

Agenda Item No:	A
Work Plan:	Administrative
Topic:	Financial Dashboard
Presentation Title:	Department Financial Report for February 2026 to May 2026
Date of Presentation:	June 3, 2026
Contact Information:	James D. Short, Department Chief Financial Officer (503) 302-8478, james.short@odf.oregon.gov

SUMMARY AND CONTEXT

An executive financial report and summary will be submitted monthly to ensure the Board of Forestry (Board) receives current information to support its oversight of the Department's financial condition. The report will include the Department's financial and budgetary status, along with relevant ancillary topics as appropriate.

BACKGROUND AND ANALYSIS

This consent item formalizes the transparent publishing of the Department's monthly financial reports to the Board of Forestry. While executive-level in scope, the financial report provides information on topics that are either directly related to, or have a measurable impact on, the agency's financial status and other administrative functions during a given month.

The agency has already made several updates to the financial report to improve clarity, usability, and transparency. These enhancements include refined formatting, clearer narrative explanations, and more structured presentation of key financial indicators. As the agency continues to strengthen its internal processes and leverage available data, the financial report will be further refined to provide greater insight into both financial performance and operational trends.

NEXT STEPS

The Board will receive the Department's Financial Report during the third week of each month, regardless of whether a Board meeting is scheduled. This timing allows the Department to report on the prior month's activity while ensuring the fiscal month-end close process has been completed.

ATTACHMENTS

- 1) Department of Forestry Financial Report for February 2026
- 2) Department of Forestry Financial Report for March 2026
- 3) Department of Forestry Financial Report for April 2026
- 4) Department of Forestry Financial Report for May 2026



Oregon

Tina Kotek, Governor

Department of Forestry
State Forester's Office
2600 State St
Salem, OR 97310-1336
503-945-7200
www.oregon.gov/ODF

March 2, 2026

Sen. Kate Lieber, Co-Chair
Rep. Tawna Sanchez, Co-Chair
Joint Committee on Ways and Means
900 Court St. NE, H-178
Salem, OR 97301

Re: Oregon Department of Forestry - Monthly financial condition report

Dear Co-Chairs,

The Oregon Department of Forestry (ODF) remains committed to protecting Oregon's forests and communities while maintaining strong financial stewardship. With fire season costs paid and county assessment revenues received, the agency's cash flow has stabilized as it continues its work during the February 2026 Legislative session. As ODF transitions into winter season operations and prepares for the next fire season, the agency continues to focus on completing all remaining fire-season financial reconciliations. ODF's financial position remains stable, supported by cost-containment measures and a continued emphasis on readiness. The agency also looks forward to welcoming new State Forester Kacey KC, who will begin in March, providing leadership continuity as ODF advances its operational and financial priorities.

Cash and General Fund balances

As of February 2026, ODF's principal cash account balance was \$41.5 million, and the AY27 Protection Division General Fund appropriation balance was \$8.9 million. Estimated January payroll totaled \$10.0 million, including \$7.5 million from the Forestry Main Cash Account, \$1.1 million from the Protection General Fund, and \$1.4 million from the Forest Resources General Fund. The third-quarter county distribution is estimated at \$7.0 million. Additionally, the \$7.0 million in Landscape Resiliency General Fund will be transferred to the Landscape Resiliency Fund in accordance with the budget bill and is not available for cash flow purposes.

Funds as of 2/24/2026 6:34:32 AM

Fund	Fund Title	Balance
02000	FORESTRY CASH ACCOUNT	\$41,579,607.87
11000	FOREST LAND PROTECTION FUND - EFCC	\$23,864,752.81
56000	URBAN FORESTRY	\$30,826.43
58000	FOREST RESOURCE TRUST	\$1,145,686.78
70000	FACILITIES MANAGEMENT	\$13,813,913.15

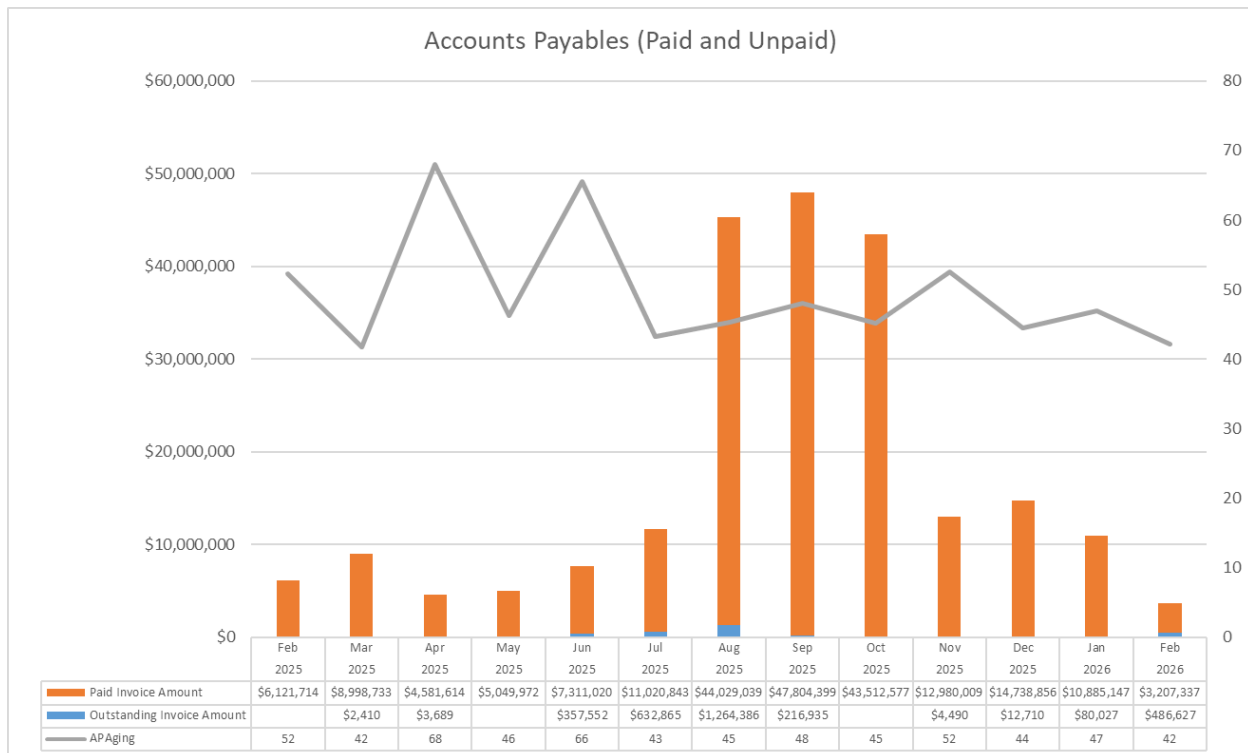
General Fund appropriations for AY2027 as of 2/24/2026 6:31:55 AM

Appn	Appn Title	Balance
89016	SFISH PROGRAM FUND	\$2,000,000.00
89905	FOREST RESOURCES	\$26,400,062.41
89908	ADMINISTRATION	\$654,176.43
89915	GRAZING ACRES LANDOWNER OFFSETS	\$1,500,000.00
89916	STATEWIDE LANDOWNER OFFSETS	\$7,500,000.00
89920	PROTECTION FROM FIRE	\$8,870,974.33
89931	RANGELAND FPA VEHICLE FUND - GF	\$500,000.00
89995	LANDSCAPE RESILIENCY GF	\$7,000,000.00

Accounts payable

Department-wide expenditure has decreased since the last reporting period (Figure 2), represented by normal expenditures for post-season operations. At the same time, the agency's vendor accounts show an average age at close to the 45-day mark.

