



Common School Forest Land Annual Report

FISCAL YEAR 2022



**Prepared by the
Oregon Department
of Forestry**

February 2022

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Annual Report Located at:

<https://www.oregon.gov/ODF/Pages/Reports.aspx>

Executive Summary

DATE: February 1, 2023

TO: Governor Tina Kotek
Secretary of State Shemia Fagan
State Treasurer Tobias Read

FROM: Cal Mukumoto, Oregon State Forester

SUBJECT: Fiscal Year 2022 Annual Report for Common School Forest Land

During fiscal year 2022 the Oregon Department of Forestry (ODF) managed 33,005 acres of Common School Forest Land (CSFL). As trustee of the CSFL, the State Land Board (SLB) oversees management to provide Oregonians the greatest benefit, consistent with resource conservation and sound land management strategies. Within this context, these lands are managed to maximize revenue to the state's Common School Fund (CSF) through an agreement among ODF, the SLB and the Department of State Lands (DSL). The DSL 2012 Real Estate Asset Management Plan states that these lands are "managed primarily to produce merchantable timber on a sustainable basis in accordance with plans adopted by the Land Board in cooperation with the Board of Forestry." Net revenues generated from CSFL are dedicated to the CSF.

This agreement and partnership among ODF, DSL and the SLB requires ODF to present an annual report regarding the status of management of CSFL. This status report includes information related to timber management (volume and value of harvested, sold and planned timber sales), fiscal year operating costs, revenue transferred to the CSF, reforestation, intensive management accomplishments and costs, and other information affecting CSFL management and operations.

Fiscal Year 2022 Harvest and Revenue

In 2022, net operating income increased to 1.9 million due to increased volume harvested from CSF timber sales. ODF continues stewardship of 33,005 acres of CSFL through active management, supervising and administering timber operations, monitoring environmental successes and sustaining critical wildlife habitat areas.

A number of reforestation and replanting projects were completed successfully, and young stand management activities continue to actively grow healthy, sustainable forests for future generations – providing a range of longer-term natural benefits such as wood products, diverse ecosystems and habitat, and clean air and water.

1. CSFL Harvest Volume:
 - a. 10.36 MMBF
 - b. 144 percent increase from FY 2021

2. Revenue Transfers to CSF:
 - a. \$3.17 million
 - b. 23.4 percent increase from FY 2021

3. Net Operating Income (NOI): NOI is the total revenue received by ODF minus management costs. It is influenced by the same factors that affect volume and value, as well as management expenses.
 - a. \$1,890,650
 - b. 68.9 percent increase from FY 2021
4. CSFL Management costs:
 - a. \$1.28 million
 - b. 11.6 percent decrease from FY 2021
5. CSFL sales sold in FY 2022 (not yet harvested)
 - a. 4.98 MMBF
 - b. Approximately \$2.26 million in timber sale value (prior to CSFL management costs)

Other Forest Management Activities

Reforestation and young stand management are integral to ensuring a sustainable flow of wood and future habitat development. On CSFL in FY 2022, 14 acres were reforested and 313 acres received young-stand management treatment, improving overall forest health and future growth.

This annual report summarizes CSFL management activities from July 1, 2021 through June 30, 2022.

Financial and Asset Management

Overview

This report primarily focuses on FY 2022 (July 1, 2021 through June 30, 2022). However, forest management often requires evaluating trends in revenue and costs for previous biennia (e.g., sales approved in one year’s operating plan may be harvested over one to three subsequent years). Revenue transferred to the CSF from management of CSFL has varied over the past 10 years from \$1.9 million to \$6.4 million annually. This time period includes fiscal years prior to July 1, 2017, when ODF managed the Elliott State Forest.

The primary factors influencing revenue fluctuations include: housing starts, lumber prices, harvest timing, individual sale volumes and value, changing ratios between harvests on CSFL and Board of Forestry lands (BOFL), Endangered Species Act protection measures and uncertainty and constraints associated with litigation.

Net Operating Income (NOI)

NOI for CSFL for FY 2022 was \$1,890,650. NOI was calculated by subtracting costs from total revenue transferred to DSL. NOI ranged from \$532,241 to \$1.9 million for CSFL in the past 5 years (Table 1). Note that previous reports calculated this as total revenue invoiced minus total costs, for FY 2018 and FY 2019. This created confusion in the past (i.e., invoiced versus transferred), so it has been updated here for consistency. Previous reports will not be updated.

Table 1: Net Operating Income	
FY2022	\$1,890,650
FY2021	\$1,119,587
FY2020	\$1,103,223
FY2019	\$532,241
FY2018	\$679,930
5 Year Average	\$1,065,126

Annual Revenue

Annual revenue is reported throughout this report, with influencing factors included for context.

