130, a \$1.8 million increase from two budget cycles ago. While rates have slightly decreased on the district this year, it's due to the completion of the final stages of a Forestland Classification process in Jackson County and will not provide long-term relief or a reversal of the burden on landowners. Historically, the fiscal budget has not generated enough revenue to keep up with the cost of providing an adequate level of protection, and with this process complete, it's another example of the inadequacies of this funding structure.

Overall, costs increased across the board; Services & Supplies and Transfers increased by \$296,272, Motor Pool increased by \$160,802 (17%), RSU/Telecommunications increased by \$115,591 (30%), Area Management increased by \$52,348 (42%), totaling more than \$600,000 in higher costs. Salem and Area management costs are over \$1 million. With the continuous rise in inflation as well, these increases are not sustainable.

The district is also tasked with continuing to find the funding for positions gained through Senate Bill 762. The additions were long overdue and are appreciated, however the one-time funding for them has left the district with rising costs and no funding solutions.

The RFPA Board of Directors all stand in agreement that rising costs of wildland firefighting is an issue that needs to be addressed immediately by the Department of Forestry and its Board. The dramatic changes in wildfire and the costs to provide an adequate level of protection on this District cannot be carried by landowners if rates continue to skyrocket; a change in fire funding is needed. Wildfire affects all Oregonians, and we believe a long-term, equitable funding fix is becoming overdue. Although the RFPA Board approved the 2025 protection budget, we have deep concerns regarding sustained funding challenges that exist on the Southwest Oregon District and throughout Oregon. While we as a Board fully support the tireless work this district does to protect its communities and resources, we also feel it is imperative to find a solution to the unbalanced burden in wildfire funding that exists in Oregon.

The RFPA Board of Directors submits this letter respectfully to you and the Board of Forestry. We request a written response at your earliest convenience.

Sincerely,



Mikaela Gosney, President

Rogue Forest Protective Association

**OREGON DEPARTMENT OF FORESTRY
HEARING OFFICER'S REPORT
NEO District FY25 Budget**

Date: April 16, 2024
To: Oregon Department of Forestry
From: Kay Rinker
Subject: Hearing Officer's Report on FY25 NEO District Fiscal Budget

Hearing Date: April 16, 2024

Hearing Location: Northeast Oregon District office
Virtual through TEAMS

Public hearings to receive comments on rulemaking for the FY25 NEO District Fiscal Budget were convened in-person and via zoom on April 16, 2024. Written testimony was received until April 23rd, 2024 at 5:00 pm.

Serving as hearing officer was Oregon Department of Forestry NEO District Forester Matt Howard. There were no members of the public in attendance at the hearing.

Before receiving oral comments, the hearing officers briefly summarized the purpose for the hearings, described the role and limitations of the Hearing Officer, and outlined requirements of the Department when making recommendations to the Board of Forestry. Attendees were also notified that the proceedings of the public hearings were being recorded. Written comments were accepted through April 23, 2024.

Summary of Oral Comments

April 16, 2024 – No members of the public attended the hearing.

Summary of Written Comments

After the hearing we received 3 written testimonials from current NEO Budget Committee members. All 3 voted "No" on the current budget that was submitted as it depicted a higher rate than last year that they voted down.

Summary of reasons for the "No" vote are:

- Discouraged about SB4133 not passing due to a wording technicality
- Rate increase last year due to the governor not funding the SB762 offset
- Timber industry losing more money than being made

Suggestions that were mentioned in their written testimonials are:

- Cost of fire protection should be shared by all Oregonians as all are affected by wildfire
- Union should set COLAs as an indexed rate, not a negotiated rate
- Urges us all to look at creative ways to cut costs such as reducing the ACC, reducing deductibles, eliminating capital improvements and engine builds, reducing fire staff and utilizing forest resources staff.
-

Although the letters express their support for the level of service provided by NEO District, they urge us to look at creative ways to cut costs and increase revenue while providing the current adequate level of protection.

Hearing Officer
Matt Howard

RINKER Kay * ODF

From: Bobby Corey <bobbycorey7@gmail.com>
Sent: Tuesday, April 16, 2024 9:32 AM
To: RINKER Kay * ODF; HOWARD Matt * ODF
Subject: Public Hearing testimony

Dear State Forester Mukumoto,

I am writing in opposition to the proposed Fire Budget for NEO. On April 1, Matt Howard and other fire managers within NEO presented a budget to the Budget Committee that was unacceptable by the committee. I voted no on the budget for multiple reasons. Without the passage of SB 4133, due to a simple wording technicality, landowners statewide were hit with rate increases to make up the gap in funding. That is unacceptable. Landowners statewide are already paying very high rates for fire protection, had a large increase in rates in 2023 due to the Governor not funding the SB 762 offset, combined with the present climate of the Agriculture/Timber industry in this country that is losing more money than is being made, makes this rate increase a hard pill to swallow. I truly enjoy working with Matt and his staff throughout the entire district and do not believe they are at fault for this rate increase. This rate increase comes directly from Salem, the Governor, and the debacle of SB 4133 at the end of the short session.

