

Greetings:

As you know, Oregon-- like the rest of the country -- is facing difficult financial times. In anticipation of a projected state revenue shortfall of potentially \$4.4 billion, all state agencies (including the Agricultural Experiment Station, OSU Extension Service, and Forest Research Laboratory) have been requested to submit FY 2009-2011 budget plans for a 30 percent reduction in funding. These budget plans are posted on the Legislative Fiscal Office website: <http://www.leg.state.or.us/budget/>.

In response to numerous requests from stakeholders for additional information we prepared a one-page summary assessment of the magnitude and potential impacts of a 30% reduction (\$2.1 million/biennium) for the Oregon Forest Research laboratory. A copy of this summary is attached. The attachment and additional budget information are available at our website: <http://forestry.oregonstate.edu/budget> .

Unlike the rest of the Oregon University System, the Forest Research Laboratory, Agricultural Experiment Station, and OSU Extension Service don't have access to other revenues, such as tuition increases to offset budget reductions. Also another key source of support for FRL programs, harvest tax receipts, is projected to decline by more than \$2 million over the biennium as a result of the housing recession. For the Oregon Forest Research laboratory a \$2.1 million budget reduction, coming on top of having already reduced faculty by 13 positions since 2000, absorbing \$0.4 million in cuts late in this fiscal year and reduced harvest taxes, has potentially historic consequences for our programs.

Careful analysis indicates that a 10 percent reduction represents a tipping point for the Forest Research Laboratory. That is, we believe we can manage budget cuts of up to 10 percent without major closures of programs. Cuts greater than 10 percent will tip us into scenarios that will require either ending several degree and research programs (FRL faculty have joint teaching appointments, therefore terminating research faculty impacts degree programs) or closing the College and Forest Research Laboratory and transferring forest resource faculty, research and degree

programs to other OSU Colleges. A 30 percent cut would result in additional losses of 11 faculty positions, \$5 million annually in leveraged grants and contracts, 38 faculty research assistants, 20-30 graduates from potential new hire workforce, 20-30 graduate students per year, and reduced research and development benefits to Oregon natural resource industries.

We realize that you also are facing significant challenges and stress under the current economic situation. We -- at the College of Forestry -- greatly appreciate your continued support. We want to be transparent about what the Oregon Forest Research Laboratory is facing and the need for your help more than ever this spring. There will be opportunities starting next week (see the attached schedule of Ways and Means Committee hearings) to provide written or oral testimony regarding the importance of the Forest Research Laboratory and the Extension Service to you. We also invite you to contact your local representatives and to join us at OSU Day at the Capital next Tuesday, April 21. With your continued engagement, I am confident that we will be able to navigate these difficult financial times and emerge with the necessary core capacities intact to continue to serve your evolving needs. Please contact me if you have any questions.

Sincerely,

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