Fiscal Year 2022 Revenue and Investment Costs

During FY 2022, \$3.17 million in revenue was transferred to DSL (Table 2). Total charges for managing the CSFL totaled \$1.28 million during FY 2022 (Table 2). These expenditures include State Forests Division personnel in Salem, three regional areas, and seven districts. The units are responsible for timber sale contract development and compliance, reforestation and intensive management activities, Endangered Species Act compliance, research and monitoring, forest planning and public engagement, and overall program administration.

Other charges to the CSF, referred to as “Net Revenue Transfers,” totaled \$231,185 in FY 2022 (Table 3). This is approximately 18 percent of total overall costs. Revenue transfers include a prorated portion of ODF’s total costs for capital improvement projects, debt service, and seed orchard management.

Revenue transfers include a portion of overall agency administration prorate which totaled \$220,537. It is ODF’s goal to ensure that allocation of agency administrative costs accurately reflects work performed by administrative and managerial staff, and that each program pays their appropriate share of administrative costs.

J.E. Schroeder Seed Orchard costs for FY 2022 were \$10,425. These funds were used to produce genetically improved seed (superior growth, wood quality, and disease tolerant characteristics as identified through traditional breeding and selection methods) appropriate for reforesting state forestlands.

The fire protection cost for 33,005 acres of ODF managed CSFL was approximately \$112,869.

CSFL Revenues and Expenditures for FY 2022

Table 2: CSFL Revenues and Expenditures					
Expenditures and Transfers					
Category	FY18	FY19	FY20	FY21	FY22
T & E Surveys	\$84,315	\$86,288	\$108,828	\$95,611	\$114,930
Salem Program	\$205,326	\$183,254	\$297,652	\$423,562	\$400,838
Total Salem Expenditures	\$289,641	\$269,542	\$406,480	\$519,173	\$515,768
Total District Expenditures	\$583,272	\$653,170	\$690,803	\$513,752	\$536,027
Administrative Transfers	\$448,370	\$444,470	\$398,296	\$416,313	\$228,753
Total Expenditures + Transfers	\$1,321,283	\$1,367,182	\$1,495,579	\$1,449,238	\$1,280,549
District Expenditures Prorated by Acres					
District	FY18	FY19	FY20	FY21	FY22
Tillamook	\$182,519	\$184,428.21	\$204,029.19	\$231,463.05	\$199,247.51
Astoria	\$85,919	\$109,456.59	\$96,495.74	\$92,876.78	\$85,221.83
Forest Grove	\$24,237	\$37,185.61	\$29,816.57	\$32,279.94	\$28,990.91
West Oregon	\$317,171	\$361,443.13	\$460,863.18	\$373,341.41	\$348,210.64
North Cascade	\$45,108	\$44,683.30	\$42,793.52	\$58,752.32	\$52,946.66
SW Oregon	\$306,241	\$0.00	\$0.00	\$0.00	\$0.00
Coos	\$96,289	\$0.00	\$0.00	\$0.00	\$0.00
Western Lane ¹	\$55,730	\$429,292.33	\$437,344.44	\$424,068.22	\$346,343.64
Klamath-Lake	\$208,069	\$200,692.84	\$224,236.82	\$236,455.94	\$219,587.62
Total Expenditures + Transfers	\$1,321,283	\$1,367,182	\$1,495,579	\$1,449,238	\$1,280,549
CSFL Revenues					
District	FY18	FY19	FY20	FY21	FY22
Tillamook	\$14,823	\$127,484	\$97,366	\$54,561	\$59,633
Astoria	\$307,332	\$482,885	\$694,366	\$2,881	\$108,384
Forest Grove	\$301,498	\$322,422	\$635,519	\$1,542,376	\$138,506
West Oregon	\$896,188	\$1,254,904	\$664,469	\$737,436	\$1,754,192
North Cascade	\$5	\$262	\$2	\$2,325	\$472,768
SW Oregon	\$490,844	\$0	\$0	\$0	\$0
Coos/Elliott	\$19,229	\$0	\$0	\$0	\$0
Western Lane ¹	\$1,100	\$83,850	\$356,548	\$229,749	\$637,707
Klamath-Lake	\$64,931	\$47,910	\$143,529	(\$503)	\$9
Revenues Transferred to DSL	\$2,001,213	\$1,899,423	\$2,598,802	\$2,568,825	\$3,171,199

¹ Starting FY19 SW Oregon and Coos units are being managed out of Western Lane.