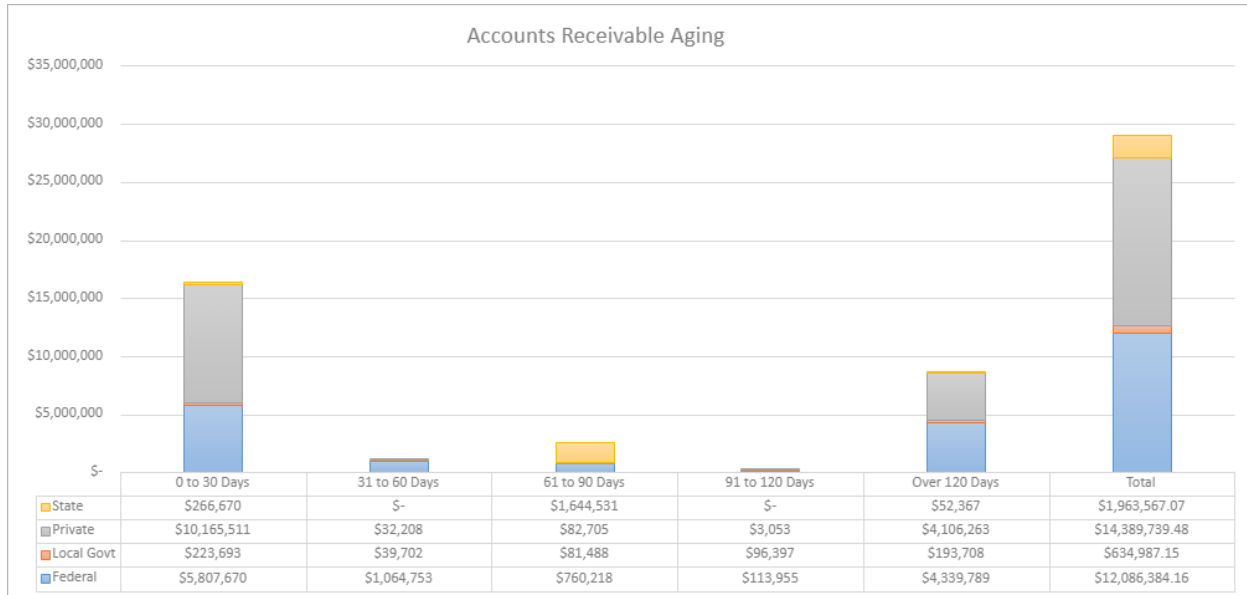
Figure 2 - Accounts Payable as of February 23, 2026



Accounts receivable

In the third quarter of FY26, the agency invoiced \$31.2 million and collected \$38.2 million. Outstanding invoices increased from the prior period, totaling 771; however, 23.5% are now more than 120 days past due, representing a 1.5% decrease from the previous period.

Figure 3 – Accounts Receivable Aging as of February 20, 2026



Fire Protection Division financial status

Outstanding Fire Protection assets and liabilities information

In addition to monitoring current agency-wide accounts payable and accounts receivable, the department tracks estimated outstanding assets and liabilities associated with the Fire Protection Division. Due to the complexity of large wildfire incidents and cooperative agreements, such as when ODF provides resources outside its protection jurisdiction, reimbursement for costs initially paid by ODF may take several years to be received. Similarly, delays can occur in receiving federal billings for resources initially covered by federal partners, as well as in completing final cost-share reconciliations that may result in amounts owed by ODF. The table below summarizes the estimated outstanding assets and liabilities, representing accounts receivable and payable that have not yet been invoiced to or from ODF.

Figure 4– Estimated Outstanding Assets and Liabilities as of February 11, 2026

Summary of Estimated Outstanding Assets and Liabilities (Costs that have not been fully reconciled or billed)		
Category	Assets (AR)	Liabilities (AP)
Coop Billable	\$37,029,617	\$0
Large Fire - Non-Cost Share	\$240,765	\$3,684,430
Large Fire - Cost Share	\$91,679,678	\$31,154,604
TOTAL	\$128,950,060	\$34,839,034

Notable updates since the last report include a decrease of \$4.7 million in AR due to billable incidents being received and cost shares being reconciled with our federal counterparts. Through fire season 2025, there are 52 cost shares (decrease of 3 from the last report) left to reconcile with our federal counterparts back to FY23.

FEMA information

FEMA Public Assistance (PA) grants are awarded to the Oregon Department of Emergency Management (ODEM), which then distributes the funds to ODF. In contrast, FEMA Fire Management Assistance Grants (FMAG) are awarded directly to ODF, providing more immediate access to funds once they are obligated. The FEMA reimbursement process can take several years to fully complete. ODF strives to submit all suppression claims to FEMA and/or ODEM within one year of an eligible incident's conclusion. Once submitted, claims undergo detailed audits by FEMA and/or ODEM before final payments are issued. Administrative claims take longer to process, as all suppression-related costs must be paid in full before ODF can submit expenses tied to administrative and financial work required by FEMA.

The table below outlines the status of claims by fire year and provides an update on payment progress for each.

Figure 5— FEMA/Public Assistance Outstanding Balances as of February 11, 2026

Summary of Outstanding FEMA FMAG/PA						
Fire Year	Claim Type	Estimate to Invoice to FEMA	Pending Review by FEMA	Amount Obligated by FEMA	Payment Amount Requested	Grand Total Due to ODF
2019	Admin - FMAG	\$0	\$215,943	\$0	\$0	\$215,943
2020	Admin - FMAG	\$85,250	\$0	\$0	\$0	\$85,250
2020	Admin - PA	\$17,017	\$0	\$0	\$0	\$17,017
2020	Fire - PA	\$0	\$297,219	\$0	\$0	\$297,219
2021	Admin - FMAG	\$43,950	\$0	\$0	\$0	\$43,950
2022	Admin - FMAG	\$12,000	\$0	\$0	\$0	\$12,000
2023	Admin - FMAG	\$32,500	\$0	\$0	\$0	\$32,500
2023	Fire - FMAG	\$1,490,000	\$0	\$0	\$0	\$1,490,000
2024	Fire - FMAG	\$24,248,900	\$1,187,069	\$0	\$0	\$25,435,968
2024	Fire - PA	\$17,780,827	\$35,343,625	\$0	\$0	\$53,124,452
2025	Fire – FMAG	\$11,673,768	\$0	\$0	\$0	\$11,673,768
TOTAL		\$55,384,211	\$37,043,856	\$0	\$0	\$92,428,067

Since the last report, there have been minimal changes to FEMA claim amounts. ODF's FEMA finance team continues to be focused on auditing and submitting claims as soon as possible. We are on pace with the remaining fire season 2024 (FMAG and PA) claims submitted by the

end of February 2026. Previous fire season administrative claims will be next to submit final claims for, followed by starting the final compliance review and claim work for fire season 2025.

Fire season costs information

The 2025 fire season resulted in \$129.9 million in gross suppression costs, with \$57.3 million in net costs remaining after anticipated federal reimbursements and cost recoveries were applied. To close out the season, the Department of Forestry requested \$57,295,787 in General Fund to cover net large fire costs, \$73,600,000 in Other Funds expenditure limitation to allow for payment processing of gross fire-related obligations, and \$12,167,370 in General Fund from the Emergency Board Special Purpose Appropriation to cover the state's share of severity program costs. These requests were incorporated into a budget reconciliation bill for consideration during the 2026 legislative session.

