

# Federal investment in natural resource-based economic development in Oregon

EMILY JANE DAVIS, SHILOH SUNDSTROM, AND CASSANDRA MOSELEY  
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## About the authors

**Emily Jane Davis** is a faculty research associate at the Ecosystem Workforce Program, Institute for a Sustainable Environment, University of Oregon.

**Shiloh Sundstrom** was a faculty research associate at the Ecosystem Workforce Program, Institute for a Sustainable Environment, University of Oregon.

**Cassandra Moseley** is director of the Ecosystem Workforce Program, Institute for a Sustainable Environment, University of Oregon.

## About the Dry Forest Investment Zone

The Dry Forest Investment Zone (DFZ) is a five-year project to address common natural resource-based economic development challenges through increased networking and capacity building at a regional scale. Sustainable Northwest leads this project in partnership with Wallowa Resources in northeastern Oregon, the Watershed Research and Training Center in northern California, and the Ecosystem Workforce Program at the University of Oregon. The central components of the DFZ strategy are: 1) To build strong local nonprofit organizations and collaborative processes to achieve forest and economic resilience, 2) Create multiple value streams from land management and incentives for forest restoration and stewardship, 3) Develop integrated biomass utilization and renewable energy; and 4) Create the policy conditions to support sustainable forest stewardship on public and private lands.

## Acknowledgements

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**Maps:** Branden Rishel—Ecosystem Workforce Program

### For additional information about the Dry Forest Investment Zone project and its partners:

Sustainable Northwest  
813 SW Alder Street, Suite 500  
Portland OR 97205-3113  
503-221-6911  
info@sustainablenorthwest.org  
sustainablenorthwest.org/programs/dfiz

### For more information about this report:

Ecosystem Workforce Program  
Institute for a Sustainable Environment  
5247 University of Oregon  
Eugene OR 97403-5247  
541-346-4545  
ewp@uoregon.edu  
ewp.uoregon.edu



UNIVERSITY OF OREGON



## Executive summary

This study considers how the United States Department of Agriculture (USDA) Forest Service and Rural Development Business and Cooperative Service (RDBCS) invested in Oregon between 2007–11. The Forest Service is a land management agency whereas RDBCS is a rural economic development agency. Each has different mandates and missions. However, in some cases they have overlapping goals, especially in communities surrounded by public land. In these places, economic development requires robust businesses and a supportive policy environment, with institutions and resources that help the benefits of land management flow to local communities. We examined how these agencies invested in natural resource-based economic development by analyzing their spending on selected relevant activities (see Approach, page 4, for more information).

We found that these agencies made different kinds of investments with different delivery mechanisms (see Table 1, page 2). The Forest Service uses service contracts to obtain land management services from the private sector. This made up the majority of this agency's spending in Oregon (79 percent or \$302 million) during the study period. The Forest Service also spent about \$78 million through agreements with other agencies and nongovernmental partners.

Thirty-nine percent of all Forest Service spending via service contracts and agreements was for wild-land fire management and capital improvement and maintenance projects under the American Recovery and Reinvestment Act of 2009. RDBCS invested \$237 million in Oregon from 2007–11 in loan guarantees, loans, and grants. The majority of RDBCS spending (88 percent or \$205 million) was through loan guarantees wherein the agency guaranteed a loan from a private lender to a business. Less than one percent of RDBCS spending went to businesses that we could clearly identify as natural resource-based.

### Geographic patterns in investments

We examined agency investments on the west and east sides of the state; at the county-level; and by type of county economy, metro status, and amount of federal land in a county. The Forest Service and RDBCS each invested 60 to 61 percent of all their studied spending in western Oregon. We found that in general, the Forest Service spent the most in counties that are economically nonspecialized, nonmetro, or contain two-thirds or more federal land. RDBCS invested the most in counties that are nonspecialized, nonmetro, and have one-third or less federal land. Proportional to the percent of nonspecialized counties in Oregon (40 percent), the Forest Service invested about

what we might expect (42 percent), while RDBCS invested more (65 percent). Both agencies invested approximately 55 percent of their spending in nonmetro counties, although 69 percent of Oregon's counties are nonmetro. Finally, we found that the Forest Service invested 44 percent of its spending in counties with two-thirds or more federal land, which is more than we might expect proportionally given that only 28 percent of Oregon's counties have this amount of federal land. RDBCS invested 45 percent of its spending in counties with one-third or less federal land, which is more than we might expect as 33 percent of Oregon's counties have this amount of federal land.

### Recipients and local capture of investments

We found that Forest Service and RDBCS spending was highly concentrated among small numbers of recipients. Eighty-seven percent of all Forest Service contract dollars went to 20 percent of the contractors. Nearly 85 percent of Forest Service agreement funding was awarded to 20 percent of all agreement recipients. RDBCS spending exhibited a similar pat-

tern as 20 percent of its recipients captured 87 percent of all RDBCS funds.

Looking at local capture helps show if the benefits of federal investments flowed directly to the counties where the work was performed. Local capture of Forest Service contracts occurred when a contractor from the same county as the place of performance conducted the work. Local capture of Forest Service contracts varied greatly across Oregon but for most counties was less than 25 percent. Forest Service agreements had high rates of local capture because place of performance for agreements was typically the location of the recipient. Eighty-nine percent of Forest Service agreement funding spent in eastern counties was captured by entities located in that county. In western Oregon, local entities captured 63 percent of the agreement funding spent in their counties. RDBCS spending also had high rates of local capture because place of performance typically was the location of the recipient. In 14 of Oregon's 36 counties, local capture of RDBCS funds was 100 percent.

**Table 1 USDA Forest Service and Rural Development Business and Cooperative Service (RDBCS) investments in Oregon at a glance, 2007–11**

	<b>USDA Forest Service</b>	<b>USDA RDBCS</b>
<b>Total invested, 2007–11</b>	\$380 million	\$237 million
<b>Primary mechanism</b>	Contracts	Business and industry loan guarantees
<b>Primary recipient type</b>	Businesses	Businesses
<b>Percent spent on western / eastern sides of state</b>	60% / 40%	61% / 39%
<b>Percent spent in metro / nonmetro counties</b>	45% / 55%	45% / 52% *
<b>Percent of money spent in economically nonspecialized counties</b>	40%	65%
<b>Percent of money spent in counties with more than two-thirds public lands</b>	44%	21%
<b>Top recipients by county</b>	Marion, Jackson, Lane	Umatilla, Polk, Clackamas

\*Three percent of RDBCS spending was in an unspecified location



Timber harvesting, fishing, grazing, and other natural resource management activities have been the historic backbone of many communities surrounded by public lands in Oregon. The importance of these industries in local economies has declined substantially since the 1990s. However, leaders in these communities today often seek natural resource-based economic re-development through natural resource management centered on restoration, and biomass utilization and forest products processing.