Bobby Corey
Cunningham Sheep Co
Pendleton Ranches
ODF NEO Budget Committee member

--

Bobby Corey
541-377-1313
bobbycorey7@gmail.com

April 15, 2024

Board of Forestry

RE: NEO Budget Testimony in Opposition

My name is Pat Sullivan. I am a landowner in the Burnt River Valley and Fire Chief for the Unity/Burnt River Fire and EMS Department. Which double covers approximately 110,000 acres of range ground and 30,000 acres of timber ground that is also protected by ODF. What is also more important to the subject of the NEO budget is that I am a 38-year member of the budget committee.

On April 1 our district forester presented a budget to the budget committee and asked for our approval that carried a higher rate than the last prior year's budget which we did not approve. I originally thought it was an April Fool's joke, but after about half an hour, I realized this is no joke. This budget was presented to us with full knowledge of where the committee stood, as he had met with committee members one on one prior to the formal budget meeting.

It is the responsibility of the budget committee to represent the landowners of the district and knowing that landowners could not afford the rates that were proposed. Instead of just voting the budget down the committee took a positive solution-based approach to rate reduction. In hopes that we could get to a rate that our landowners could tolerate, the recommendations that the committee discussed for four hours included reducing our cash carry over, reducing deductibles, eliminating capital improvements (engine builds), and even went as far as looking at a reduction in staffing or at least allowing the landowners to utilize fire fighters from forest practice projects (ie thinning, tree marking, etc). All the proposals the committee looked at would have brought positive rate relief along with a positive landowner perception of ODF. ODF perception today is that the ODF landowner partnership has declined to just ODF and the landowners check book.

In the end all proposed recommendations were rejected, and the committee voted to reject the budget as presented. To add insult to injury our District Forester announced his retirement a week after the budget meetings.

With everything said I am asking the Board of Forestry to not approve the Northeast budget without first sending it back to district management to fully consider the recommendations of the budget committee that in my opinion could produce rate relief without lowering level of protection.

Thank You,

Pat Sullivan

buckmup@ortelco.net

(541) 519-1064

To: Oregon State Forester Mukumoto

From: Chris Cunningham/ NEO Advisory Budget Committee member.

April 23, 2024

Dear State Forester Mukumoto

As you are aware on April 1st of this year the NEO Budget committee voted no on the District Budget as presented. In my view Matt Howard did an exceptional job of presenting the budget and defended the role of the district to provide an "adequate level of protection".

I voted no for a number of reasons and would request that the State Board of Forestry work diligently to provide landowner relief in some form. Fire and the consequences of fire are and will always be a state issue. Highly urbanized areas and industries (wine) suffer huge consequences from wildland smoke and fire. Your rural second cousins suffer serious losses also with infrastructure and livestock loss. The cost of wildfire suppression and control should be shared by all Oregonians not just those that stewardship the land that wildland fires love to visit.

A number of years ago I worked diligently in Wallowa Counties Reclassification efforts. We captured unassessed acres on the grounds of fairness and equitable distribution of costs associated with fire suppression. We convinced our neighbors and friends that this was good business and good for them. Since we reclassified these acres I have to look those same neighbors in the eye and try and explain to them why their assessment has increased over 100 percent. That is a very hard thing to do and quite frankly very unsustainable. Its imperative that the state Board of Forestry and the Legislature figure this out.

Another reason I voted no was the Unions involvement with negotiating COL increases for State Employees. I deeply respect and appreciate State Forestry Employees. Our Firefighters need to be compensated fairly and equitably and their wages definitely need to keep up with inflation, but COL needs to be an indexed rate not a negotiation. It is a number. It has a real meaning and is not subject to feelings and interpretation.

I urge all of us to look at creative ways to cut costs and increase revenue from other State sources while all of us strive to maintain an adequate level of protection.

Respectfully

Chris Cunningham

NEO Budget Committee member

MINUTES OF PUBLIC BUDGET HEARING

Covering Period: July 1, 2024 to June 30, 2025

Western Lane District

In accordance with ORS 477.255, the Public Budget Meeting for the above-named fire district was held on April 29, 2024, at 9:00 a.m., at the Western Lane District. John Deegan acted as Chair and Andrea Lively acted as Secretary.

The following persons were in attendance:

none	

The meeting was called to order by the Chair at 9:00 a.m., with an explanation of the purpose of the meeting. The Chair invited comments/discussion relative to budget or protection matters from those present.