State Forests Division financial status

Fiscal year 2026 (FY26) through December revenues from State Forests timber sales added \$36.5 million to the ODF cash account, \$23.1 million of which will be distributed for county payments. State Forests expenses are \$21.2 million which leaves a negative net operating income of \$7.8 million. The Forest Development Operating Fund balance is \$14 million, which is below the prudent balance of 6 months operating expenses. Volume harvested through December is 80.8 MMbf which is a positive 9% change from FY25. The lumber market is still experiencing uncertainty, with declining prices driven by weakening demand for residential construction. These declining prices are continuing to be reflected in bids offered by purchasers of State Forests timber sales, with bids coming in closer to the minimum appraised bid compared to recent years. State Forests timber sales continue to sell at auction, but a continued weak market could result in timber sales that do not successfully auction, due to bids that do not meet minimum bid requirements.

Forest Resources Division financial status

Through February 2026, the Forest Products Harvest Tax distribution from the Department of Revenue totaled \$5,337,660, which is \$586,258 below projections. Through January, the Forest Resources Division expended \$4,024,156. In addition, the prorated share (seven months) of the Administrative Prorate transfer totals \$1,423,790. If Forest Products Harvest Tax revenues continue at projected levels, the Division is expected to cover expenditures for the biennium. The Division continues to closely monitor Oregon's harvest volumes and spending patterns and will provide updates as needed.

The Oregon Department of Forestry remains in a stable financial position as it completes reconciliation of the 2025 fire season and prepares for the upcoming fire season. Cash flow has stabilized with the receipt of county assessment revenues and legislative support, and the agency continues to prioritize timely vendor payments, cost-share reconciliations, and submission of federal reimbursement claims. While large fire cost recovery and FEMA

reimbursements will continue over multiple years, current financial indicators show the agency is meeting its obligations and managing fiscal risk responsibly. ODF will continue to closely monitor revenues, expenditures, and federal reimbursements to ensure ongoing financial stability and readiness to support Oregon's forests and communities.

Sincerely,

Kate Skinner
Interim State Forester

c:
Board of Forestry
Governor's Office
Chief Financial Office
Legislative Fiscal Office
Oregon State Treasury



Oregon

Tina Kotek, Governor

Department of Forestry
State Forester's Office
2600 State St
Salem, OR 97310-1336
503-945-7200
www.oregon.gov/ODF

April 1, 2026

Sen. Kate Lieber, Co-Chair
Rep. Tawna Sanchez, Co-Chair
Joint Committee on Ways and Means
900 Court St. NE, H-178
Salem, OR 97301

Re: Oregon Department of Forestry - Monthly financial condition report

Dear Co-Chairs,

The Oregon Department of Forestry (ODF) welcomed new State Forester Kacey KC in March, providing leadership as the agency advances its operational and financial priorities. With fire season costs wrapped up, the agency's cash flow has stabilized with General Fund support received during the February 2026 Legislative session. As ODF transitions into spring operations and prepares for the upcoming fire season, the agency remains focused on completing remaining fire-season financial reconciliations. ODF's financial position remains stable, supported by continued fiscal discipline and an emphasis on operational readiness.

Cash and General Fund balances

As of March 24, 2026, ODF's principal cash account balance was \$50 million, and the AY27 Protection Division General Fund appropriation balance was \$6.8 million. Estimated February payroll totaled \$10.6 million, including \$7.7 million from the Forestry Main Cash Account, \$1.3 million from the Protection General Fund, and \$1.5 million from the Forest Resources General Fund. The third-quarter county distribution is estimated at \$11 million. Additionally, the \$7.0 million in Landscape Resiliency General Fund will be transferred to the Landscape Resiliency Fund in accordance with the budget bill and is not available for cash flow purposes.

Funds as of 3/24/2026 6:34:33 AM

Fund	Fund Title	Balance
02000	FORESTRY CASH ACCOUNT	\$50,168,524.55
11000	FOREST LAND PROTECTION FUND - EFCC	\$23,990,795.87
56000	URBAN FORESTRY	\$30,921.95
58000	FOREST RESOURCE TRUST	\$1,149,236.84
70000	FACILITIES MANAGEMENT	\$13,729,678.81

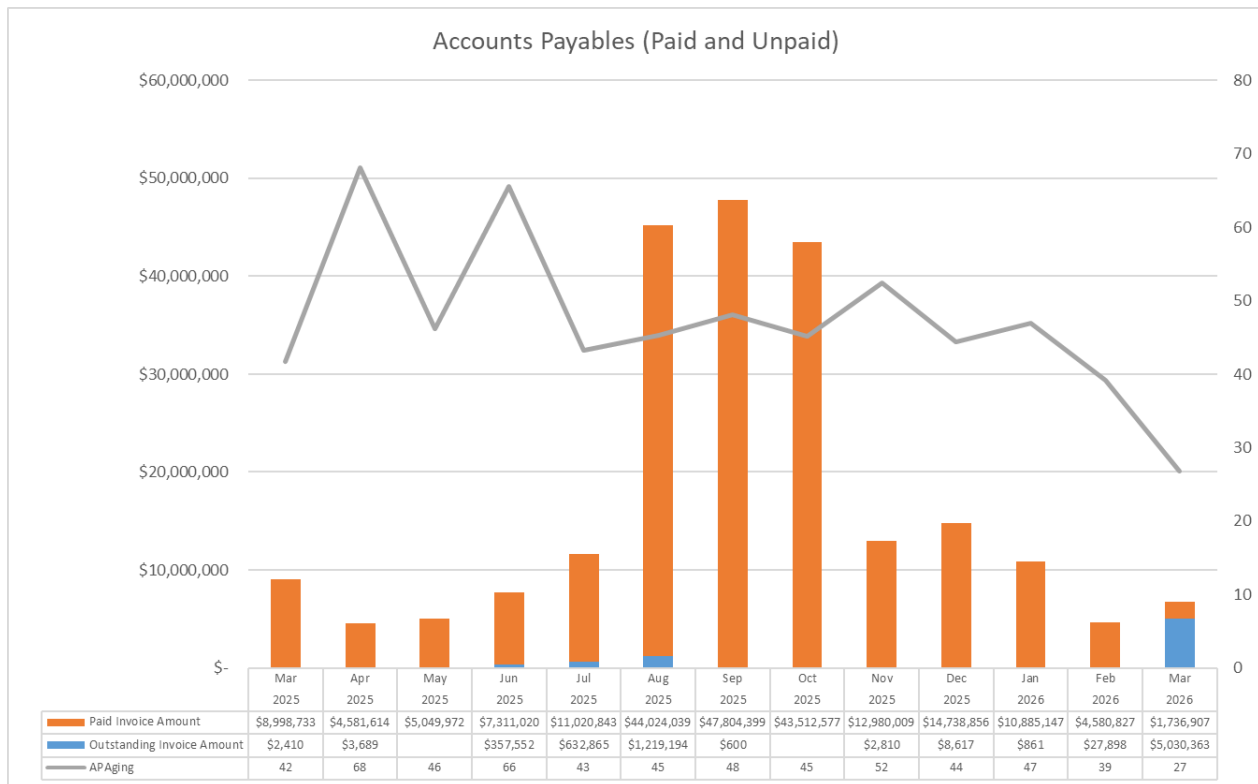
General Fund appropriations for AY2027 as of 3/24/2026 6:31:54 AM

Appn	Appn Title	Balance
89016	SFISH PROGRAM FUND	\$2,000,000.00
89905	FOREST RESOURCES	\$24,399,056.36
89908	ADMINISTRATION	\$635,096.48
89915	GRAZING ACRES LANDOWNER OFFSETS	\$1,500,000.00
89916	STATEWIDE LANDOWNER OFFSETS	\$7,500,000.00
89920	PROTECTION FROM FIRE	\$6,789,893.43
89931	RANGELAND FPA VEHICLE FUND - GF	\$500,000.00
89995	LANDSCAPE RESILIENCY GF	\$7,000,000.00

Accounts payable

Department-wide expenditure has slightly increased since the last reporting period (Figure 2), represented by normal expenditures for post-season operations. At the same time, the agency's vendor accounts show an average age at close to the 30-day mark.

