

**Oregon Forest Research Laboratory
Advisory Committee Meeting
November 22, 2006
Oregon State University, College of Forestry, Richardson Hall 107**

FRL Committee Members Present:

Russ McKinley (Chair), Boise Corporation; **Mike Barnes** for Bill Arsenault, Oregon Small Woodlands Association; **Ted Lorensen** for Marvin Brown, Oregon Department of Forestry; **Rick Brown**, Defenders of Wildlife; **Cindi West** for Bov Eav, USDA Forest Service Pacific Northwest Research Station; **Gary Hartshorn**, World Forestry Center; **Cal Joyner** for Linda Goodman, USDA Forest Service Region – 6; **Jennifer Phillippi**, Rough and Ready Lumber; **Scott Schroeder**, Mega Tech of Oregon; **Kim Titus** for Ed Shepard, USDI Bureau of Land Management; **Barte Starker**, Starker Forests; **Dallas Stovall**, Bright Wood; **Ron Stuntzner**, Stuntzner Engineering and Forestry; **Rich Wininger**, Weyerhaeuser; **Hal Salwasser**, College of Forestry and Oregon Forest Research Laboratory; **Joel Nelson**, Plum Creek Timber Co.

FRL Committee Members Absent or not Represented:

Bettina Von Hagen, Ecotrust

College of Forestry/Oregon Forest Research Laboratory Executive Committee:

Steve Hobbs, **Steve Tesch**, **Roger Admiral**, **Tom McLain**, **Barb Lachenbruch**, **Tom Adams**, **Rose Lacey**, **John Bliss** for Jack Walstad

Guests:

Tom Partin, American Forest Resource Council; **Craig Hanneman**, Oregon Forest Industries Council; **Mike Gaudern**, Oregon Small Woodlands Association; **Jock Mills**, OSU State Government Relations; **Liz Clark**, OSU Federal Government Relations; **Lisa French**, OSU Foundation

College of Forestry and Oregon Forest Research Laboratory Update:

Chair Russ McKinley called the Advisory Committee meeting to order at 9:30 am. Following a few opening remarks and review of the agenda Russ asked Hal Salwasser to provide an update on the College and the Forest Research Laboratory.

Hal is working on 23 specific actions in response to the recommendations from the Academic Freedom and Responsibility Committee (<http://committees.forestry.oregonstate.edu/afr/All%20College%20Documents/Recommendations%20of%20AFR%20Committee-May%202023.pdf>). Many of these actions are already in place and some are still pending. For example, Hal has instituted quarterly listening meetings with seven different groups within the College and has set aside open door office hours once a week. The Forestry Executive Committee meetings are open to all College members and the Committee has been diversified

by adding two women faculty members from different disciplines. In addition, a College Advisory Council has been created, with representatives from every group within the College. A code of conduct is also being developed.

We are planning to revise the College Strategic Plan after the 2007 legislative session. Any organizational changes to the College will take place after thoughtful planning and dialogue involving the whole College. As a College we are doing much better with communications and are working hard to allow for healthy, open, critical analysis and dialogue.

The enrollment at the College of Forestry is the highest since 1981 and the College was recently rated the #1 academic forestry research organization in the country. We have some tremendous new faculty bringing new ideas and projects to our programs, however, budget problems have continued to escalate. The College revenue has not kept up with the cost of doing business. For the past several years the College has been using the reserves from the College Forest to make up the difference, but this is not sustainable. We are working to build a bridge to the future where capacity and excellence can be maintained while still remaining solvent. We are working hard to align ourselves to the people we are serving now and for the future. We have created new degrees and options. We have nine strong research cooperatives funded by industries and state and federal agencies. We are trying to find five million dollars to replace seven faculty positions that were vacated. Retiring faculty will not be replaced. The prospects for filling that gap have not been promising. Although we have been able to lower the budget through attrition, we do not have enough to cover salary and increased insurance costs for existing faculty and staff.

In his remarks Hal noted that Joel Nelson, Elaine Brong, Ron Stuntzner, Bill Arsenault, and Dallas Stovall would be rotating off the Advisory Committee. They will be replaced by Jerry Brodie, The Campbell Group, Ed Shepard, Bureau of Land Management, Lee Miller, Miller Timber Services, Rick Brown, Defenders of Wildlife, Carol Whipple, Rocking C. Ranch, and Catherine Mater, Mater Engineering.

Question: At what point in time will we have to start making critical decisions about cuts?

Response: We should see the Governor's budget by the first week in December. Then in February, we should see more information coming out of the legislative session. This will guide our decision making. Any cuts will be made by June 30, 2007.

Question? What do the demographics look like for faculty?

Response: We have been trying to come up with an estimate of who will retire in the near future. For positions we retain, we need to organize ourselves to build on our core strengths and position ourselves to address the needs of future trends.

Russ McKinley – At the last OFIC meeting a representative from the Employment Department made a chart that was very helpful. Some of the other colleges have gone to certificate programs, because they have found that more people are going

back to school in mid life and getting a different degree: Are there opportunities to do a satellite program for these kinds of folks?