The meeting adjourned at 9:05 a.m.

Signed 
Secretary

**OREGON DEPARTMENT OF FORESTRY
HEARING OFFICER'S REPORT
KLD District FY25 Budget**

Date: May 09, 2024

To: Oregon Department of Forestry

From: Trista Batten

Subject: Hearing Officer's Report on FY25 KLD District Fiscal Budget

Hearing Date: April 25, 2024

Hearing Location: Klamath Community College

Virtual through ZOOM

Public hearings to receive comments on rulemaking for the FY25 KLD District Fiscal Budget were convened in-person and via zoom on April 25, 2024.

Serving as hearing officer was Oregon Department of Forestry KLD District Forester Teresa Williams. There were no members of the public in attendance at the hearing.

Before receiving oral comments, the hearing officers briefly summarized the purpose for the hearings, described the role and limitations of the Hearing Officer, and outlined requirements of the Department when making recommendations to the Board of Forestry. Attendees were also notified that the proceedings of the public hearings were being recorded. Written comments were accepted through April 25, 2024.

Summary of Oral Comments

April 25, 2024 – No members of the public attended the hearing.

Summary of Written Comments

After the hearing we received no written testimonials from current KLD Budget Committee members. All voted "Yes" on the current budget that was submitted.

Hearing Officer
Teresa Williams

OREGON DEPARTMENT OF FORESTRY

HEARING OFFICER'S REPORT

Central Oregon District FY25 Budget

Date: May 21st, 2024

To: Oregon Department of Forestry

From: Gina Miner

Subject: Hearing Officer's Report on FY25 Central Oregon District Fiscal Budget

Hearing Date: May 1st, 2024

Hearing Location: Prineville Office – COD Virtual through Zoom

Public hearings to receive comments on rulemaking for the FY25 COD District Fiscal Budget were convened in-person and via zoom on May 1st, 2024. Written testimony was received until May 8th, 2024 at 5:00 pm.

Serving as hearing officer was Oregon Department of Forestry COD District Forester Rob Pentzer.

There were five members of the public in attendance at the hearing.

Before receiving oral comments, the hearing officers briefly summarized the purpose for the hearings, described the role and limitations of the Hearing Officer, and outlined requirements of the Department when making recommendations to the Board of Forestry. Attendees were also notified that the proceedings of the public hearings were being recorded. Written comments were accepted through May 8th, 2024.

Summary of Oral Comments

May 1st, 2024 – The summary of the written comments is that the current funding structure is not sustainable, the growth of the budget is outgrowing the value of the land in Eastern Oregon, the hard work of the District is seen and valued but a funding fix needs to happen.

Summary of Written Comments

After the hearing we received seven written testimonials from current COD Budget Committee members. All seven voted “No” on the current budget that was submitted as it is not sustainable for them even with the lower rate this year.

Summary of reasons for the “No” vote are:

- Discouraged about HB4133 not passing due to a wording technicality
- Rate increase last year due to the legislature not funding the SB762 offset
- Protection of the assets has outpaced the value of the timber and grazing profits

Suggestions that were mentioned in their written testimonials are:

- Cost of fire protection should be shared by all Oregonians as all are affected by wildfire

- Landowners are looking at other avenues of protection such as rangeland protection associations versus the high costs of the Oregon Department of Forestry

Hearing Officer

Rob Pentzer

Roy M. Beyer
Wine Down Ranch, LLC
6500 NE McKay Creek Rd
Prineville, Oregon 97754

May 1, 2024

To Whom It May Concern:

My name is Roy Beyer and my wife and I own Wine Down Ranch north of Prineville in Crook County. I have been a member of the Central Oregon District, Oregon Department of Forestry (ODF) budget committee for 10 years. The ranch has 2000 acres of either forest or grazing classified acres for the state of Oregon (ODF) fire patrol assessment. We have managed the forested acres by thinning and juniper cutting to reduce the wildfire hazard potential. We also have a herd of cattle and graze the property to reduce the grasses and fine fire fuel levels.

For the years before budget year 2023, the assessment rates have been relatively stable with some slight increases and decreases based on the level of fire activity from the previous year. With the passage of "SB762", the additional staffing hires and budget transfers to the Salem ODF office has resulted in an increased annual budget requirement for the Central Oregon District of almost 2 million dollars. For the fiscal year 2023, "SB762" came with some general fund dollars to cover the extra expenses required by the act. For the FY 2025 budget year, there is no proposed state budget funding to cover these extra "SB762" budget dollars and the legislature did not provide an alternative funding mechanism to give the landowners a rate relief to cover these increases. This increase in funding is being passed to the private forest and grazing landowners. **This is not right and/ or equitable.**

Private forest landowners like myself cannot afford the increase in fire patrol costs that the legislature and the Oregon Department of Forestry have proposed for the 2025 budget year. Our private forests in central Oregon have almost no monetary stumpage value due to low delivered log prices for ponderosa pine and the high transportation costs because of no local log processing mills in central Oregon. The benefits that come from keeping these forests "green" come as carbon sequestration, fish and wildlife habitat, clean air and water, aesthetics and keeping working lands working and not in new home sub-divisions. These are basically public values and benefit all Oregonians.