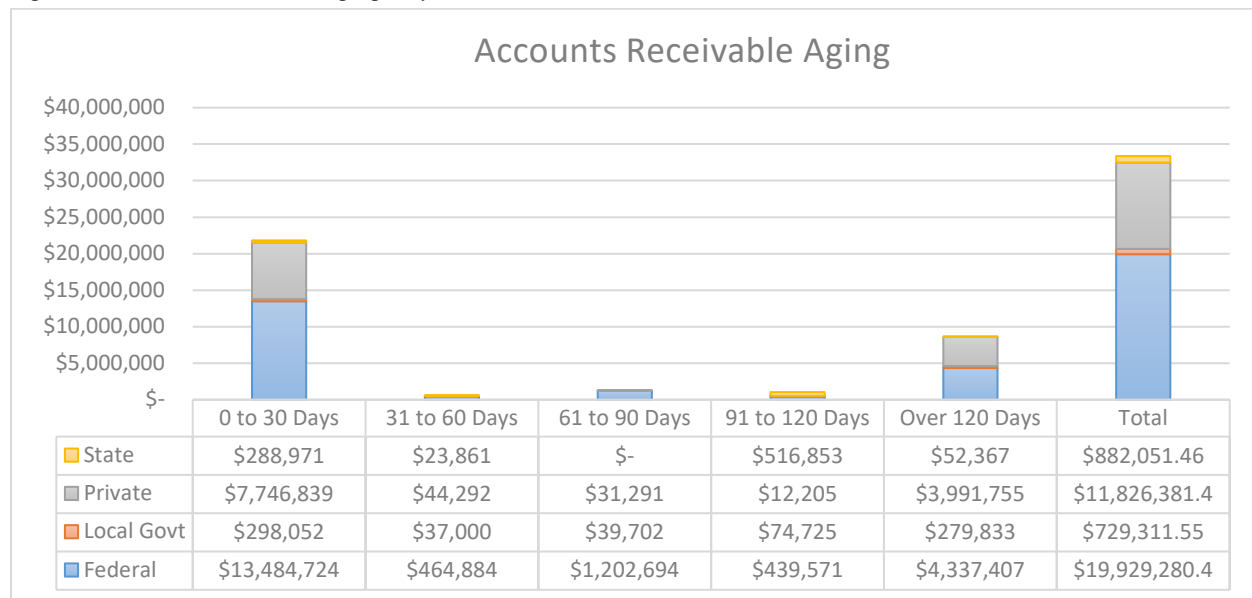
Figure 2 - Accounts Payable as of March 23, 2026



Accounts receivable

In the third quarter of FY26, the agency invoiced \$47.5 million and collected \$58.2 million. Outstanding invoices decreased from the prior period, totaling 626; however, 29.4% are now more than 120 days past due, representing a 5.9% increase from the previous period.

Figure 3 – Accounts Receivable Aging as of March 20, 2026



Fire Protection Division financial status

Outstanding Fire Protection assets and liabilities information

In addition to monitoring current agency-wide accounts payable and receivable, the department tracks estimated outstanding assets and liabilities associated with the Fire Protection Division. Due to the complexity of large wildfire incidents and cooperative agreements, such as when ODF provides resources outside its protection jurisdiction, reimbursement for costs initially paid by ODF may take several years to be received. Similarly, delays may occur in receiving federal billings for resources initially covered by federal partners, as well as in completing final cost-share reconciliations that may result in amounts owed by ODF. The table below summarizes these estimated outstanding assets and liabilities, representing receivables and payables that have not yet been invoiced to or from ODF.

Figure 4– Estimated Outstanding Assets and Liabilities as of March 18, 2026

Summary of Estimated Outstanding Assets and Liabilities (Costs that have not been fully reconciled or billed)		
Category	Assets (AR)	Liabilities (AP)
Coop Billable	\$35,606,503	\$0
Large Fire - Non-Cost Share	\$300,471	\$2,826,053
Large Fire - Cost Share	\$91,902,446	\$29,498,274

TOTAL	\$127,809,420	\$32,324,327
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Notable updates since the last report include a decrease of \$1.1 million in AR and a decrease in AP of \$2.5 million due to billable incidents being invoiced to other agencies or billings received for ODF to pay. Up to fire season 2025, there are 52 cost shares left to reconcile with our federal counterparts back to FY23.

FEMA information

FEMA Public Assistance (PA) grants are awarded to the Oregon Department of Emergency Management (ODEM), which then distributes the funds to ODF. In contrast, FEMA Fire Management Assistance Grants (FMAG) are awarded directly to ODF, providing more immediate access to funds once they are obligated. The FEMA reimbursement process can take several years to fully complete. ODF strives to submit all suppression claims to FEMA and/or ODEM within one year of an eligible incident's conclusion. Once submitted, claims undergo detailed audits by FEMA and/or ODEM before final payments are issued. Administrative claims take longer to process, as all suppression-related costs must be paid in full before ODF can submit expenses tied to administrative and financial work required by FEMA.

The table below outlines the status of claims by fire year and provides an update on payment progress for each.

Figure 5– FEMA/Public Assistance Outstanding Balances as of March 18, 2026

Summary of Outstanding FEMA FMAG/PA						
Fire Year	Claim Type	Estimate to Invoice to FEMA	Pending Review by FEMA	Amount Obligated by FEMA	Payment Amount Requested	Grand Total Due to ODF
2019	Admin - FMAG	\$0	\$0	\$215,943	\$0	\$215,943
2020	Admin - FMAG	\$85,250	\$0	\$0	\$0	\$85,250
2020	Admin - PA	\$17,017	\$0	\$0	\$0	\$17,017
2020	Fire - PA	\$0	\$35,651	\$0	\$261,568	\$297,219
2021	Admin - FMAG	\$43,950	\$0	\$0	\$0	\$43,950
2022	Admin - FMAG	\$12,000	\$0	\$0	\$0	\$12,000
2023	Admin - FMAG	\$32,500	\$0	\$0	\$0	\$32,500
2023	Fire - FMAG	\$1,490,000	\$0	\$0	\$0	\$1,490,000
2024	Fire - FMAG	\$24,234,458	\$1,187,069	\$0	\$0	\$25,421,527
2024	Fire - PA	\$17,871,536	\$27,842,664	\$0	\$7,500,961	\$53,215,161
2025	Fire – FMAG	\$11,673,768	\$0	\$0	\$0	\$11,673,768
TOTAL		\$55,460,479	\$29,065,384	\$215,943	\$7,762,529	\$92,504,335

Since the last report, there has been progress on claim amounts associated with Public Assistance claims finalized through ODEM. There has been limited movement on FMAG claim

amounts due to a Department of Homeland Security shutdown, which has prevented access to required systems for claim submission.

