

Oregon Forest Research Laboratory Advisory Committee
Friday, April 13, 2007
Meeting Minutes
Corvallis, OR

Advisory Committee Members Present:

Jerry Brodie, Bov Eav, Gary Hartshorn, Catherine Mater, Russ McKinley, Lee Miller, Jennifer Phillipi, Hal Salwasser, Ed Shepard, Barte Starker, Carol Whipple, Rich Wininger, Bettina von Hagen, Ted Lorensen for Marvin Brown

Not Able to Attend: *Rick Brown, Cal Joyner for Linda Goodman*

Non-committee Participants Attending:

Tom Adams, Roger Admiral, Jim Geisinger, Steve Hobbs, Fred Kamke, Will Hoskins, Ed Jensen, Jim Johnson, Rose Lacey, Julia Lauch, Scott Leavengood, Doug Maguire, Tom McLain, Cody Mattox, Tom Partin, Arne Skaugset, Steve Tesch, Jack Walstad

Others Present:

Russ McKinley and Hal Salwasser made a few opening comments and then Hal introduced the new members of the Advisory Committee. These were Jerry Brodie, The Campbell Group; Ed Shepard, State Director of the BLM for Oregon and Washington; Lee Miller, Miller Timber Services; Rick Brown, Defenders of Wildlife; Carol Whipple, Rocking C Ranch; and Catherine Mater, Mater Engineering.

Steve Hobbs gave an overview of the process being used by the College to bring expenses and revenues into alignment. The College is facing a \$3.5 million deficit. The problem must be fixed by June 30, 2009. Our guiding principles are to protect the excellence of our programs, enhance student success, and position ourselves to meet emerging needs. Faculty, staff, and students formed seven advisory teams to work on various aspects of the problem such as business operations efficiency, curricula and student advising, and mega-trends that affect the College. The Forestry Executive Committee (FEC) is narrowing the options for expense reductions systematically and carefully to reduce the chances of unintended consequences. College leadership is also evaluating reorganization options to reduce administrative costs. The hope is to be in the implementation phase by August 2008. However, we are in a fluid situation because the legislature is still in session and our final budget numbers for the next biennium remain uncertain. We are preparing options so we can take appropriate action once we know what financial resources will be available.

Using graphics Hal showed how the College/FRL's financial situation has deteriorated and what is being proposed in the Legislature to help solve it. Since 2001 state appropriations have gone down in inflation adjusted dollars while employee expenses have gone up. The gap between revenues and expenses has steadily eaten into our cash reserves. Projections showed if we stayed on the same track, by 2010 we would have a \$3.5 to \$4 million deficit. We proposed a policy option package to the Governor and legislature for increasing the appropriations by \$15 million

to the overall statewide public service programs, roughly a 15% increase in the biennial appropriation. The Forest Research Lab portion was for \$2.2 million, which would give us an additional \$1.1 million in revenues each year. We talked with the small woodland owners and the Oregon Forest Industry Council who pay 80% of the harvest tax about their willingness to accept a higher tax rate as a match to an increase in the FRL appropriation. The bottom line is that without increased funding there will be a 27% reduction in College faculty and staff and OSU would cease to be the top forestry program in the west in terms of education, research, and outreach. The future is uncertain at this time because the Joint Ways and Means Co-chair's budget contains a zero increase for the Statewide Public Services and the Governor proposed about \$5 million for the Statewides in his budget, which would just be \$400,000 a year for the FRL.

Hal told Advisory Committee members the University is in the quiet phase of a major capital campaign with a goal of raising \$35 million for the College by 2011. \$15 million has already been raised. We're hoping to endow more faculty chairs and the Dean's position which would free up resources for faculty, staff, and scholarships. For the federal piece of the budget strategy, we get funds through the McIntire-Stennis Program. Nationally it has an annual appropriation of \$22 million per year, with our share being \$700,000. Our share is going down each year because of decreases in timber harvest statewide. The National Association of University Forest Resources Programs is lobbying to increase the national appropriation to \$30 million a year.