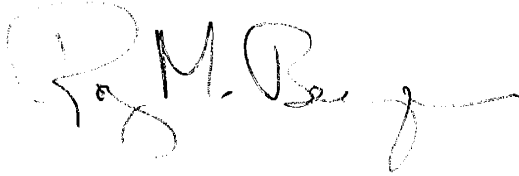
I would propose that the Oregon State Board of Forestry should spend some time to promote the economical use of the east side forests of Oregon instead of putting more regulations in place that limit our chance to economically manage our east side forests. Maybe there are opportunities to enhance the biomass usage as credits toward the funding rates. Another suggestion is carbon credits or "CRP" monies that would go to help off-set the high timber and grazing rates in central and eastern Oregon.

The Oregon Department of Forestry fire fighting and protection division required funding should be continued to be funded by all Oregonians and the legislature needs to identify a new and equitable way to provide the funding resources to protect these public values. If they do not, then private forest ownership in central Oregon will be reduced to small acres and a lot more new homes in the forested areas.

As a budget committee member of the Central Oregon District of ODF and a dues paying member of the East Oregon Forest Protection Association, I voted "no" twice to the approval of the "Central Oregon District Fire Protection Fiscal Year 2025 Budget". The fire funding budgets are an Oregon problem that is being passed onto the forest and grazing landowners. An all Oregon funding solution needs to be proposed and passed to cover this Oregon problem.

Thank you for your time and consideration.

Roy M. Beyer

A handwritten signature in black ink that reads "Roy M. Beyer". The signature is written in a cursive style with a long horizontal flourish extending to the right.

1 May 2024

To: Oregon Department of Forestry

RE: Board of Forestry Testimony in response to Central Oregon District Department of Forestry Budget.

I am John Breese; my wife Lynne and I ranch out of Prineville in Crook County. I am a member of the East Oregon Forest Protection Association. We recognize that the Unit and District foresters have a strong ethic to protect our timber and range. They are dedicated and strive to do their best for the public they serve. As good stewards of grazing and timber, we also recognize the need to pay our fair share of the costs to protect our private lands.

The proposed ODF agency request budget in the 2022 long session of the legislature included a policy option package for a forest landowner offset, to help pay for additional ODF positions related to Senate Bill 762. Unfortunately, it was left out of that current proposed budget package. East Oregon landowners believed this was a mistake.

SB 762 directed investment to nine agencies for the purposes of implementing a statewide comprehensive strategy to promote wildfire risk reduction, response and recovery. Wildfire was recognized as a statewide problem, that dictated a statewide funding solution. The 2023 short session legislature came up short for funding to relieve land owners and correct the shortsighted response to fire funding in Oregon.

Wildfire response at the local level is shared between the state and landowners at a 50/50 split. The statewide need for additional capacity was supposed to be covered by an additional \$15,000,000 of General Fund. This was to provide for the purpose of covering landowner assessment rates that would have gone up due to the increased wildfire response capacity.

Unfortunately, this current budget removes that general fund offset money. This means more money will have to come from the landowners in protection districts and associations.

In the East Oregon Forest Protective Association that I am a representative, our costs per acre will go up depending on the district. That's the floor; final rates this year are very likely to be higher. Statewide, landowners protected by ODF will face the same ratio rate increases. The ability of these lands to pay for themselves continues to diminish in light of inflation, increasing business taxes, cost of goods, transportation,

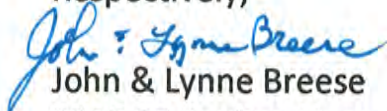
loss of local mills and many other factors that make keeping forestlands as forestlands a losing proposition.

Crook County is in a drought. Many ranchers like us, may reduce cattle numbers, but grazing assessment will likely go up. Timber management is even worse. On our 2000-acre timbered ground, trees are dying from heat and moisture stress. Logging costs are higher than mills are willing to pay for pine. We have few management options. Yet we are faced with ever increasing timber assessment. This is not sustainable for us as a family ranch. For the last ten years our forest's annual basal area growth per acre has been less than the increased annual per acre ODF fire assessment rate. This is before the SB 672 offset may be added to our assessment. Many Central and Eastern Oregon small woodland forests owners occupy lower class timber ground, and therefore don't have the potential to grow productive timber to compensate the steady increase in assessment rate. The assessment rate is going up faster than we can grow trees. We have gotten to where it is no longer profitable to produce timber on these lands in Central and Eastern Oregon. If we can't raise forest land sustainably under these current conditions, how can the state expect there to be timber available for future generations?