The agency is prepared to submit the remaining fire season 2024 claims once system access is restored. Following this, staff will complete final administrative claims for prior fire seasons, then begin final compliance review and claim processing for the 2025 fire season.

The Oregon Department of Forestry remains in a stable financial position as it completes reconciliation of the 2025 fire season and prepares for the upcoming season. Cash flow has stabilized with support provided during the most recent legislative session. While recovery of large fire costs and FEMA reimbursements will continue over multiple years, current financial indicators demonstrate that the agency is meeting its obligations and managing fiscal risk responsibly. ODF will continue to closely monitor revenues, expenditures, and federal reimbursements to maintain financial stability and ensure readiness to support Oregon's forests and communities.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Kacey KC', with a stylized flourish at the end.

Kacey KC
State Forester

c:
Board of Forestry
Governor's Office
Chief Financial Office
Legislative Fiscal Office
Oregon State Treasury



Oregon

Tina Kotek, Governor

Department of Forestry
State Forester's Office
2600 State St
Salem, OR 97310-1336
503-945-7200
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May 1, 2026

Sen. Kate Lieber, Co-Chair
Rep. Tawna Sanchez, Co-Chair
Joint Committee on Ways and Means
900 Court St. NE, H-178
Salem, OR 97301

Re: Oregon Department of Forestry - Monthly financial condition report

Dear Co-Chairs,

The Oregon Department of Forestry (ODF) continues to carry out its mission of protecting, managing, and promoting Oregon's forests while maintaining a stable and disciplined overall financial position. As the agency moves through the fiscal year, operations across fire protection, state forests, and forest resources programs remain active and aligned with core priorities. The State Forests Division continues to operate and generate revenue to support agency functions and county distributions, while current conditions reflect softer timber markets, reduced net operating income, and fund balances trending below target levels, areas the agency is continuing to monitor closely. Across all programs, ODF remains focused on sustaining essential services, supporting partnerships, and preparing for seasonal demands while managing financial resources responsibly.

Cash and General Fund balances

As of April 20, 2026, ODF's principal cash account balance was \$46.7 million, and the AY27 Protection Division General Fund appropriation balance was \$88.8 million. Estimated April payroll totaled \$10 million, including \$7.5 million from the Forestry Main Cash Account, \$1.1 million from the Protection General Fund, and \$1.4 million from the Forest Resources General Fund. The third-quarter county distribution is estimated at \$16.5 million. Additionally, the \$7.0 million in Landscape Resiliency General Fund will be transferred to the Landscape Resiliency Fund in accordance with the budget bill and is not available for cash flow purposes.

Funds as of 4/20/2026 6:34:39 AM

Fund	Fund Title	Balance
02000	FORESTRY CASH ACCOUNT	\$46,708,340.58
11000	FOREST LAND PROTECTION FUND - EFCC	\$24,474,334.49
56000	URBAN FORESTRY	\$30,063.52
58000	FOREST RESOURCE TRUST	\$1,147,733.60
70000	FACILITIES MANAGEMENT	\$14,038,686.15

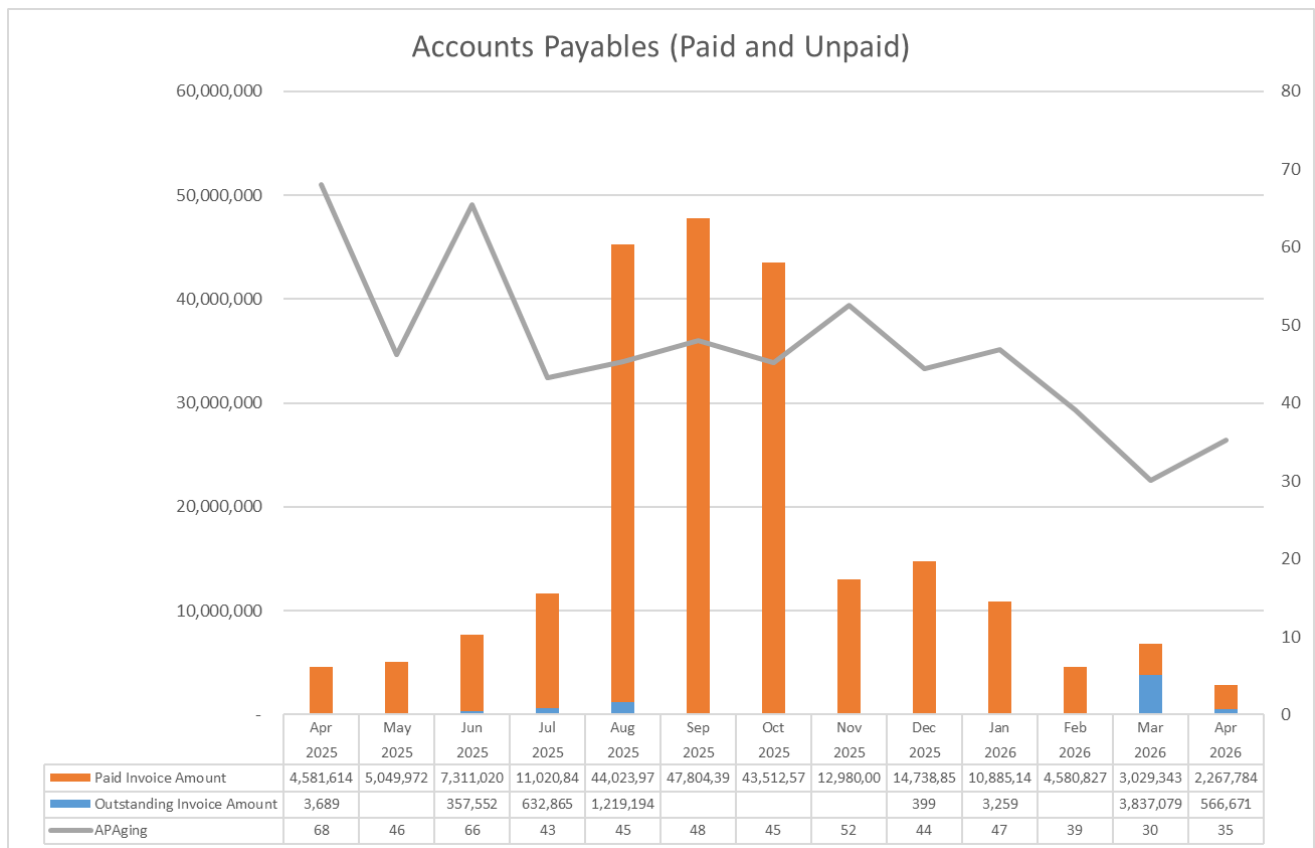
General Fund appropriations for AY2027 as of 4/20/2026 6:32:01 AM

Appn	Appn Title	Balance
89016	SFISH PROGRAM FUND	\$2,000,000.00
89905	FOREST RESOURCES	\$24,857,287.30
89908	ADMINISTRATION	\$682,477.87
89915	GRAZING ACRES LANDOWNER OFFSETS	\$1,500,000.00
89916	STATEWIDE LANDOWNER OFFSETS	\$7,500,000.00
89920	PROTECTION FROM FIRE	\$88,791,003.26
89931	RANGELAND FPA VEHICLE FUND - GF	\$500,000.00
89995	LANDSCAPE RESILIENCY GF	\$7,000,000.00

Accounts payable

Department-wide expenditure has slightly decreased since the last reporting period (Figure 2), represented by normal expenditures for post-season operations. At the same time, the agency's vendor accounts show an average age at close to the 35-day mark.