As the largest landowner in many of Oregon's communities, the United States Department of Agriculture (USDA) Forest Service has a significant role in the realization of this natural resource-based economic development. How the Forest Service manages its land, draws on local business and institutional capacity, and provides opportunities to further build those capacities all affect the wellbeing of public lands communities. The federal government also invests through USDA Rural Development's Business and Cooperative Service (RDBCS), which provides loan guarantees, loans, and grants that can be used to support the abilities of natural resource-based businesses and institutions to generate economic activity. The Forest Service and RDBCS are officially designated as a land management agency and a rural develop-

ment agency, respectively, with different mandates and missions. Natural resource-based economic development in public lands communities in particular requires not only robust businesses, but a supportive policy environment, and institutions and resources that help the benefits of land management flow to local communities. Investments in all of these elements are needed.

Currently, there is not broad understanding of how these federal agencies invest, how the different types of resources they provide reach the ground, and who benefits. Better understanding may help inform how land management and economic development agencies might leverage resources and assets, and aggregate their collective impact on community economic resilience. This study takes a preliminary step towards addressing this gap by analyzing the investments of one land management agency and one economic development agency in the USDA: the Forest Service, and the RDBCS. Although this is an exploratory look at patterns of spending, by considering how these agencies deliver economic development services, we can examine if and how federal investments are reaching places where natural resource-based economic development and public lands are significant to the socioeconomic fabric of communities.

## Approach

We examined patterns of spending by two federal agencies within the USDA—the Forest Service and the RDBCS—across the state of Oregon. We also focused on the USDA to look at the different ways in which this department seeks to accomplish land management and economic development through its agencies.

First, we analyzed documents and websites focused on the missions and roles of each agency to understand how they deliver services. Second, we collected information on how much these agencies invested in Oregon as a whole by obtaining data on total annual amounts of US Forest Service service contract and agreement spending and RDBCS loan guarantees, loans, and grants awarded in Oregon from 2007–11 from the website [USAspending.gov](http://USAspending.gov) (for more details, please see Appendix A, page 20). We chose the time period of 2007–11 because it provided a recent look at government investment during a time of challenging economic conditions and shrinking budgets. Further, it allowed an opportunity to examine the impacts of the American Recovery and Reinvestment Act of 2009 (ARRA) on economic development in a natural resource management context.

## Data selection

Our analysis does not represent the entire budgets of the Forest Service and RDBCS in Oregon. The numbers we report are for selected types of investment. To focus on natural resource management activities and in particular how these agencies may contribute to natural resource management capacity, we included the following types of information. First, we included only Forest Service spending through service contracts and formal agreements on activities with selected product service codes related to natural resource management. These do not include timber sales, outfitter permits or other sales or permits. Product service codes classify government contract spending based on the products or services being purchased. We excluded all contracts for products and we selected service contracts for work related to natural resources management and conservation

(“F” codes), construction, maintenance of roads and facilities (“Y” and “Z” codes), and non-research and development special studies and analyses for environmental assessments including wildlife and plant studies (“B” codes). We did not include fire suppression contracts (“F003” subcode). Second, we did not include spending by Rural Development’s other agencies dedicated to community infrastructure and housing. Much RDBCS money does not go to entities working on natural resource management; however, these programs are applicable to such entities.

Because this was an exploratory study of broad trends in federal investments through the USDA, we focused on information found in the [USAspending.gov](http://USAspending.gov) data. What this data cannot tell us is how some federal investments are further redistributed. Businesses performing a Forest Service contract, for example, may go on to subcontract with other businesses to complete their work. State agencies, tribes, nonprofits, or other institutions receiving Forest Service agreements may re-grant or subcontract some money to businesses or other institutions to carry out work on the ground. In addition, RDBCS delivers some of its resources to regional and county-level economic development entities, which typically run their own grant and loan programs to filter this money to local institutions and businesses. Further, we identified approximately \$7 million of RDBCS investments that did not have specific recipients or places of performance listed, so we cannot know where the agency made these investments.

It is also important to note a large portion of RDBCS funding was in the Business and Industry Loan program, which consists of loan guarantees to banks and other private lending firms that are willing to support businesses and other rural entities. RDBCS’s role through this program is to take the liability for a private lender loaning to a recipient, helping recipients access loans that they may not have otherwise, and helping protect lenders from the credit risks historically associated with lending in rural areas.<sup>1</sup> The amounts that we report are the amounts of money that reached recipients through RDBCS’s loan guarantee programs.

## Analysis

In our analysis, we examined where and how these federal agencies are investing in rural Oregon. Specifically, we looked at spending patterns by general location west or east of the Cascades; types of counties according to metro or nonmetro status, economic dependency, percentage of public lands, per capita, and per land area (square mile). We determined where agencies were investing by the place of performance data associated with each entry in the USASpending.gov database. For Forest Service contracting, this is typically the zip code of the location where the contract work takes place. For Forest Service agreements and all types of RDBCS awards, this is typically the zip code of the location of the recipient.

## Oregon as a case study

The federal government manages 53 percent of the land in Oregon. A cultural and ecological division occurs at the Cascade mountain range. Although this division is not formal or political, it offers a useful lens for examining the role of federal agencies in different kinds of places in Oregon. This separation divides Oregon into western and eastern regions of 18 counties each with different characteristics (see Appendix B, Table B1, page 22). Oregon’s western counties are typically smaller in land area, but more likely to be metro areas. Taken together, they have approximately 87 percent of Oregon’s population (according to the 2010 US Census).<sup>2</sup> Western Oregon has 24 percent of the state’s federal lands, while eastern Oregon has 76 percent. Ecologically, western Oregon receives more precipitation, has a strong marine influence, and has more forested areas, while eastern Oregon is drier and has range and basin lands in addition to mostly dry forests.

Oregon also has a strong urban-rural distinction. Oregon’s 11 metro counties are home to 78 percent of the state’s 3.8 million people. While the total population in nonmetro counties is only 22 percent of the state total, these counties contain 84 percent of the 55,224 square miles of federal land in the state. On average, these nonmetro counties have about twice the land area of metro counties.