Forest Protective districts recognize and support a need for increased fire capacity statewide. That was predicated on the idea, landowners wouldn't be asked to shoulder the extra financial burden. Without the general fund offset it is very unlikely the ODF district budgets will be approved by local forest protective associations. This will be almost unprecedented that all associations East of the Cascades will disapprove the proposed district budgets.

We ask for the continued recognition that wildfire is a statewide problem, addressed by a statewide funding solution.

Respectively,



John & Lynne Breese

3315 SE Paulina Hwy

Dixie Meadow Company

Prineville, OR 97754



April 30, 2024

To Whom it May Concern:

I am writing this letter to briefly explain my vote to not approve the FY 2025 Forest Patrol Assessment Budget as presented earlier this month.

This decision was not made lightly as I greatly appreciate the excellent work the Central Oregon District does on a consistent basis. I have been associated with the COD budget committee for over two decades now and I can say without reservation that working with many individuals within the department has been very rewarding. Their dedication to their job means a lot to me as a timberland manager here.

We timberland owners in central/eastern Oregon face an uphill battle keeping our working forests working. We have been hit very hard with a tremendous increase in the cost of state fire protection for the past two budget cycles, rampant inflation in every sector possible, and a barely viable milling infrastructure. This past winter I was cleaning out old paperwork from some file cabinets and came across a log purchase agreement from Crown Pacific in Gilchrist dated March 15, 1993. At that time, Crown Pacific was paying \$325/mbf for 6"-11" ponderosa pine. I have a current log purchase agreement with Gilchrist Forest Products paying \$335/mbf for 6"-11" ponderosa pine. I am stuck with an eight load per pay quota till at least the end of the 2nd quarter. I am lucky that I at least have one sawmill to deliver some small diameter ponderosa pine, many timberland owners in the region do not have that option.

A friend told me a joke the other day that a timberland owner who grew the most condos was awarded the tree farmer of the year in Central Oregon. With most big pine off the market and very few sawmills working in the region, we have had a very tough go of it for 30 some years and we are approaching the breaking point.

It is these economic realities that force me to not approve the Central Oregon District Budget.

I hope to someday see an equitable sharing of the costs of fire protection in our region.

Thank you kindly for your time and consideration,

Chris Johnson

Shanda Asset Management LLC

Executive Director Timber Operations

EAST OREGON FOREST PROTECTIVE ASSOCIATION
1919 JACKSON AVE
LA GRANDE, OR 97850

Cal Mukumoto, State Forester
Jim Kelly, Chair, Board of Forestry
Oregon Department of Forestry
2600 State Street
Salem, OR 97310

May 6, 2024

State Forester Mukumoto,
Chair Kelly,

The East Oregon Forest Protective Association (EOFPA) had their annual budget review meeting on April 23rd. During that meeting the association considered the ODF wildfire budgets for the Northeast Oregon and Central Oregon districts. As a result of those considerations, the EOFPA unanimously did not approve the budgets. This was the second year the association could not support the fire fighting budgets for the eastern half of Oregon.

This decision was not easy. The EOFPA and the local ODF districts have a long-standing working relationship and have collaborated for over 56 years to define and provide an adequate level of protection for landowners within the districts. The association does not want to damage that relationship by not approving the budgets but ultimately could not overcome the exorbitant cost increase for fire protection as presented.

In three years, from fiscal year 2022 to 2025, the base budgets have increased by over 47% or \$6,139,280.00. SB762 was intended to provide additional fire fighting capacity for all Oregonians but not create an undue burden on landowners. The landowner offset in SB762 was unfunded, forcing the landowners to shoulder an unacceptable burden for wildfire protection. We are thankful for the efforts of Senator Steiner and her workgroup as they attempted to fix the issue with HB4133, which failed because of a wording technicality.

The EOFPA is optimistic that the workgroup formed from the budget note contained in HB4133 can work towards a funding solution. Any changes made to the funding model will directly impact landowners represented by the EOFPA. As such, this association and its members are ready and willing to engage with and support this workgroup.

Cost increases have become untenable for the landowners in Eastern Oregon. As cost increases outpace the ability of the lands to generate revenue, these lands are shifting to non-traditional uses and are being developed to pay for the increases in protection. Working forests and ranches in Eastern Oregon are disappearing. Wildfire is a problem for all Oregonians. We urge you to voice our concerns to the Governor and Legislature and ask that you support our efforts to find a solution to update the funding of wildfire protection for all of Oregon.