Historically we also have had a special research grant for wood utilization research that covered faculty salaries, student support, travel, and supplies in Wood Science and Forest Engineering. The grant was \$800,000 that came in every year. The special grant was eliminated and the funds put into McIntire-Stennis so we ended up with only \$500,000 from this year's budget. Our DC strategy is to see if we can get the special research grant restored in the '08 budget.

Committee members commented that industry is very supportive of the College and FRL but the total price tag to solve the budget problem may be an issue for some.

Steve Tesch presented the Committee with an overview of the Center for Wood Utilization Research Program (WUR). It is one of our nationally prominent programs. It resulted from a 1983 assessment that characterized the capacity in the wood products industry to deal with global competition. Senators Hatfield and Cochran established a special research grant through USDA CSREES which has provided funding since 1985. OSU was one of only three centers at the time for wood utilization research. The goal was to help maintain a healthy domestic wood products industry. Today there are 11 partners and this has become a more national program. The program supports research in our forest engineering and the wood science departments. In '07 it supported 2.0 faculty FTE spread over two departments, 13 graduate research assistants, additional research support staff and travel funds. These WUR funds are leveraged about 3 to 1 with other resources so they provide seed money that allows us to do pilot work to compete for other funds. Competitive grant programs often don't include titles for forest engineering, forest operations or various kinds of applied wood science research so WUR funds are very important to the College. The WUR Program is a target for elimination by Congress. Losing this funding will seriously limit our ability to do mission oriented research work. Faculty will be more

opportunistic in chasing grants and may do work less associated with stakeholder needs. The losers are many of the small to medium sized producers trying to compete in the global marketplace and the knowledge base that has come out of this program. We may also miss out on some good business opportunities that might have emerged.

Following a general discussion by Committee members expressing dismay over the loss of WUR funds Scott Leavengood made a presentation about the Oregon Wood Innovations Center. The center is a joint initiative between College of Forestry and OSU Extension Service. The mission is to improve the competitiveness of Oregon's wood products industry by fostering innovation in products, process, and business systems. The vision is to be the key link connecting Oregon's wood products industry to innovation related resources. Key areas of focus are communication, education, and technical assistance to entrepreneurs. We bring areas of interest together in a one-stop shopping format.

Arne Skaugset then discussed the Watersheds Research Cooperative (WRC). The science issue is active forest management in and around headwater streams which we define as non-fish bearing. With downstream impacts and cumulative effects, you have to talk about impacts on multiple non-fish bearing streams running into a fish channel. That's the other major piece of science we're taking on. This project gives us a chance to have a contemporary data point with research on harvest regenerated forest land, young second growth stands, existing road networks, smaller logging equipment, everything that was not in place in the 60's when the seminal paired watershed studies went into play.

We've got four WRC studies going on at this point. One has to do with stream temperature and alternative buffer strip design. The other three studies are all contemporary paired watershed studies. Hinkle Creek is the proof of concept study started in 2001. The other two are in the Trask in northwest Oregon and the Alsea. The Trask is probably the most ambitious and complex of the studies. It spans about 6000 acres on state lands and Weyerhaeuser on the east fork of the Trask River. The new Alsea watershed study builds on the previous Alsea watershed study that has had more influence on forest practices rules in Oregon than any other watershed.

Following Arne's presentation there were a lot of discussion about preliminary research results and their implications. Committee members were very interested in the WRC and supportive of work College/FRL scientists are doing to explore the integrated effects of contemporary forest practices on aquatic ecosystems.

Doug Maguire provided the Advisory Committee with a presentation on the new initiative "Center for Intensive Planted-forest Silviculture" (CIPS). Issues CIPS will address were identified in an industrial forest research forum. Five categories came out of the forum: research is fragmented, research logistics are problematic when trying to integrate information, facilitation of information is frustrated by funding mechanisms, diversity of decision making tools is not consistent, and condensing the research information into a usable form for practicing foresters.