## The agencies and their missions

Although the Forest Service is a land management agency, it has economic development objectives in its laws, policies, and directives. The Forest Service can play a role in economic development through the following means:

- Service contracts with businesses to purchase goods and services<sup>3</sup>
- Stewardship contracts with businesses that bundle goods and services with timber sales
- Formal agreements with other agencies, tribes, and nonprofit organizations for activities that have mutual benefit
- Timber sale contracts that sell government property
- Permits for the gathering of non-timber forest products, mining, commercial recreation uses, and the like

The consistency, size, and type of work that the Forest Service offers are important to natural resource-based businesses and institutions.<sup>4</sup> For example, businesses that are unsure of the availability of future work on nearby national forests may not be able to invest in upgrading their equipment or training their workforce. When the Forest Service emphasizes safety and wage considerations in its selection criteria, it can reward contractors who offer quality jobs. Finally, if it awards contracts to local businesses, the Forest Service can provide benefits to local communities.<sup>5</sup>

Rural Development’s broad mission is to support rural infrastructure and businesses. Through RDBCS, it provides financial, technical, and marketing assistance to a range of recipients, primarily in the private sector. A major role of the RDBCS is to provide loan guarantees for banks lending to small producers. RDBCS offers the following services:<sup>6</sup>

- Loan guarantees—two programs wherein RDBCS provides guarantees on loans from banks to businesses
- Loans—two programs that directly loan money to local revolving loan funds or rural utilities for relending to local businesses and community development projects

- Grants—nine programs that provide grants for private business development, energy efficiency, cooperative development, and value-added ventures
- Incentive payments—one program that supports advanced biofuel businesses

Eligible applicants vary by program, and include individuals as well as public, private, and cooperative organizations.<sup>7</sup> One way that RDBCS delivers resources is through intermediary entities such as councils of governments, economic development districts, or banks, who in turn use this money through their own programs to support local businesses.

RDBCS offers opportunities that could match the needs of public lands communities. For example, it can be challenging for small biomass utilization businesses to prove they have reliable feedstocks or the resources to obtain financing from traditional lenders. Loans and loan guarantees may help address challenges associated with credit, lending, and risk, which can be significant for natural resource-based businesses. Intermediary service providers that receive RDBCS money, such as county development corporations, can also channel it to natural resource-based businesses. But since they have broad missions and work on a range of types of economic development, their programs may not consistently direct resources to natural resource management-related businesses. In addition, most of these programs require national rather than state level competition, which means that Oregon applicants must enter large pools for assistance.

## Forest Service investments

The Forest Service spent a total of \$380 million on natural resource management in Oregon between 2007–11 through service contracts and formal agreements. Thirty-nine percent of all Forest Service spending via service contracts and agreements was for wildland fire management and capital improvement and maintenance projects under the American Recovery and Reinvestment Act of 2009 (ARRA). It is important to note that ARRA has substantially contributed to the numbers reported for Oregon Forest Service investments. Without ARRA,

we could assume an average of about \$36 million spent per year, making it likely that the Forest Service may have spent a total of under \$200 million in Oregon in the study period. From 2008–9, Forest Service investments more than doubled as a result of ARRA spending, then peaked around \$119 million in 2010 before returning to pre-2007 levels in 2011 (see Figure 1, page 7).

### Geographic patterns in Forest Service investments

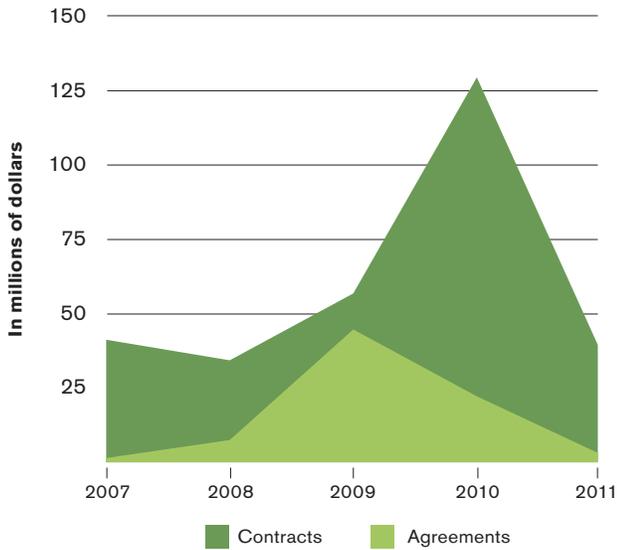
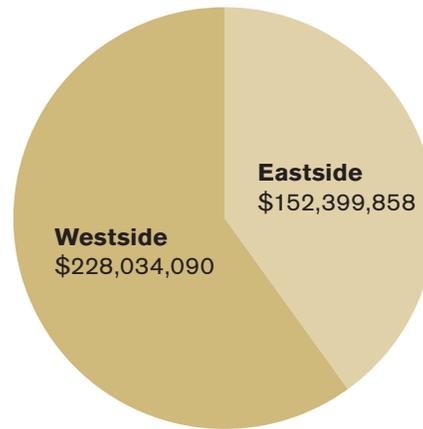
Of the \$380 million that the Forest Service invested in Oregon from 2007–11, 60 percent was spent in western Oregon (see Figure 2, page 7; and Appendix B, Table B2, page 23). On average, this amounted to \$12.7 million per western county. In eastern Oregon, the Forest Service invested 40 percent of the total and an average of \$9.2 million per county.

The types of work that the Forest Service supported were different in western and eastern Oregon. In western Oregon, a greater proportion of investments went to road maintenance and construction. Spending in eastern Oregon was largely for hazardous fuels reduction and other restoration activities associated with controlling wildfire risk. The Forest Service spent roughly \$4 million on each side of the state on contracts for special studies and analysis.

### Forest Service investments by county

We also examined Forest Service investments at the county-level and looked at differences by type of county economy, metro status, and percentage of federal land. We found that in general, the Forest Service has spent the most in counties that are economically nonspecialized, nonmetro, or contain two-thirds or more federal land (see Appendix B, Table B3, page 24).