Regards,



Jered Schwabauer
President EOFPA

John Breese, CO Vice President
Lance Barker, Treasurer Director
Doug Corey, Director
Roy Beyer, Director

Chris Heffernan, NEO Vice President
Chris Johnson, Director
Jeremy Gross, Director
Lynne Breese, Secretary

CC. Representative Julie Fahey
Representative Tawna Sanchez
Representative Jeff Helfrich
Representative Nancy Nathanson
Senator Rob Wagner
Senator Elizabeth Steiner
Senator Daniel Bonham
Senator Mark Meek

April 29, 2024

RE: Oregon Department of Forestry, Central Oregon District-Fiscal Year 2025 Proposed Budget

Rob Pentzer, District Forester, Chair Kelly, and Members of the Oregon State Board of Forestry

Thank you for the opportunity to provide these written comments to be submitted at the May 1, 2024, Central Oregon District (COD)- FY 2025 Budget Hearing.

My wife and I own land (a mix of Timber and Grazing Assessments), near Dufur, Oregon protected by Central Oregon District- ODF.

Once again, the Board of Forestry, ODF, the Oregon Legislature, and The Governor have all failed miserably to “stop the bleeding” resultant from the carryover effects of SB-762 not being fully funded by the Oregon General Fund.

The net effect of the above inaction, combined with State Agency mandates and inflation has resulted in a proposed FY 2025 COD Budget Rate Per Acre increase to the landowner of 34% for Timber and 105% for Grazing as compared to FY 2023 (Pre- SB-762).

Landowner Rates in COD have risen nearly 90% since 2015. The value of our Timber and Grazing assets and the return on investments in the land have definitely not increased by 90% during this same period! ODF fire protection is critical but fast becoming financially impractical because of the above.

It has been stated many times in many circles that a revamping of ODF wildland fire funding and Oregon’s overall funding of wildland fire protection is needed for the future. No other state in the country places such a financial burden on forest landowners, particularly non-industrial landowners such as

ourselves. We need to pay our fair share of the direct services provided, but not suffer from the political “hot potato” created by SB-762, the lack of action, and budgetary/legislative blunders.

ODF-Central Oregon District is critical should a wildland fire start on/or near our Ranch...like so many other landowners we cannot pencil out or support the Proposed FY-2025 COD Budget. Landowners should not be required to bear the financial burdens due to a lack of action. From a landowner perspective, this seems to be Oregon’s long-term strategy...whereby landowners will just accept the burden now and it will become the norm as time and future budgets move forward.

Thanks for considering this input and I look forward to your resolution of this issue.

A handwritten signature in black ink, appearing to read "Bill Hunt", followed by a long horizontal line extending to the right.

Bill Hunt

**Bella Valley Ranch
80560 S. Valley Rd.
Dufur, Oregon 97021**

May 6, 2024

Rob Pentzer
District Forester
Prineville, OR

RE: Oregon Department of Forestry Central Oregon District proposed budget for 2025

After reviewing the information presented at the budget meetings this Spring I would like to provide comments regarding the proposed 2025 fire protection budget for the Central Oregon District (COD) and the Oregon Department of Forestry. As proposed, the forest landowners in the Central Oregon District will continue to bear a significant increase in the assessed fire protection rate which is substantially higher due increased fire administration expenditures created by SB-762. While the State provided state general fund support for the first year of SB-762 measures, the support was discontinued.

Both the FY24 and FY25 COD budgets with unacceptable budget increases did not pass the COD landowner budget committee votes. The COD budget has forced Landowners with Forestland to absorb a 56% increase in fire protection costs in 4 years! The funding for wildland fire in Oregon is out of balance and unrealistic.

Over the past year Hood River County leaders participated in legislative efforts to craft a new wildand fire funding model. However, the Oregon leadership starting with the Governor and Legislature failed forestland owners across the state miserably. After wasting countless meetings and hours, the preferred solutions were torpedoed, even though many promising concepts and alternatives were evaluated and presented. These solutions were derived with the participation of constituents across the state and shows the Salem leadership is unwilling, disconnected and unresponsive.

While SB-762 had Oregon's public in mind after the fires of 2020, it is completely unfair that landowners and Hood River County bear this level of the public's burden when it comes to wildfire protection. In Hood River County's case, the County actively manages the County Forest through the sale of timber to help fund the public services the County provides. In addition, the County Forest provides some of the best recreational opportunities in the state with the popular trail system while also providing quality fish and wildlife habitat, all values the Oregon Public support. Due to our management and increased access, fire suppression ability by the state is greatly enhanced. Yet, in contrast, Hood River County is saddled with an antiquated fire protection billing system which makes public forest landowners pay double the rate private landowners pay. This needs to be corrected and changed. This double rate double punishes the citizens of Hood River County and is completely unfair. The double rate robs funding that should be used for the support of local social services that only the County provides to its residents.