Rich Winger - The reason why Weyerhaeuser comes here for its graduates is because of the quality of the programs. When they get people from elsewhere, they have a lot of training to do. This is the place where we want to get our future employees.

Hal Salwasser - Many of our students have secure job offers before they graduate.

Ron Stuntzner - State support for the Oregon University System was 40-60% in 1980 now it has slipped to 20%. To call OSU a state university seems almost a misnomer.

Hal Salwasser - Create 21 is a proposal to increase federal funding for natural resources research by locking in the formula funds as a base and then increasing the funding base.

What we need from you is engagement and advocacy for us with your state legislators. We also need your help by participating in the capital campaign, by helping us obtain endowments to offset faculty salaries. State agencies and industry need to know that our ability to produce top notch graduates to fill the future workforce is threatened.

Election Implications - Federal Outlook

Liz Clark, Director of Federal Relations for OSU, gave the federal outlook. She is the liaison between OSU and Capital Hill in Washington DC. Her job includes making sure that people on Capital Hill understand how their decisions affect OSU. We are currently sorting out the post election implications. We may not see the FY07 budget completed until January. Liz has heard that others are pushing to keep the current budget until 2008 then increase it. The special grant for Wood Utilization Research is in jeopardy as is funding for the Watersheds Research Coop. In addition the colleges are coming under a great deal of scrutiny, more explanations and details are wanted for how federal dollars are spent.

Jock Mills, Director of Government Relations for OSU, provided the State outlook. The State Board of Higher Education has asked for a 25% funding increase. It is hard to speculate what will happen, but we should know by December 1st what the Governor's budget will be. We assume that we are looking at something more than a 10% increase, but unlikely to get the 25%. Some are looking at a potential tax increase, a minimum corporate tax increase that would add \$60-80 million in state revenues. There may be discussion about elimination of the corporate kicker. But this is unsubstantiated.

News with the Harvest Tax is that there will be increased scrutiny of how the money is spent.

On another note, every other year we have an OSU Day at the capitol. It's an organized lobby day where we paint the capitol orange and black. This year it will take place on Tuesday April 17, 2007. The highlight of the day will be a reception in the galleria from 4:00 – 5:00 pm. It is a good time to visit and make connections with legislators. The College of Engineering has engaged students and CEO's of industry to visit the capitol halls and meet legislators. It would be very beneficial if supporters of the FRL did the same.

Update on the Capital Campaign

Foundation Development Officer Lisa French reported that OSU is nearing the end of the silent phase of our first ever capitol campaign. The College's target for the campaign was approved at \$31 million dollars.

Most Important Issues Facing the Forest Sector

Chair Russ McKinley opened a discussion by asking committee members to comment from their perspective about what are the big issues facing the Forest Sector.

Kim Titus: Colleagues in BLM are concerned with the aging workforce. They are having a difficult time finding trained foresters. They need forty right now and will need more in the near future. Secondary issues: Forest research is critical in order to base decisions on sound science as the BLM is dealing with litigation around the Western Oregon plan revision.

Tom Partin: Sixty to sixty-five percent of the workforce in the Forest Service will be retiring within five years. We will be losing a lot of institutional knowledge and need foresters.

Mike Gaudern : The biggest issue OSWA is dealing with is apathy regarding the legacy of active forest management. There is a disconnect between what people are saying and how they are behaving and this shows in the polls. They say the environment is important but don't show it by supporting research and education monetarily.

Barte Starker: Growers' needs are in the area of technology and keeping competitive. They are concerned with the lower labor costs off shore and making sure there are markets for Pacific Northwest products. We need markets that will encourage people to grow more than 40 year rotations. The Wood Innovation Center and Plantation Forest Research Program are very important to growers to make sure they have the technology and markets.

Rich Winger: Industry has changed tremendously in the last decade and it will continue to look very different in next 10 years. Forestland owners are under pressure to have return on investment by keeping forestland in forestland. This is a real issue. Can they make more money doing something else with it? They also get

hit with regulations which make them want to move the land out of forest. Many are developing or breaking up forestland tracks and putting them into recreational type holdings.

Ted Lorensen: Non timber values are becoming so much more profitable for forests that timber values cannot compete. There is a real shift. They are seeing other types of owners and land type conversion. They are moving out of forest use to smaller ownership sizes. The wealthier owner tends to keep the land in forest use. They see a fair amount of 250 acre parcels being sold for \$250,000 mansions and the land used for things like llama pastures.

Mike Barnes: There are problems with passing the forest care and legacy on to newer landholders or younger generations. It would be beneficial to have younger members on the FRL committee that can provide new perspective, excitement and energy.

Craig Hanneman: We need to increase plantation productivity in order to be competitive. We also need to maintain the social license to operate. There is a perception that there is not a Forest Practice Act.