First, the Forest Service has invested the largest amount (\$151 million) in 15 economically nonspecialized counties. Forty percent of Forest Service spending went to these counties. This is closely in line with what we might expect given the proportion of nonspecialized counties in the state. However, the average award size and average amount spent per county was higher in Oregon's four government-dependent counties. This was partially

**Figure 1 Forest Service investments in Oregon, 2007–11****Figure 2 Combined Forest Service investments by general location in Oregon, 2007–11**

due to the number and size of agreements that the Forest Service made with other government agencies. The Forest Service invested the least in Oregon's manufacturing and farming-dependent counties (ten counties in total). Proportionally, we might expect the Forest Service to spend about 28 percent in these types of counties. These counties only received 17 percent of all spending. This may be due to the fact that several of these counties do have smaller percentages of federal land; however, Crook, Harney, and Jefferson counties all have more than 50 percent public land yet did not receive much Forest Service investment.

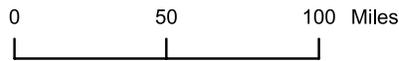
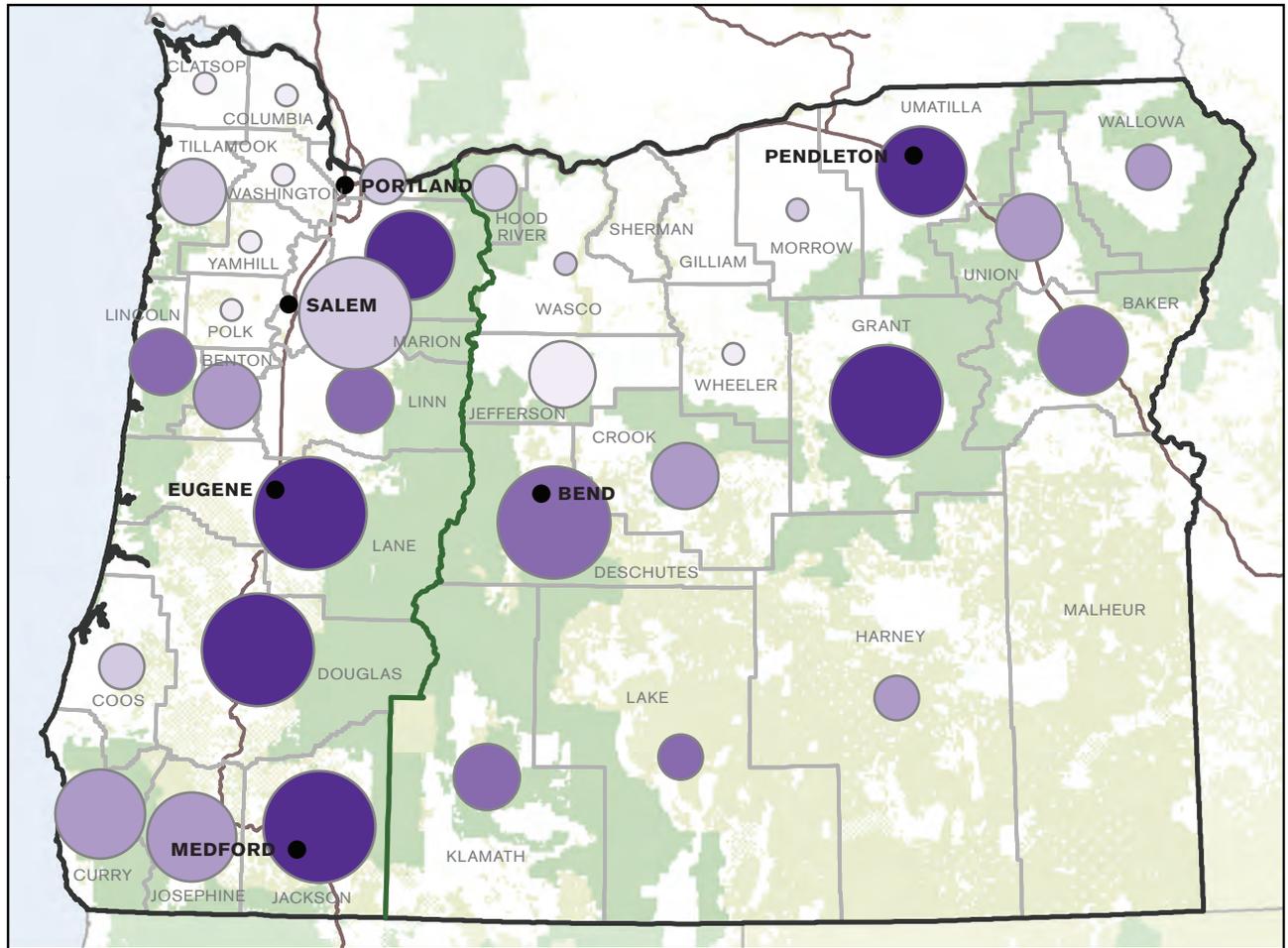
Second, more than half of the Forest Service's total investments went to nonmetro counties. The Forest Service manages 10.9 million forested acres in nonmetro counties versus 3.5 million forested acres in metro counties.<sup>8</sup> Many of the nonmetro counties in Oregon have higher percentages of federal land; the exceptions are Deschutes, Clackamas, and Jackson, which are metro counties but have over 50 percent public land. Average amount spent per county, however, was higher in metro counties at \$10.7 million compared to \$6.7 million in nonmetro counties. However, there were 22 nonmetro counties that received Forest Service investments in the

study period, and only 11 metro counties, which means that Forest Service spending in nonmetro counties was spread across a much larger land area and number of counties.

Third, the Forest Service spent the most in total and on average per county in 11 counties with two-thirds or more federal land. The agency invested approximately 44 percent of its total spending in these counties. This likely reflects the number of counties that have this amount of federal land. But it is more than we might expect proportionally as 28 percent of Oregon's counties have two-thirds or more federal land. Three of these counties—Hood River, Malheur, and Curry—are also economically nonspecialized. A few counties with less than a third of their landbase in public land, such as Marion and Umatilla, received relatively large amounts from the Forest Service. Marion County contains the state capital, Salem. Spending in Marion County included a significant investment via agreements with the Oregon Department of Forestry and other state agencies.

Overall, we found that spending was concentrated in certain counties (see Figure 3, page 8; and Appendix B, Table B2, page 23). In western Oregon,

**Figure 3 USDA Forest Service contracts and agreements in Oregon, 2007–11**

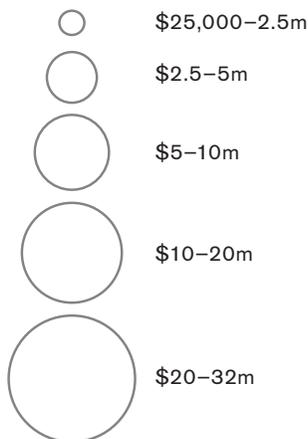


Data source: USAspending.gov

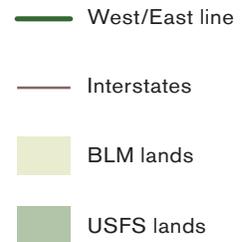
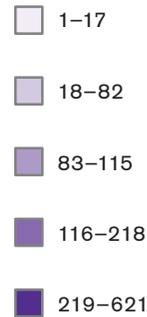
**Forest Service contracts and agreements awarded**

This map includes Forest Service spending through service contracts and formal agreements for natural resource management, road construction, and maintenance (selected product service codes). The map shows the place of performance by county. These figures do not include wildfire suppression contracts.