Plantation research is highly compartmentalized without addressing the full strategy and there's no way to easily integrate the information. Logistical challenges exist, such as the inability to

test all possible treatment combinations. It's not possible to implement most of them in the field. So conclusions are often extrapolated from key results without testing everything in the field. Many key questions require multidisciplinary teams and research funds need to flow freely between institutions. There's tremendous frustration with growth models and different answers to different kinds of treatments. Models of studies don't relate well and give us information that's not biologically realistic. There are often errors made with regard to choice of silvicultural strategies and bias of the person developing the model. Published papers from studies and co-ops are conflicting and not well synthesized. Technology transfer has not been great in the area of intensive management for landowners.

A new approach to cooperative silvicultural research is required for industrial forestland owners to remain competitive in the global economy, to achieve stringent financial targets demanded by owners, and to protect the health and sustainability of the forest resource. CIPS is based on optimizing the productivity, health, and sustainability of these intensively managed stands by looking at the integration and interactions among genetics, silvicultural treatments, insects and disease, competition, nutrition, and soils to get the broad picture.

There are many successful coops out there yielding important information. We need to provide a framework for all these to fit together in order to develop a silvicultural strategy that will be most efficient in getting the biological response we want, value increase, and return on investment that's essential to keep lands in forest use.

We have a steering committee consisting of one representative from each organization to help develop a strategic research plan, approve projects, and do an annual review of the program. We will have an informal science advisory group working directly with the policy committee. The charge for the first year is to develop the strategic plan and launch some research projects. We'd also like to lead a regional effort in developing a long term strategy for intensive plantation silviculture resulting in a regional framework for determining the most effective projects for the available funding.

We'll start formal funding for projects on July 1, 2007. The founding members are contributing \$4,000 for the first year. Funding up to \$40,000 will cover some overhead with remaining funds going to research projects approved by the steering committee. There are 16 founding members and we're still actively talking to people.

Advisory Committee members asked questions of Doug and had comments and suggestions for the program but were supportive of CIPS and direction it is headed.

During the lunch break the Committee listened to presentations from several students about their experiences at the College of Forestry

Following lunch Fred Kamke discussed the mega-trends report prepared by faculty for the Dean and FEC. Fred's committee was charged to come up with trends that impact the College today and in the future, particularly in relation to our budget situation. The Mega-Trends Committee came up with three main focus areas: education, funding related trends, and natural resource issues. Committee members did not rank the list they came up with, but a simple vote resulted in

eight "highly significant" trends. These were:

1. There is an increasing demand for web-based education.
2. Funding agencies will place more emphasis on interdisciplinary and multi-institutional large-scale research.
3. Costs of operating a university are increasing.
4. State funding for higher education on a per capita basis is declining.
5. Harvest tax payers in Oregon want to be sure funds are spent on topics relevant to them.
6. The reduction (adjusted for inflation) of federally funded research, that has occurred for the last decade, will continue.
7. Global climate change issues will transition from a basic to an applied research endeavor.
8. There will be a growing emphasis for alternatives to fossil fuels.

The Mega-Trends Committee also identified 29 other trends that will influence the College and FRL.

There was a lot of Advisory Committee discussion of these trends but essentially Committee members were in agreement with the report. There was considerable concern expressed by Committee members about the cost of higher education at Oregon's public institutions, particularly to students. Committee members also advised the College to seek federal funding from non-traditional sources, particularly those focused on global climate change. Several Committee members pointed out the fact that forestland is quickly being converted to other uses and wondered what this trend means for forestry education and research in the future. Having an adequately educated and trained workforce is another important trend Committee members discussed.

It was requested that the Advisory Committee have a short discussion about the Boise/Mealy Endowment. In the early 90's, Boise-Cascade donated some land they could not manage due to the bald eagle. They gave that land to the College and the land was subsequently sold to the Fish and Wildlife Service. This produced a million dollars which was placed in the OSU Foundation. The purpose was to support research in forest policies at that time. We did that for awhile but an alum, Robert Mealy, decided to make a major gift to the College to support teaching, research, and outreach in the area of forest health. He bequeathed his home property to endow a program to go together with the Boise program to focus on forest resilience.