Oregon has placed the burden of providing many social-economic and natural resource benefits on forest landowners while charging extreme rates for fire protection, even double for Hood River County. It is time to rework the wildland fire funding system so all the citizens of the state fairly share in the cost of wildland fire protection in Oregon. Not just saddle the majority burden of fire protection costs on the forest and grazing landowners.

I urge the Oregon Department of Forestry and State leadership to provide short term and long term funding assistance while finding an equitable solution for effective fire protection in Oregon. This is something all Oregonians will support, however to this point, state leadership fails to see the benefits and importance of an equitable wildland fire funding system.

Sincerely,

Douglas M. Thiesies
Forestry Director
Hood River County Forestry
541-387-6888

GUSTAVESON Dustin * ODF

From: Ross Ryno <rossryno@hotmail.com>
Sent: Tuesday, April 30, 2024 11:21 AM
To: PENTZER Rob S * ODF; GUSTAVESON Dustin * ODF
Subject: Fwd: COD Letter of Opposition from Ross Ryno

Thank You, Ross Ryno

From: P. Toney Ryno <toneyryno@hotmail.com>
Sent: Tuesday, April 30, 2024 11:18:24 AM
To: Ross Ryno <rossryno@hotmail.com>
Subject: COD Letter of Opposition from Ross Ryno

ATTN: Board of Forestry

Regarding: COD Letter of Opposition

April 25, 2024

Dear Directors,

Hello, my name is Ross Ryno and I serve as one of eleven budget committee members in the Central Oregon District. I am also a ranch and timberland owner in Wheeler and Crook counties.

I am writing to state my opposition to the proposed FY 25 Budget after reviewing the budget, understanding the needs of the district, and the unreasonable financial burden this puts on the landowners. It is my opinion that the board must vote no on the proposed budget.

Throughout Oregon, our local budget committees are trusted to represent our fellow taxpayers. These local committees have stood up for those they represent voicing concerns that rates are too high and that the current budget and funding model is not functional let alone sustainable.

I challenge the Board of Forestry, our elected officials, and ODF agency leadership to find a realistic funding model which allows ODF to operate fully, maintain their aging facilities, provide an “adequate level of protection” without breaking the private timber and grazing landowner. The overall budget in 2015 was 6.3 million dollars, compared to the proposed 2025 budget of 11.7 million dollars.

The current rate on our eastern Oregon ranges and slow growing east side timberland is unsustainable—these costs will ultimately force many families and small operators to sell their land in search of lower taxes. This rate has grown drastically since fiscal year 2015. At that time, the per acre rate was \$1.62 per acre. Compare that to FY 2024 at \$3.03 per acre—**this is an 87% increase in 9 years.**

Thank you for your time,

Ross Ryno

Ross Ryno
37949 Richmond Road
Spray, Oregon 97874
May 29, 2024

State Forester Mukumoto:

Hello, my name is Ross Ryno. My family and I raise cattle and have significant timberland in Wheeler County, Oregon. I also sit on ODF's Central Oregon District on the budget committee. Prior to our May 1st budget hearing, I submitted a letter which I hope you had the opportunity to review. I am appealing the COD budget.

Suffice to say, our current funding model is not functional for the long-term. As you are aware, our rates continue to climb. This is par for the course, with cost of living, fuel, etc. ODF's budget will have to adjust annually, yet, since passing SB 762 the costs have jumped drastically. At around a 90% increase since 2015, this change cannot continue! In reality, the rate needs to backpedal in the other direction. Oregon must find an approach to reasonably fund ODF. I understand that Senate bills are passed with the good of the whole state in mind, that the general public doesn't want smoke in the air, and they appreciate healthy forests. However, private forest landowners cannot afford to pay for this.

On our own family ranch, we personally will pay close to \$93,000 which is down from \$125,000 last year as we had to sell some land. This bill is just to ODF (not including all the other taxes and fees paid elsewhere). Add this cost to the already rising cost of fuel, supplies, etc. all in this terrible uptick of rising costs. We use these timberlands to graze cattle. During our ownership, we have not been able to afford to log with low markets and high operation costs. That being said, if there was a cost-effective way to sell logs and actually make this a working forest where the trees paid the assessment rate, our slow growing east-side timber would not sustain an annual harvest capable of netting enough money to pay the current assessment rate even still.

I don't know how to fix this entirely, perhaps a more general fund assessment based on local markets reflecting timber value, site location, and timber growth potential. I do know there was movement this winter to try and correct the funding model at the state level. Bills got close but didn't pass. As a budget member, I see both sides. ODF has not been able to run at capacity. You can see old failing buildings, the need for better equipment that will put out fires, and many needs within our Central Oregon district certainly.