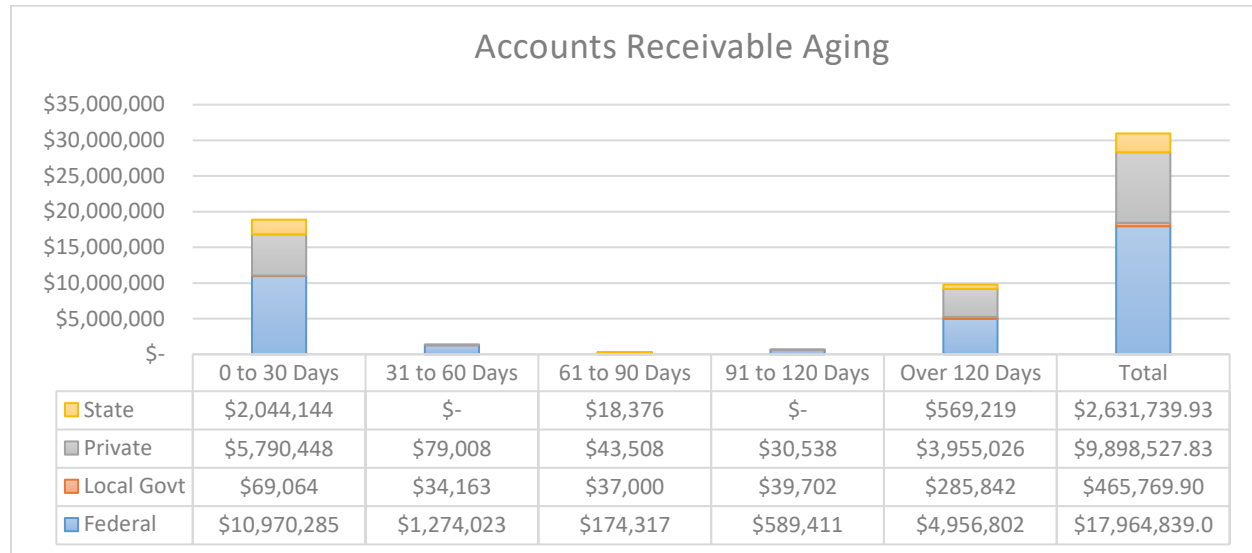
Figure 2 - Accounts Payable as of April 20, 2026



Accounts receivable

In the third quarter of FY26, the agency invoiced \$56 million and collected \$67 million. Outstanding invoices decreased from the prior period, totaling 571; however, 41.7% are now more than 120 days past due, representing a 12.3% increase from the previous period.

Figure 3 – Accounts Receivable Aging as of April 20, 2026



State Forests Division financial status

Fiscal year 2026 (FY26) through January revenues from State Forests timber sales added \$46.7 million to the ODF cash account, \$29.6 million of which will be distributed for county payments. State Forests expenses are \$28.0 million which leaves a negative net operating income of \$10.9 million. The Forest Development Operating Fund balance is \$11.0 million, which is below the prudent balance of 6 months operating expenses. Volume harvested through January is 95.8 MMbf which is a negative 1% change from FY25. The lumber market remains uncertain entering 2026, with prices declining through late 2025 and into early 2026 due to reduced demand in residential construction. Higher interest rates and housing affordability challenges have slowed new homebuilding, contributing to softer lumber prices. These conditions are reflected in State Forests timber sale auctions, where bids are generally closer to minimum appraised values than in recent years. While most timber sales continue to sell, ongoing market weakness may result in some sales not meeting minimum bid requirements. Market conditions are expected to remain variable in the near term, with the potential for gradual improvement later in 2026 as housing activity stabilizes.

Fire Protection Division financial status

Outstanding Fire Protection assets and liabilities information

In addition to monitoring current agency-wide accounts payable and receivable, the department tracks estimated outstanding assets and liabilities associated with the Fire Protection Division. Due to the complexity of large wildfire incidents and cooperative agreements, such as when ODF provides resources outside its protection jurisdiction, reimbursement for costs initially paid by ODF may take several years to be received. Similarly, delays may occur in receiving federal billings for resources initially covered by federal partners, as well as in completing final cost-share reconciliations that may result in amounts owed by ODF. The table below summarizes these estimated outstanding assets and liabilities, representing receivables and payables that have not yet been invoiced to or from ODF.

Figure 4— Estimated Outstanding Assets and Liabilities as of April 09, 2026

Summary of Estimated Outstanding Assets and Liabilities (Costs that have not been fully reconciled or billed)		
Category	Assets (AR)	Liabilities (AP)
Coop Billable	\$34,366,933	\$0
Large Fire - Non-Cost Share	\$300,702	\$826,053
Large Fire - Cost Share	\$91,600,209	\$26,672,221
TOTAL	\$126,267,844	\$27,498,274

Notable updates since the last report include a decrease of \$1.5 million in AR and a decrease in AP of \$4.8 million due to billable incidents being invoiced to other agencies or billings received for ODF to pay. Up to fire season 2025, there are 51 cost shares left to reconcile with our federal counterparts back to FY23.

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The table below outlines the status of claims by fire year and provides an update on payment progress for each.

Figure 5– FEMA/Public Assistance Outstanding Balances as of April 09, 2026

Summary of Outstanding FEMA FMAG/PA						
Fire Year	Claim Type	Estimate to Invoice to FEMA	Pending Review by FEMA	Amount Obligated by FEMA	Payment Amount Requested	Grand Total Due to ODF
2020	Admin - FMAG	\$85,250	\$0	\$0	\$0	\$85,250
2020	Admin - PA	\$17,017	\$0	\$0	\$0	\$17,017
2020	Fire - PA	\$0	\$35,651	\$0	\$261,568	\$297,219
2021	Admin - FMAG	\$43,950	\$0	\$0	\$0	\$43,950
2022	Admin - FMAG	\$12,000	\$0	\$0	\$0	\$12,000
2023	Admin - FMAG	\$32,500	\$0	\$0	\$0	\$32,500
2023	Fire - FMAG	\$1,490,000	\$0	\$0	\$0	\$1,490,000
2024	Fire - FMAG	\$24,234,458	\$1,187,069	\$0	\$0	\$25,421,527
2024	Fire - PA	\$9,797,289	\$35,890,640	\$0	\$7,500,961	\$53,188,890
2025	Fire – FMAG	\$11,673,768	\$0	\$0	\$0	\$11,673,768
TOTAL		\$47,386,232	\$37,113,360	\$0	\$7,762,529	\$92,262,121

Since the last report, the 2019 FMAG administrative claim of \$215,943 has been paid. Additionally, \$8 million from the 2024 fire season Public Assistance claim has been submitted to ODEM for review. Movement on FMAG claims has been limited due to a Department of Homeland Security shutdown, which has restricted access to required submission systems. The agency is prepared to submit the remaining 2024 fire season claims once access is restored. Following that, staff will complete final administrative claims for prior fire seasons and begin compliance review and claim processing for the 2025 fire season.