Jennifer Phillippi: We need to educate and orient new residents and the public about all the hard work that has gone on and how far we have progressed with the Northwest Forest Plan. The number of individual land owners has doubled and the new people have a different set of values. There is a whole new class of activists with more money that don't have the same history or attachment to the land.

Joel Nelson: The industrial landscape is changing. There is a great deal of buy outs and selling and with this comes a different perspective on how to manage lands. They would also like to see better markets. Plum Creek is concerned about the aging workforce and the need for foresters. Maintaining forest productivity and the social license to operate are other major challenges. Invasive species and the effect they have on the land and timber is also a problem.

Russ McKinley: How can Oregon continue to grow 10 billion feet a year and only cut 4, what are the long term effects of this? This cannot go on forever without serious implications. We need to get really good at relative risk analysis. We need good field data and science.

Jennifer Phillippi: There are problems with the dependability of the supply of raw material. They are severely impacted by litigation on federal timber sale purchases as well as uncertain regulatory practices.

Tom Partin: The Forest Service spends 42% of its funding fire fighting and seems to be getting into a reactionary mode rather than management. We need to put the message out there that we are part of the answer not part of the problem.

Cindi West: There is a severe lack of public knowledge about natural resources and their uses. Perhaps we need a better publication that would help us have an easier time educating people about management, fire protection and climate change.

People need to understand how all these issues affect them and their families. We need to find more ways to get the information into the public school system.

Mike Gaudern: We need to find a way to get the message across about the effects of carbon.

Ron Stuntzner: We need more people for the job openings. We are already experiencing problems meeting employment demands.

Scott Schroeder: It can be easy to get a myopic view of the solution to the problem when we have the same people with same practices employed to solve the same problems. We need to ask ourselves, do we have the right collection of people with different thoughts and perspectives to help solve the problems?

Ted Lorensen: It is hard to get anything going when there is such a resistance to change. The College has a role to be a catalyst. How do we transform policy into what will be successful? Forest land provides 78% of water in Oregon, yet water users pay nothing for that source. How can we share the cost of these values?

Tom McLain: The Governor has shown increased interest in biofuels and bioenergy. So we expect to see more on this.

Craig Hanneman: It is very economical as long as it is subsidized.

Ted Lorensen: Research is needed on risk management so informed decisions can be made. We are spending \$17 billion on fire suppression, if we could spend that much in biofuel research, it would make huge sense. Economics is important but we need to make sure we do it in a way that will be successful.

Hal Salwasser: Legislators will be presented with a cluster of proposals with high risk ventures. No one is stepping forward to promote funding for long- running programs that have a proven track record.

The degree to which the entire Forest Service budget is being pulled into fire suppression is extraordinary. So much funding is being diverted to fire suppression that they are having a difficult time managing the trails and campgrounds, and they can't get to the thinning that keeps fire suppressed.

Hal Salwasser: An outstanding faculty member, Heidi Albers, will be teaching a course on risk management. We are working hard to align the College with issues the industry is talking about?

Steve Hobbs: Yes we are pretty well aligned, but if these budget scenarios happen, then we will be negatively impacted in our ability to address these concerns.

Hal Salwasser: Using same rules and tools to try and solve old problems isn't working. We need to step outside the box.

John Bliss: It is necessary to build the capacity to think boldly about what is going on. The advisory committee needs to incorporate new thinking and diversity. The way to get aligned to the new issues that are emerging is to bring in new blood and think boldly and reach outside our comfort zones to add expertise.

Ted Lorenson: We need a paradigm shift because everyone will eventually benefit; we need to work together more to bring this about. Writing skills of graduates have improved greatly. Regarding issues of alignment, we need to figure out a better way of transferring information in a more synthesized, policy-based approach. Access to researchers has diminished greatly; access to expertise is a big deal to lose. Hal is asking for assistance. People need to be made aware of what's in it for them. Make it clear about the value of research and the College of Forestry to everyone. What is a forester worth to you? What does research or College of Forestry graduates mean to them? How does it hit their pocketbook? Does the public care and how do we reach them? What is the compelling message that will capture the public's interest and how to package what is in it for Oregonians.

Ron Stuntzner – One way to inform the public would be to give tours of places like Hinkle Creek.

Advisory Committee Support in the Upcoming Legislative Session

We need to craft our message about the value and the return on investment for College programs. The way we have packaged the message historically will not work as it has done in the past.

Kim Titus: We have been working with a cultural anthropologist – the thinking out there today is very different. We need to package differently to appeal to younger people. Younger people have a more global way of thinking. We have some of the best and the brightest thinkers. We should get a task force of grad students to help us put together a message that would reach their peers.

Jock Mills: We need to think about who are the most effective messengers for OSU and incorporate those messengers into our plans for delivery. For example, the 4-H kids have a very meaningful impact on legislators. So it would be very helpful to have forestry students advocating for programs, especially those who see themselves with a future in Forestry. Putting students in front of committees as well as personal visits with the representatives is overwhelmingly successful.

Adjourn

Notes respectfully submitted by Rose Lacey