**Total value of awards, by county**



**Number of awards, by county**



spending was highest in Lane County at approximately \$36 million, and second highest in Marion County. Sixty-four percent of total Forest Service spending in western Oregon was concentrated in five counties (Lane, Marion, Jackson, Douglas, and Clackamas). Similarly in eastern Oregon, sixty-three percent of total Forest Service spending was concentrated in five counties (Grant, Deschutes, Umatilla, Baker, and Klamath). This may be because most of these counties have more than 50 percent public land, with the exceptions of Marion and Umatilla.

### Recipients of Forest Service investments

We also looked at recipients of Forest Service resources to see who performed land management work. Seventy-nine percent (\$302 million) of all Forest Service spending in Oregon between 2007–11 was through service contracts (see Figure 4, right). Businesses were the primary entities that received direct economic benefit from the agency's land management activities. Forest Service contracts create opportunities for businesses to bid competitively, or submit quotes or proposals to perform restoration work. The types, frequency, and stability of work that the agency offers can greatly affect the prospects of natural resource-based businesses. Businesses pay wages, and create economic multiplier effects; for example, when they purchase supplies and when workers spend wages.

### Forest Service investments through contracts

Looking with more specificity at patterns in Forest Service spending on contracts versus agreements helps show how the Forest Service made different kinds of investments through procurement and partnership mechanisms. Contract spending in Oregon fluctuated significantly from year to year (see Appendix B, Table B4, page 24). Contract spending rose to a high of nearly \$130 million as a result of ARRA funds in 2010, and then fell 70 percent in 2011 to about \$40 million. This means that opportunities for businesses to perform Forest Service restoration work varied greatly in the study period.

Thirty-seven percent or \$137 million of all Forest Service contracts included in this study were for natural resource management work ("F" product

**Figure 4 Forest Service investments in Oregon by award type, 2007–11**



service codes), which includes vegetation management activities such as hazardous fuels reduction and forest restoration (see Appendix B, Table B5, page 24). This likely reflects federal policy direction towards wildfire risk reduction and overall increases in appropriated funding for fire and fuels management. Hazardous fuels reduction and restoration were the primary management activities that Forest Service ARRA contracts supported in Oregon. Hazardous fuels reduction can be mechanical or nonmechanical. When it is nonmechanical, it requires more workers and is often labor intensive. Forty percent of the remaining applicable work we identified was in maintenance and construction of roads and facilities. This work can include road improvements for watershed health such as modifications for fish passage or erosion reduction. Businesses with heavy equipment perform these contracts.

The Forest Service awarded just over half of its contracts for work in counties in western Oregon, but average amount spent per county on each side of the state was somewhat similar (see Appendix B, Table B6, page 25). Patterns of contract spending largely mirror those of overall Forest Service spending—the agency has invested the most in economically nonspecialized counties (\$133 million). However, there were a large number of nonspecialized counties (fifteen) that received investment through con-

tracts, which helps explain this amount. Although there were only four service-dependent counties that received investment through contracts, these counties received a total of \$69 million or 22 percent of all contract spending, and an average of over \$17 million per county. Proportionally, we would expect these four counties to capture about 11 percent of contract spending. This suggests that much of Oregon's natural resource management business capacity is found in counties that are typical of the "New West"—they have somewhat diverse economies, and in the cases of Deschutes and Jackson, are oriented towards service and have larger population centers. An exception is Grant County, which is a nonmetro government-dependent county where the Forest Service spent \$21 million through contracts, the second-largest total amount for contracts.

### Recipients and local capture of Forest Service contracts

Private sector businesses are the recipients of Forest Service contracts. We found that the Forest Service awarded many contracts to a concentrated number of contractors (see Figure 5, below). Eighty-seven percent of all contract dollars went to approximate-

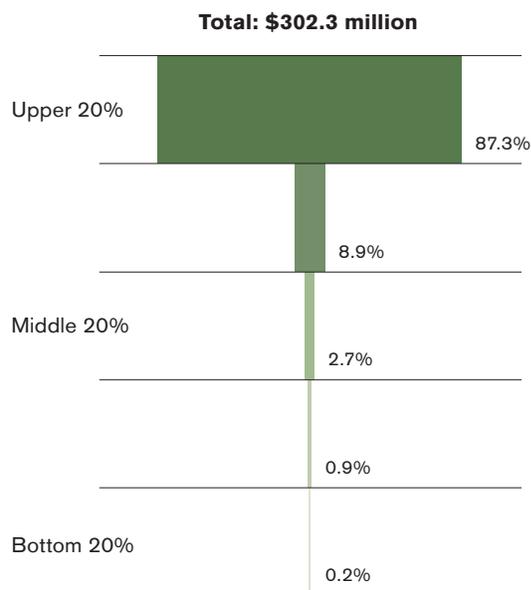
ly 212 of the 1,064 vendors that performed Forest Service contract work during the study period. Further, ten contractors captured 23 percent of all Forest Service contract dollars spent in Oregon between 2007–11.