Details of FY 2022 Administrative Costs

Table 3: Details of FY 2022 Administrative Transfer Costs	
Administrative Revenue Transfers	Amount
Administrative Prorate Charge	\$220,537
J.E. Schroeder Seed Orchard	\$10,425
Residual Equity	\$223
Bond Principal	\$0
Bond Interest	\$0
ADMINISTRATIVE TRANSFER COSTS TOTAL	\$231,185

CSFL Historical Timber Harvest Value, Volume and Average Stumpage Prices for Fiscal Years 2013 – 2022

Table 4: Common School Forest Land Historical Timber Harvest Value, Volume and Average Stumpage Price Fiscal Years 2013 through 2022			
Fiscal Year	² Timber Sales Value of Timber Removed	Timber Harvest Volume (MMBF) Removed	Average Sold Sale Stumpage Price/MBF ¹
2022	\$4,641,474	10.358	\$454
2021	\$2,034,439	4.242	\$404
2020	\$2,597,050	5.590	\$439
2019	\$2,057,269	4.671	\$170
2018	\$1,534,693	3.573	\$476
2017 Elliott State Forest (Coos District)	\$2,691,137	7.758	\$347
2017 Other CSFL	\$1,152,934	2.765	\$413
Total 2017	\$3,844,071	10.523	\$413
2016 Elliott State Forest (Coos District)	\$3,416,945	7.990	\$327
2016 Other CSFL	\$2,454,497	6.170	\$347
Total 2016	\$5,871,441	14.160	\$332
2015 Elliott State Forest (Coos District)	\$3,592,162	8.260	\$436
2015 Other CSFL	\$2,367,124	6.990	\$356
Total 2015	\$5,959,286	15.250	\$375
2014 Elliott State Forest	\$2,524,725	6.960	\$434
2014 Other CSFL	\$1,503,429	4.000	\$205
Total 2014	\$4,028,154	10.960	\$411
2013 Elliott State Forest	\$1,606,932	4.514	\$288
2013 Other CSFL	\$1,992,098	6.562	\$328
Total 2013	\$3,599,030	11.076	\$308
Last 5 Year Average	\$2,572,985	5.7	\$389
10 Year Average	\$3,616,691	9.0	\$378

¹ Average stumpage for new sales sold during the fiscal year and is not related to the harvested volume and value columns, which cover harvests spanning multiple fiscal years.

² Timber Sale Value is gross timber sales value before project work credits have been subtracted.

Forest Land Management

During FY 2022 ODF managed 33,005 acres of CSFL (Table 5). Activities conducted on CSFL managed by ODF include: timber harvest, reforestation and young stand management, and road construction and maintenance.

Timber Management Activities

A total of 16 active sales were harvested in FY 2022, producing 10.36 mmbf of volume with a value of \$4,641,474 (Table 7). In addition, there were 3 sales sold in FY 2022, totaling approximately 4.98 mmbf of timber volume (Table 6).

All planned sales on CSFL in FY 2023 are estimated to produce 5.92 mmbf of timber volume with a net value of \$2.2 million (Table 8).

Reforestation and young stand management activities such as site preparation, planting and thinning are used to promote healthy and productive forest land. Table 9 summarizes planned and completed acres and costs for these activities on CSFL.

Table 10 provides information about the road system management on CSFL by District and County.

COUNTY	CSFL ACRES
BENTON	563
CLACKAMAS	113
CLATSOP	2,060
COLUMBIA	80
COOS	720
CURRY	1,352
DOUGLAS	1,908
JACKSON	1,622
JOSEPHINE	3,961
KLAMATH	6,827
LANE	907
LINCOLN	4,477
LINN	90
MARION	720
POLK	1,690
TILLAMOOK	5,584
WASHINGTON	250
YAMHILL	80
GRAND TOTAL:	33,005

Source: ODF, 07/1/22
 Note: Report is based on legal acres not GIS acre

Timber Sales Sold During FY 2022

Table 6. Common School Forest Lands Timber Sales Sold in Fiscal Year 2022										
Sale Name	ODF District	CSFL % of Sale	Total Sale Volume (Mbf)	CSFL Volume (Mbf)	CSFL Acres Partial Cut	CSFL Acres Regen.	Total Project Costs	CSFL Project Costs	Net Sale Value (BOF + CSFL)	Net CSFL Value
Blue Bucket	Astoria	52%	5,391	2,797	0	72	\$117,946	\$61,190	\$2,082,525	\$1,080,414
Powerline Salvage	West Oregon	54%	0	0	0	18	\$0	\$0	\$47,162	\$25,675
Rebott	West Oregon	62%	3,545	2,186	0	69	\$35,667	\$21,992	\$1,873,077	\$1,154,939
Total			8,936	4,983	0	158	\$153,613	\$83,183	\$4,002,764	\$2,261,028

All dollar amounts are rounded to the nearest whole dollar.

