

January 4, 2023, Board of Forestry Testimony

Chair Kelly, members of the Board of Forestry, State Forester Mukumoto, Staff: I am David Yamamoto, Tillamook County Commissioner and Chair of the Forest Trust Land Advisory Committee (FTLAC). I am here today representing FTLAC in order to fulfill our statutory responsibility to advise the BOF and the State Forester on matters which affect management of the State Forest Lands (ORS 526.156).

Board members, Happy New Year. There is so much to look forward to in 2023. The current schedule has you making two significant decisions that will affect State Forest Lands, people's livelihoods, and education, public safety, and public health services in rural counties. These decisions are the adoption of the HCP and the Forest Management Plan. Unfortunately, as I testified last meeting, the schedule provides you little time to assess these impacts, or consider alternatives.

At last month's meeting I proposed you ask ODF five questions:

- 1) How did the department determine that the proposed Forest Management Plan provides Greatest Permanent Value?
- 2) How are local community services accounted for when calculating Greatest Permanent Value?
- 3) How does each goal contribute to Greatest Permanent Value?
- 4) How will each proposed Forest Management Plan goal impact the distribution of revenue to the Counties?
- 5) What flexibility does the proposed Forest Management Plan include to ensure Greatest Permanent Value is provided?

I am concerned that ODF does not have responses to these questions. As ODF has been responsible for managing the State Forest Lands for Greatest Permanent Value for over 80 years, it is concerning that ODF has not articulated how the proposed Forest Management Plan provides the Greatest Permanent Value. ORS 629-035-0030 states that:

The Board's approval of the [forest management] plan represents its determination that activities carried out or allowed by the State Forester under subsection (6) of this section meet the obligation to secure the greatest permanent value to the state as defined in OAR 629-035-0020 (Greatest Permanent Value).

Board members, how will you determine this? What data will you use? How will you analyze tradeoffs? How will you assess different management choices when ODF has prepared only one Forest Management Plan option?

Answers to these questions would provide you with the information you and ODF need to assess the Forest Management Plan. Asking these questions now, while ODF is preparing the Forest Management Plan model, is necessary so ODF staff can get you answers before you are asked to approve the plan.

My hope for this Board in 2023 is that you take up this job with seriousness and intent. Last month, board members asked few probing questions regarding the State Forest logo and marketing plan. I would have preferred you ask questions like: How will the marketing strategy be developed? What is the

expected return on investment? Do you anticipate additional recreation visits due to the marketing strategy and does ODF have the budget to protect natural resources if recreation visits increase?

In 2023, I want to see the BOF show how it is considering local communities and workers, those most directly affected by management of State Forest Lands, in assessing Greatest Permanent Value. I also want this Board to show that it is thinking about the long-term, not just meeting the next deadline. I want this Board to consider how ODF will maintain its required funding in the long term, how State Forest Lands will contribute to providing a sustainable flow of timber necessary for a sustainable economy, and how community services and jobs will be maintained within our rural communities.

Board members, I want to turn now to provide you with information you requested about the importance of State Forest Revenue to County services.

In Tillamook County, the Neah-Kah-Nie School District Superintendent Paul Erlebach provided the following statement. "The projected reduction in state timber revenue will negatively impact the Neah-Kah-Nie School District in many ways. Since the school district does not receive basic school support from the state, any reduction in state timber revenue will have a direct impact on student services. The Neah-Kah-Nie School District traditionally receives 75% of its revenue from property taxes and 25% from state timber revenue. When state timber revenue decreases, property taxes do not automatically increase. When state timber revenue decreases, student enrollment numbers do not decrease. The projected decrease in state timber revenue this year and anticipated reductions in future years obviously will have a negative impact on student services. It is simple math for the Neah-Kah-Nie School District. Large state timber revenue decreases equate to staff reductions, which equate to reduced services to students. Eighty-five percent of the school district's general fund budget is dedicated to staff costs. Anticipated state timber reductions will force the school district to reduce the number of staff, increase class sizes and decrease extra-curricular activities"

Analysis from Clatsop County expects the HCP to result in a net loss of revenue to the Clatsop County government of up to \$3.4 million per year and an additional loss of up to \$5.7 million from other local taxing jurisdictions, with total losses estimated between \$7.2 to \$9.1 million. The County government would have to cut 13 FTEs due to this loss of funding. The cuts would come from public safety and social safety net services. For example, Clatsop County uses State Forest revenue to support care beds at the local care center. Less revenue translates directly into fewer beds.

Turning to local tax districts, Clatsop County has a rural law enforcement district. Projections show a loss of about 12% of the total budget of this district. This loss will result in layoffs of three deputies.

One particularly important point about revenue from State Forest Lands that might not be apparent is that Counties have discretionary authority to use the funds to meet the needs of the community. For example, Clatsop County was able to fund safety improvements on Highway 30 that the state was unable to fund. The County is barred from using county roads funding for work on state highways but can direct State Forest revenue where it is most needed.

Beyond the benefits to County services, State Forest Lands across the North Coast generate family wage fully benefited forest sector jobs in the sounding counties. In Clatsop County alone the forest sector provides 1,300 jobs, or 6.3% of total employment in the county. These jobs have an average annual wage of \$70,599, well above the county average of \$45,498. In addition, local spending by companies and their employees has a multiplier effect supporting yet more jobs in our communities.

Further, board members, you must be reminded that all this work is done to meet our nation's demand for wood products including products we use to build and repair homes and businesses. Without these materials much more carbon intensive and environmentally destructive materials would be used.

These benefits are all part of Greatest Permanent Value which you must consider when making decisions about State Forest Land management.