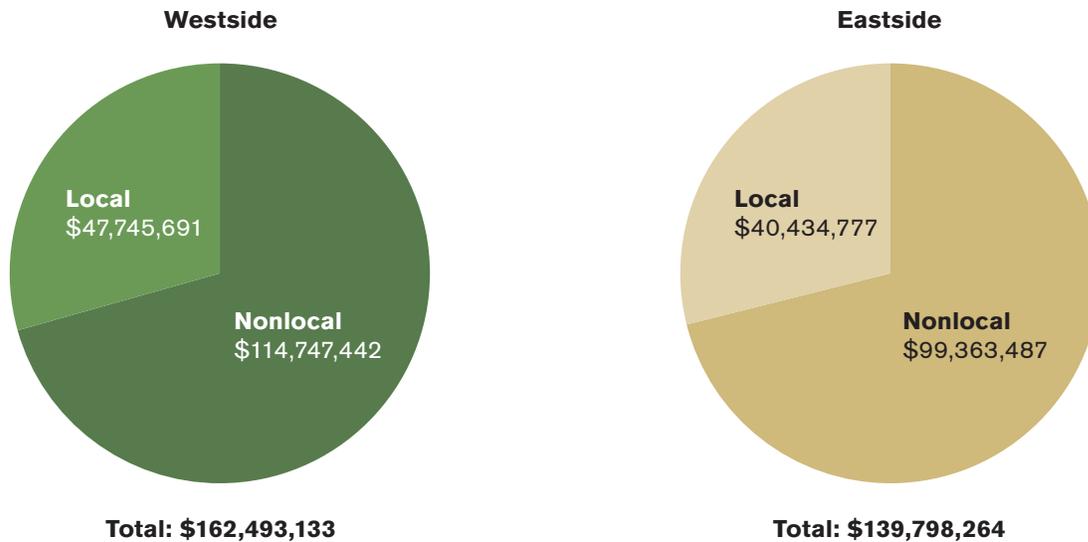
Most of these contractors are located in central or southern Oregon, are relatively large employers, and perform services such as tree thinning, piling, and burning. These activities tend to be labor intensive and seasonal. However, the top two contractors, who have captured seven percent of all Forest Service contracts during the study period appear to specialize in road maintenance and construction based on their business names.

Looking at local capture helps show if the benefits of Forest Service land management work are flowing directly to the counties where the work was performed. It may also indicate the relative competitiveness of contractors at capturing this work. Local capture of Forest Service contracts varied greatly across Oregon as different counties have different levels of restoration business capacity (see Appendix B, Table B7, page 28). For a plurality of counties, local capture was less than 25 percent. Local capture in both western and eastern Oregon averaged 29 percent (see Figure 6, page 11). Although local contractors captured all of the contract value spent in Clatsop and Washington counties, total spending in these counties was low when compared to most other western counties; for example, contracting spending in Washington County totaled \$232,000. In comparison, despite lower percentages of local capture, local contractors in both Jackson and Lane counties captured more money spent in their counties than contractors in any other county in the state. In Jackson County, a known hub for several large natural resource management businesses, local contractors captured almost \$15 million in local work, and Lane County contractors captured about \$8 million.

In eastern Oregon, local capture was highest in Wallowa (67 percent) and Klamath (50 percent) counties, and far lower in other counties, ranging from 37 to three percent. Many of the contracts awarded locally in Wallowa County were for noxious weed

**Figure 5 Distribution of Forest Service contract spending in Oregon between recipients, 2007–11**



**Figure 6 Local capture of Forest Service contracts in Oregon by general location, 2007–11**

management. This likely reflects the efforts of a coalition of partners in the county to coordinate noxious weed treatments on public and private lands in the Hells Canyon and Snake River corridor and deliberately create work for local businesses.<sup>9</sup>

### Forest Service investments through agreements

Agreements allow the Forest Service and partners to pursue projects that have mutual benefits. Twenty-one percent or \$78 million of Forest Service spending in Oregon between 2007–11 was through agreements (see Figure 1, p. 7). ARRA funds were responsible for three-quarters of all agreement spending. Statewide, 56 percent or almost \$44 million of all agreement spending was ARRA funding allocated specifically for wildland fire management activities including hazardous fuels reduction, forest health protection, and biomass utilization on federal, state, and private forest lands (see Appendix B, Table B8, page 27). Another 19 percent were ARRA funds for capital improvement and maintenance projects including road maintenance and construction work.

Forest Service investments through agreements were more substantial in western Oregon where 84 percent (almost \$66 million) of all agreement

money was spent. Western counties received just over \$50 million under ARRA alone, while eastern counties received \$8.7 million in ARRA funding. ARRA agreement spending was highly concentrated. Over half of this ARRA investment in western counties was for activities performed on the Rogue River-Siskiyou National Forest. Although the Rogue River-Siskiyou is west of the Cascades, it has many areas with forests highly departed from their historic regimes of variability and communities that face wildfire risk.

Half of all western Oregon investment in agreements (ARRA and non-ARRA) went to state agencies. Because these agencies often redistribute resources through their own contracting, granting, or other processes, an unknown amount of money likely flowed from the state level across Oregon. In eastern Oregon, 40 percent of agreement spending was a single \$5 million grant to the Confederated Tribes of Warm Springs for biomass infrastructure development. Excluding this agreement, only about \$7 million or nine percent of the total spent on agreements in 2007–11 was invested in eastern Oregon.

Forest Service agreement spending was highest in metro counties, government-dependent counties, or counties that have one-third or less pub-

lic land. First, Forest Service agreement spending was substantially higher in the nine metro counties where there were recipients of agreements (about \$50 million). By average amount spent per county, the agency invested about five times more in metro counties than in the 17 nonmetro counties (see Appendix B, Table B9, page 28). These metro counties include Marion County, which is home to the Oregon Department of Forestry and other state agencies with which the Forest Service frequently makes agreements. Marion County captured a total of 35 percent of all agreement funding in Oregon in the study period.

Second, agreement funding was highest in government-dependent counties, mostly because Marion County is this type of county. The Forest Service spent about twice as much agreement funding in Oregon's four government counties (Baker, Lake, Grant, and Marion) than in service or manufacturing counties. These counties are home to governmental but possibly also nongovernmental institutions capable of performing work that has mutual benefits for themselves and agencies. Further examination of recipient data would help show which institutions are capturing this work. Finally, agreement spending was highest in counties with one-third or less public land. Again, this is due to the fact that Marion County is in this set of counties, and that state government captured a large proportion of agreement spending.

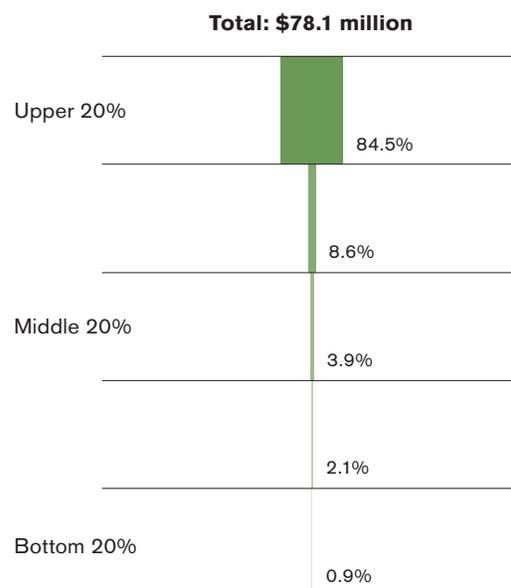
### Recipients and local capture of Forest Service agreement spending

Agreements allow the Forest Service to partner with other agencies and institutions for mutual benefit, and they can help support governmental and nonprofit capacity. Like contracts, Forest Service agreements were concentrated among a few entities. Nearly 85 percent of total agreement funding was awarded to 21 of the 109 recipients of agreements during the study period (see Figure 7, right). The Oregon Department of Forestry alone captured 22 percent or over \$17.3 million of all agreement spending by the Forest Service.