We discussed establishing an endowment for graduate research in wildlife associated with restoration of forest resilience. We have a half a million dollar pledge on that. The daughters of Marvin Boone Noble and his wife Eva wanted to establish a program on forest wildlife research. That turned out to be a \$350,000 donation. Meanwhile, the Boise money appreciated to about \$3 million. So we've got an endowment program to support teaching and research in this area of forest resilience whether it's related to biomass or wildlife. Sometimes a modest gift can allow us to leverage other resources. This endowment will generate about \$150,000 a year. It would be wonderful if we could think of how to put an endowment behind some of our other initiatives.

Any help Advisory Committee members can provide in talking to people to gain support for these initiatives is important. When you have the chance, speak up for those initiatives. On a

smaller scale, everyone can find small amounts of money for scholarships. The students we saw today benefited from the relationships they had with industry and scholarships are important.

Final observations from Committee members:

Lee Miller: In the future I'd like to have a presentation on harvesting-related research.

Jennifer Phillippi: We need a public forum supporting these issues. It was a very open discussion. It's too bad we find ourselves in the situation where we have to talk about funding so much.

Gary Hartshorn: The morning was too tightly scheduled with not enough discussion time. Sending out more materials prior to arriving helps us. Getting the mega-trends a week before was very useful. The new blood around the table is very encouraging.

Ted Lorensen: I find these meetings very valid. I appreciated getting the mega-trends report and valued the discussion about education and the workforce role. OSU provides a quality product compared to other places in terms of abilities of graduates.

Catherine Mater: I appreciate being able to ask questions and the discussion. Encourages thinking out of the box in correlation with policy development. I believe in what the College is doing and its capabilities and will encourage building partnerships.

Russ McKinley: These meetings are very interesting. Anything we can do in terms of landscape assessment and understanding what our different futures could be is something OSU is uniquely qualified to do.

Jerry Brodie: This was my first meeting. We had good conversations and input. It's exciting to see representation from many different forestry constituents. What's really important to us is getting the graduates of the program.

Bettina von Hagen: I need an organization chart about how the different departments and units connect. As a forest landowner, I wondered how the research relates to me or is meeting my needs. There's a need to connect with the research from a business perspective in addition to ecological terms.

Ed Shepard: The budget situation is more dire than I thought it was. I was impressed with the mega-trends discussion. One of OSU's strengths is keeping to the basics, which are important. Some universities have lost that in expanding to emerging areas. You need those basics to move forward. The students were great.

Barte Starker: The students were the highlight. It's discouraging to continue to talk about how to fund this College. In our business it's such an important piece of who we are and it's discouraging other people don't see that. If we don't have productive forest lands it will change the state dramatically. We need to get that message across to a wider audience and communicate that as well as we can.

Carol Whipple: I was concerned about no soils specialist. With the national trends and megatrends, we need to keep reminding ourselves about why education matters at all. I'm less concerned about our ability to teach technical facts, but we have a lot to learn about how we problem solve. Forestry and Agriculture as an institution have not spent enough time out of the box and it's all about how we stay relevant.

Rich Wininger: If you need industry to talk to legislators about the importance of graduates here, we can do that. On the meeting, there were good topics today. It can be interesting to hear about many topics, but then we don't have time to talk. The value here is for you to hear what we're thinking, and I like to hear comments from our diverse group here. It's important to get a different point of view to take back. This morning was a little tight with not enough time to talk.

Tom Partin: I'm passionate about staying funded. We've talked to Senator Smith about the Farm Bill. The student presentations were high quality and students are doing a great job representing OSU. The information that we put out is that we are sustainable and we do a great job. I wish there was a better way to get the message out to the public about what we're doing here.

Meeting adjourned.