As I kept track of house bill 4133 this winter, I read many articles both for and against the bill. One thing that stood out was this idea of "Big Timber" getting a break. I represent my family and many other family operations in Oregon who aren't "Big Timber". They failed to note that since SB 762, our rates have doubled. This bill was an opportunity to get back to near normal. We are small timberland owners paying very high rates that we can't afford. We continue to see families here forced to sell to large corporations looking for a tax write-off. These corporations often do nothing with the land and do not establish roots in our community, provide jobs, or manage the land appropriately for wildlife or fire.

I thank you for your time. We are busy with cattle this weekend so I won't be able to attend the board's meeting in Troutdale but look forward to hearing how it went. With your efforts, hopefully the state can rewrite this system as these costs are becoming a major deterrent to private land ownership and moreover a disincentive to owning lands within the state of Oregon.

Thank you for your time and consideration,

Ross Ryno
Double Bar Land

BEFORE THE OREGON BOARD OF FORESTRY

In the Matter of:

**Central Oregon District Budget
Appellant Ross Ryno**

)
)
)
)
)
)
)
)

FINAL ORDER

Introduction

On May 29, 2024, Mr. Ross Ryno submitted an appeal of the fiscal year 2025 Central Oregon District budget, in accordance with ORS 477.260. Mr. Ryno’s appeal letter was submitted in writing and was received by the Department of Forestry within 30 days of the public budget meeting, satisfying the requirements of ORS 477.260(1) and OAR 629-041-0035(1).

This is the Board of Forestry’s final order in this matter.

In his letter, Mr. Ryno expressed the following points, in summary:

1. The current funding model is not functional for the long-term.
2. There has been around a 90% increase since 2015, and a drastic increase from SB 762.
3. Suggests that a more general fund assessment based on local markets reflecting timber value, site location, and timber growth potential might be a solution.
4. Understands that ODF has not been able run at capacity and the needs on the local district for better equipment and newer infrastructure.

Statutory Authority

Consistent with the statutory direction of ORS 477.235, each year in January, staff at the Department of Forestry in Salem and staff at each forest protection district begin developing a fire protection budget to fund activities for the upcoming fiscal year (July 1st – June 30th). During the development process, district budget committees, established under ORS 477.240, analyze, and review the draft budget prior to making recommendations to the District Forester. The budget committee then carries the final recommended budget to the Board of Directors of the Forest Protective Association for consideration at the annual spring association meeting. Additionally, each district holds a public budget meeting in accordance with ORS 477.255 for any landowners affected by the budget to provide an opportunity for any additional public comments on the budget.

The district then submits its protection budget to the State Forester for official approval by the Board of Forestry in June, as provided in ORS 477.265. The Board of Forestry does not have the authority to use or obligate funds beyond the authority granted through the biennial budgeting process by the Oregon Legislative Assembly.

Findings of Fact

The State Board of Forestry finds:

1. Ross Ryno is an owner of forestland within the Central Oregon District.
2. On May 1st, 2024, seven members of the Central Oregon District Budget Committee voted “no” on the fiscal year 2025 Central Oregon District budget.
3. On May 1st, 2024, the Central Oregon District conducted a public budget meeting in accordance with ORS 477.255.
4. On May 29, 2024, Mr. Ross Ryno submitted a request, in writing, to appeal the recommended budget in accordance with ORS 477.260 and OAR 629-041-0035(1).
5. Mr. Ryno specifically stated the issues with the proposed Central Oregon District budget and the remedy sought.

Conclusions of Law

The State Board of Forestry is obligated to annually review the forest protection district budgets, make any changes in the budgets that are proper and consistent with law, and pass final approval on all district budgets and the prorated acreage rates therein, pursuant to ORS 477.265.

Ultimate Conclusion

The Board of Forestry affirms the Central Oregon District budget represents an adequate level of protection as required by ORS 477.265.

Appeal Rights

You have the right to seek judicial review of this Order by filing a petition in Circuit Court pursuant to ORS 183.484. To seek judicial review, you must file a petition with the Marion County Circuit Court, or the circuit court for the county in which you reside or have a principal business office, within 60 days from the day this Order was served on you. If this Order was personally delivered to you, the date of service is the day you received the Order. If this Order was mailed to you, the date of service is the day it was *mailed*, not the day you received it. The petition shall state the nature of your interests, the facts showing how you are adversely affected or aggrieved by the agency order and the ground or grounds upon which you contend the order should be reversed or remanded. If you do not file a petition for judicial review within the 60-day time period, you will lose your right to appeal.

Dated this 6th day of June, 2024,

Jim Kelly, Chair

Oregon Department of Forestry