About three-quarters of this funding was for ARRA hazardous fuels reduction projects. Since ARRA

funds were released rapidly for “shovel-ready” projects, it may have been expedient for the Forest Service to transfer some of them to established partners like the Department of Forestry for quick implementation. Patterns of agreement spending, which peaked earlier than contract spending in the study period, may suggest this (recall Figure 1, page 7). Across Oregon, state government received over \$32 million or 41 percent of all Forest Service agreement spending (see Appendix B, Table B10, page 28). Nearly all this spending was spent in western Oregon and went to seven state government agencies. Again, it was not possible to know how these agencies re-spent the money, so it is likely that at least some of these resources went on to further recipients in other locations. The next largest group was nonprofits, which received 23 percent of all agreement spending. The highest non-government recipient of agreement funding was The Nature Conservancy (TNC), which received a \$6.1 million grant for the Ashland Forest Resiliency Project in Jackson County. TNC coordinates this collaborative project focused on reducing hazardous fuels and restoration forest health in Ashland's wildland-ur-

**Figure 7 Distribution of Forest Service agreement spending in Oregon between recipients, 2007–11**



ban interface.<sup>10</sup> This project has many partners, and TNC may have redistributed some of this agreement money to partners to fulfill their roles.

Recipient patterns were different across the state. In western Oregon, state government received almost half of all agreement funding. In eastern Oregon, Indian tribes received over half of all agreement spending. In addition, while federal government received \$9 million in agreement spending in western Oregon, there were no federal government recipients in eastern Oregon. Most of these government-to-government transfers were ARRA agreements for capital improvement and maintenance with the Federal Highways Administration.

Overall, Forest Service agreements had a much higher rate of local capture than contracts because place of performance for agreements is the location of the recipient. Eighty-nine percent of Forest Service agreement funding spent in eastern counties was captured by entities located in that county (see Appendix B, Table B11, page 29). In western Oregon, local entities captured 63 percent of the agreement

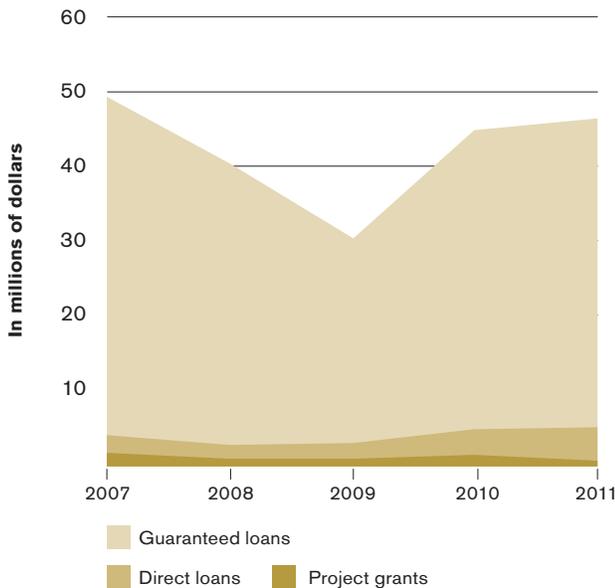
funding spent in their counties. In Jackson County, much of the agreement funding that went to The Nature Conservancy for the Ashland Forest Resiliency project again may have been redistributed among local partners, perhaps making local capture ultimately higher than it appears from these data.

### Rural Development Business and Cooperative Service investments

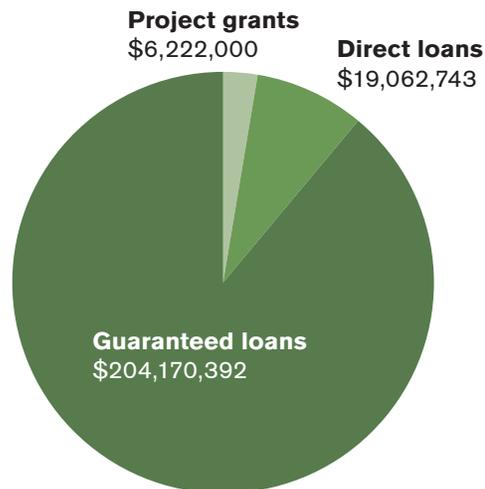
From 2007–11, USDA Rural Development’s RDBCS spent a total of almost \$237 million of funding on loan guarantees, loans, and grants in Oregon. Unlike the Forest Service, the ARRA only contributed to 16 percent of RDBCS funding. During this time, funding declined steeply from 2008–9 (see Figure 8, below).

Eighty-eight percent (\$205 million) of the total funding was loan guarantees under the Business and Industry Loan Program, which provides guarantees to banks and other private lending firms (see Figure 9, below; and Appendix B, Table B12, page 30). This left 12 percent to all other RDBCS loan

**Figure 8 Rural Development Business and Cooperative Service investments in Oregon, 2007–11**



**Figure 9 Rural Development Business and Cooperative Service investments by award type, 2007–11**



and grant programs. RDBCS spent the second-highest amount—four percent (\$10.1 million)—on the Rural Energy for America Program (REAP). REAP provides grants to small businesses and farmers to support renewable energy and energy efficiency developments. REAP is one of several programs that could be used to support biomass utilization infrastructure in public lands communities. There was approximately \$35 million that was not identified with a program in USASpending data, which we classified as unknown.

Total spending on all grant programs in the study period was about \$12 million. RDBCS grants may be opportunities for intermediary groups such as community-based organizations to obtain funding to help natural resource-based businesses face risk, find capital, and address other challenges; however, relatively small amounts of money appeared to be awarded through these programs.

### **Geographic patterns in Rural Development Business and Cooperative Service investments**

Similar to the Forest Service, RDBCS spent more (61 percent) in the study period in western Oregon than the eastern (see Figure 10, page 15; and Appendix B, Table B12, page 30). Average award size and average amount received per county were also higher in western Oregon (see Appendix B, Table B13, page 31). About three percent or \$7 million of RDBCS investment was not affiliated with location, so we cannot know if it was in western or eastern Oregon.