Activity Summary for FY 2022

Table 7. Active Timber Sales on Common School Forest Lands Volume and Value, Fiscal Year 2022					
Sale Name	District	Sale No.	%CSFL	MMBF Harvested	Value CSFL
#2 Niagara Restoration	North Cascade	NC-341-2021-W00894-01	1%	0.01	\$7,325
Beaver Nation	Tillamook	TL-341-2020-W00288-01	43%	0.45	\$124,265
Cline Miller Thin	West Oregon	WO-341-2021-W00360-01	4%	0.01	\$3,083
Duchess and the Duke	Forest Grove	FG-341-2020-W00544-01	84%	1.25	\$630,386
Gates Hill	North Cascade	NC-341-2021-W00895-01	100%	0.80	\$380,067
Hamlet 8	Astoria	AT-341-2021-W00828-01	0%	0.00	\$223
Harlan Hangover	West Oregon	WO-341-2021-W00685-01	33%	0.77	\$456,280
Just in Beaver	West Oregon	WO-341-2021-W00697-01	34.3%	0.48	\$240,387
Little Thin on the Prairie	West Oregon	WO-341-2021-W00362-01	100%	0.69	\$180,787
Lost Steere	West Oregon	WO-341-2020-W00777-01	100%	1.17	\$484,126
Manzanita Woman	Klamath-Lake	KL-341-2019-W00513-01	100%	0.71	\$97,455
Milk Creek	Western Lane	WL-341-2020-W00577-01	100.0%	1.83	\$885,249
Packsaddle	North Cascade	NC-341-2022-W00914-01	5%	0.27	\$85,983
Powerline Salvage	West Oregon	WO-343-2022-W00918-01	54.4%	0.00	\$11,615
Rebott	West Oregon	WO-341-2022-W00683-01	62%	1.90	\$1,053,870
Shingle South Thin	West Oregon	WO-341-2019-W00790-01	1%	0.00	\$373
Total				10.36	\$4,641,474

Planned Timber Sales for FY 2023

Table 8: Annual Operation Plan Timber Sales Planned in CSFL in FY 2023									
Sale Name	ODF District	CSFL Percent of Sale	Timber Sale Volume (MBF)	CSFL Volume (MBF)	CSFL Acres Regen Cut	CSFL Acres Partial Cut	Total Sale Value	CSFL Project Costs	Net CSFL Value
Cup of Joe	Astoria	19%	1,900	361	12	0	\$697,500	\$8,493	\$124,032
CSL	Klamath-Lake	100%	2,800	2,800	0	403	\$644,875	\$1,400	\$643,475
Mahrvelous	West Oregon	25%	3,300	825	21	0	\$1,821,600	\$18,922	\$436,478
Doe a Deer	West Oregon	92%	2,100	1,932	51	0	\$1,139,600	\$51,475	\$996,957
Total			10,100	5,918	84	403	\$4,303,575	\$80,290	\$2,200,942

Reforestation and Young Stand Management for FY 2022

Table 9: Young Stand Management Activities in CSFL in FY 2022				
Management Activity	Acres Planned	Acres Completed	Total Cost	
Initial Planting*	20	14	\$5,294	
Interplanting	15	0	\$0	
Invasive Plant Control	0	0	\$0	
Precommercial Thinning	27	16	\$3,060	
Pruning	5	0	\$0	
Release-Chemical- Aerial	0	0	\$0	
Release-Chemical-Hand	25	10	\$1,291	
Release-Mechanical-Hand	15	1	\$0	
Site Prep-Mechanical	4	0	\$0	
Site Prep-Slash Burning	42	37	\$432	
Site Prep-Chemical- Aerial	0	0	\$0	
Site Prep-Chemical- Hand	20	71	\$6,925	
Surveys-Invasive Plants	0	4	\$0	
Surveys-Reforestation	333	158	\$0	
Tree Protection-Barriers**	49	2	\$2,503	
Tree Protection-Direct Control	15	0	\$0	
Underplanting*	0	0	\$0	
Total		570	313	\$19,505

*Planting costs include all costs to grow seedlings.

**Some districts used inmate labor. Inmate crew costs are covered in this table.

Road Management Activities for FY 2022

Table 10: FY 2022 Annual Road Work – CSFL								
District & County	Aggregate/Paved Surface (miles)			Dirt Surface (miles)			Bridge	Fish Pipes
	Constructed	Improved	Vacated	Constructed	Improved	Vacated	Installed	Installed
Astoria/Clatsop	0	0.90	0	0	0	0	0	0
Klamath/Klamath	0	0	0	0.2	0.1	0	0	0
West Oregon/Benton	0	1.55	0	0	0	0	0	0
Total	0	2.45	0	0.20	0.10	0	0	0

Links To More Information

Stand Level Inventory

[Forest Inventory Report](#) covers the fiscal year-end stand level inventory estimates on Board of Forestry and Common School Land for each district.

Stream and Watershed Restoration

[Restoration reports](#) summarize all restoration activity reported to OWEB by State Forest Districts since 1995.

Forest Health

- [Aerial Survey Summary Reports](#) by ODF Area
- [Forest Health Highlights Report](#) -Joint Publications of Oregon Department of Forestry and USDA Forest Service, Pacific Northwest Region