ODF remains focused on maintaining financial stability and operational readiness as it prepares for the upcoming fire season. While some financial elements, including large fire cost recovery and timber market conditions, will continue to evolve, the agency is actively monitoring these areas and managing resources accordingly. ODF will continue to prioritize sound fiscal practices, support core programs, and ensure it is well-positioned to meet its responsibilities to Oregon’s forests and communities.

Sincerely,



Kacey KC
 State Forester

c: Board of Forestry
 Governor’s Office
 Chief Financial Office
 Legislative Fiscal Office
 Oregon State Treasury



Oregon

Tina Kotek, Governor

Department of Forestry
State Forester's Office
2600 State St
Salem, OR 97310-1336
503-945-7200
www.oregon.gov/ODF

June 1, 2026

Sen. Kate Lieber, Co-Chair
Rep. Tawna Sanchez, Co-Chair
Joint Committee on Ways and Means
900 Court St. NE, H-178
Salem, OR 97301

Re: Oregon Department of Forestry - Monthly financial condition report

Dear Co-Chairs,

The Oregon Department of Forestry (ODF) continues to support statewide forestry, wildfire protection, and natural resource management activities while maintaining careful oversight of agency finances and operations. Agency programs remain actively engaged in meeting operational demands, supporting local communities and landowners, and preparing for seasonal fire response activities. Financial conditions continue to reflect ongoing market and operational pressures that require close monitoring and disciplined fiscal management. ODF remains committed to maintaining essential services, supporting long-term forest management objectives, and ensuring responsible stewardship of public resources.

Cash and General Fund balances

As of May 26, 2026, ODF's principal cash account balance was \$49.3 million, and the AY27 Protection Division General Fund appropriation balance was \$48.5 million. Estimated May payroll totaled \$10 million, including \$7.5 million from the Forestry Main Cash Account, \$1.1 million from the Protection General Fund, and \$1.4 million from the Forest Resources General Fund. The third-quarter county distribution is estimated at \$14 million. Additionally, the \$7.0 million in Landscape Resiliency General Fund will be transferred to the Landscape Resiliency Fund in accordance with the budget bill and is not available for cash flow purposes.

Funds as of 5/26/2026 7:34:39 AM

Fund	Fund Title	Balance
02000	FORESTRY CASH ACCOUNT	\$49,346,476.96
11000	FOREST LAND PROTECTION FUND - EFCC	\$25,531,209.34
56000	URBAN FORESTRY	\$28,581.35
58000	FOREST RESOURCE TRUST	\$1,151,518.23
70000	FACILITIES MANAGEMENT	\$13,881,475.50

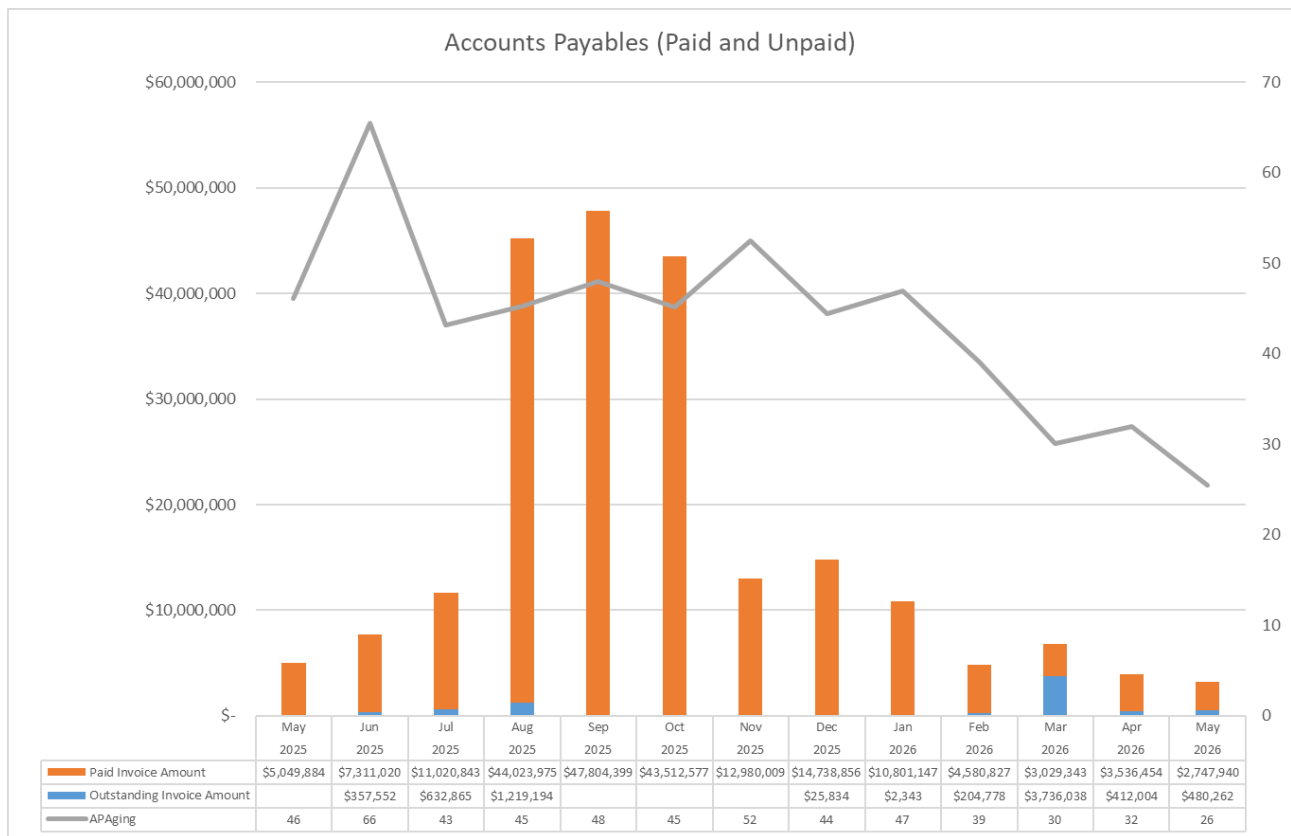
General Fund appropriations for AY2027 as of 5/26/2026 7:34:39 AM

Appn	Appn Title	Balance
89016	SFISH PROGRAM FUND	\$2,000,000.00
89905	FOREST RESOURCES	\$38,039,541.96
89908	ADMINISTRATION	\$663,979.24
89915	GRAZING ACRES LANDOWNER OFFSETS	\$1,500,000.00
89916	STATEWIDE LANDOWNER OFFSETS	\$7,500,000.00
89920	PROTECTION FROM FIRE	\$48,447,650.75
89931	RANGELAND FPA VEHICLE FUND - GF	\$500,000.00
89995	LANDSCAPE RESILIENCY GF	\$6,999,811.90

Accounts payable

Department-wide expenditure has slightly decreased since the last reporting period (Figure 2), represented by normal expenditures for post-season operations. At the same time, the agency's vendor accounts show an average age below 30-day mark.

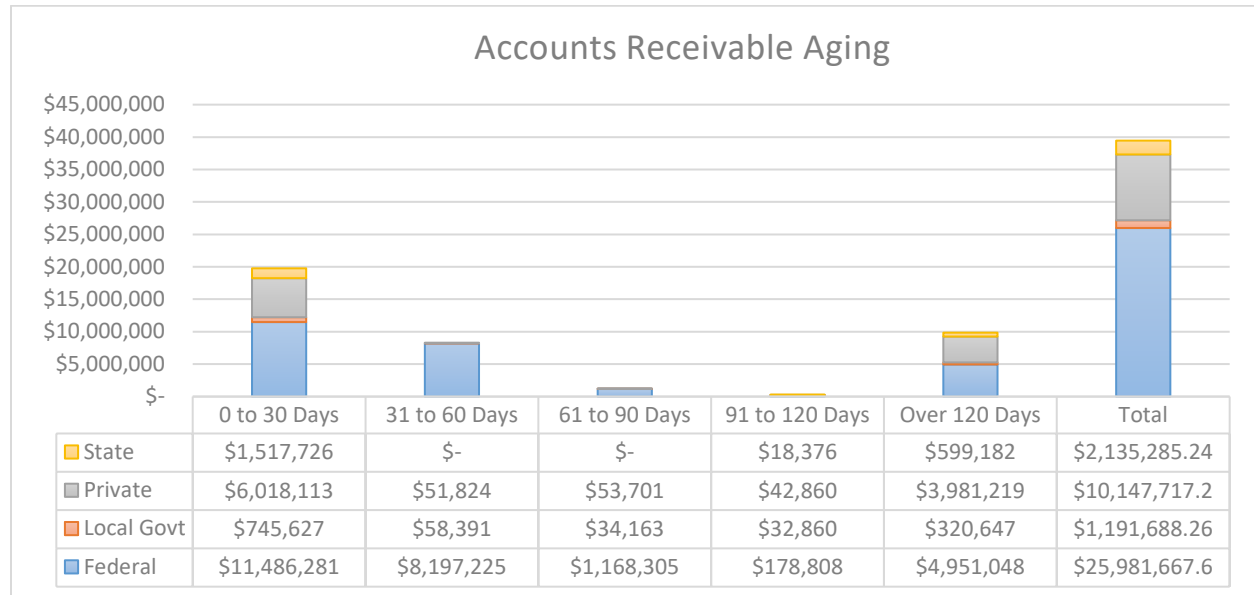
Figure 2 - Accounts Payable as of May 22, 2026



Accounts receivable

In the fourth quarter of FY26, the agency invoiced \$25.5 million and collected \$18.5 million. Outstanding invoices decreased from the prior period, totaling 501; however, 57.5% are now more than 120 days past due, representing a 15.8% increase from the previous period.

Figure 3 – Accounts Receivable Aging as of May 21, 2026



Forest Resources Division financial status

Through May 2026, the distribution of the Forest Products Harvest Tax from the Department of Revenue was \$7,717,485, which is \$459,116 below projections. Through April 2026, Forest Resources Division spent \$7,903,170. This amount includes a prorated share (\$2,033,985) of the Admin Prorate transfer. If the Forest Products Harvest Tax revenues continue as projected, the Division will cover expenditures for the biennium. The Division closely tracks Oregon’s harvest volume and spending patterns and will provide updates as needed.

Fire Protection Division financial status

Outstanding Fire Protection assets and liabilities information

In addition to monitoring current agency-wide accounts payable and receivable, the department tracks estimated outstanding assets and liabilities associated with the Fire Protection Division. Due to the complexity of large wildfire incidents and cooperative agreements, such as when ODF provides resources outside its protection jurisdiction, reimbursement for costs initially paid by ODF may take several years to be received. Similarly, delays may occur in receiving federal billings for resources initially covered by federal partners, as well as in completing final cost-share reconciliations that may result in amounts owed by ODF. The table below summarizes these

estimated outstanding assets and liabilities, representing receivables and payables that have not yet been invoiced to or from ODF.

Figure 4– Estimated Outstanding Assets and Liabilities as of May 13, 2026

Summary of Estimated Outstanding Assets and Liabilities (Costs that have not been fully reconciled or billed)		
Category	Assets (AR)	Liabilities (AP)
Coop Billable	\$31,544,880	\$0
Large Fire - Non-Cost Share	\$59,203	\$826,053
Large Fire - Cost Share	\$88,575,321	\$27,191,209
TOTAL	\$120,179,404	\$28,017,262

Notable updates since the last report include a decrease of \$6 million in AR and an increase in AP of \$518,000 due to billable incidents being invoiced to other agencies or billings received for ODF to pay. Up to fire season 2025, there are 47 (down from 51 last month) cost shares left to reconcile with our federal counterparts back to FY23.

FEMA information

FEMA Public Assistance (PA) grants are awarded to the Oregon Department of Emergency Management (ODEM), which then distributes the funds to ODF. In contrast, FEMA Fire Management Assistance Grants (FMAG) are awarded directly to ODF, providing more immediate access to funds once they are obligated. The FEMA reimbursement process can take several years to fully complete. ODF strives to submit all suppression claims to FEMA and/or ODEM within one year of an eligible incident's conclusion. Once submitted, claims undergo detailed audits by FEMA and/or ODEM before final payments are issued. Administrative claims take longer to process, as all suppression-related costs must be paid in full before ODF can submit expenses tied to administrative and financial work required by FEMA.

The table below outlines the status of claims by fire year and provides an update on payment progress for each.

Figure 5– FEMA/Public Assistance Outstanding Balances as of May 13, 2026

Summary of Outstanding FEMA FMAG/PA						
Fire Year	Claim Type	Estimate to Invoice to FEMA	Pending Review by FEMA	Amount Obligated by FEMA	Payment Amount Requested	Grand Total Due to ODF
2020	Admin - FMAG	\$85,250	\$0	\$0	\$0	\$85,250
2020	Admin - PA	\$17,017	\$0	\$0	\$0	\$17,017
2020	Fire - PA	\$0	\$0	\$35,652	\$261,568	\$297,220
2021	Admin - FMAG	\$43,950	\$0	\$0	\$0	\$43,950
2022	Admin - FMAG	\$12,000	\$0	\$0	\$0	\$12,000
2023	Admin - FMAG	\$32,500	\$0	\$0	\$0	\$32,500

2023	Fire - FMAG	\$1,490,000	\$0	\$0	\$0	\$1,490,000
2024	Fire - FMAG	\$17,723,253	\$7,433,557	\$0	\$0	\$25,156,810
2024	Fire - PA	\$9,230,499	\$36,457,430	\$0	\$7,500,961	\$53,188,890
2025	Fire – FMAG	\$11,673,768	\$0	\$0	\$0	\$11,673,768
TOTAL		\$40,308,237	\$43,890,987	\$35,652	\$7,762,529	\$91,997,405

Since the last report, \$7 million from the 2024 fire season Battle Mountain FMAG claim has been submitted to FEMA for review. The remainder of the 2024 fire season claims are being entered into the FEMA systems now that access has been restored with the shutdown lifted. Following that, staff will complete final administrative claims for prior fire seasons and begin compliance review and claim processing for the 2025 fire season.

ODF will continue to monitor agency expenditures, revenues, cash flow, and operational needs throughout the remainder of the fiscal year. The agency remains focused on maintaining operational readiness, supporting ongoing program delivery, and responding to changing conditions as they arise. ODF will continue to provide updates on significant financial or operational developments and remains committed to responsible stewardship of public resources in support of its statewide mission.

Sincerely,



Kacey KC
State Forester

c: Board of Forestry
Governor's Office
Chief Financial Office
Legislative Fiscal Office
Oregon State Treasury