Although the majority of all spending was through the Business and Industry Loan guarantee program (74 percent of all spending in the west and 68 percent in the east), amounts spent on other programs varied by general location. For example, over \$3 million was invested in the intermediary relending program in eastern Oregon in contrast to about \$1.4 million in the west. This may indicate that there are entities capable of capturing and reloaning resources in eastern Oregon; in addition, there may be a higher need or rate of subscription to this program in the east. The amount that RDBCS spent on grants specifically can also show how much this agency is investing in the capacity of nonprofits,

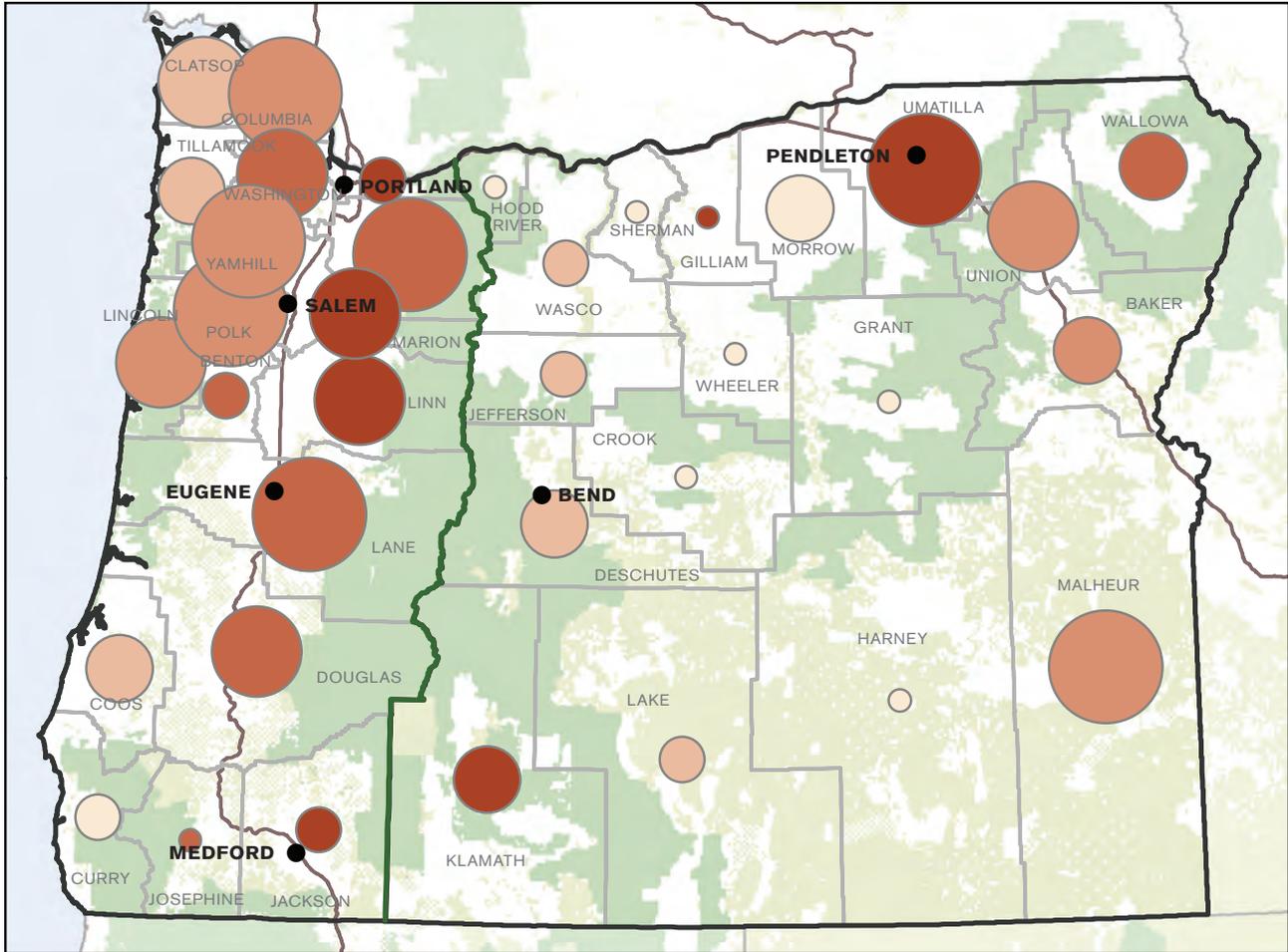
economic development organizations, and other intermediaries across the state. Overall, known spending on grant programs in western Oregon was \$6.8 million, and \$4.8 million in eastern Oregon during the study period.

We also examined RDBCS investments by county characteristics. Spending was highest in counties that were nonmetro, economically nonspecialized, or had less than one-third public land (see Appendix B, Table B14, page 32). First, nonmetro counties received 52 percent of known RDBCS spending, and metro counties received 45 percent. Three percent (\$7 million) of all RDBCS spending did not have a specified location. Although RDBCS investment in nonmetro counties was higher, metro counties still received a significant proportion of its resources. However, this does not necessarily mean that “rural” entities did not receive funding; recipients may have been located in the less populous and more culturally and economically rural areas within the metro counties of the Willamette Valley and northwestern Oregon.

Second, total RDCS spending was highest in counties with nonspecialized economies, where 65 percent of this money was invested. This may reflect the large number of economically nonspecialized counties that received RDBCS money in Oregon (17 counties). However, proportionally we might expect less—around 47 percent—of funding to go to these counties. RDBCS spending was lowest in farming counties. Between 2007–11, RDBCS only invested a total of \$6 million in these four counties (Hood River, Harney, Morrow, and Sherman). In addition, spending was highest in the twelve counties with one-third or less federal land. This likely reflects that agricultural producers, who receive most of these resources, are located in areas of privately-owned land. RDBCS invested the least—20 percent (\$50 million)—in the eleven counties with two-thirds or more public land.

Of all the counties in Oregon, Umatilla received the most total investment from RDBCS at nearly \$28 million between 2007–11 (see Appendix B, Table B13, page 31). This is about one-third of all of RDBCS money spent in eastern Oregon, and 12

**Figure 10 USDA Rural Development Business Cooperative Service loans, loan guarantees, and grants in Oregon, 2007–11**



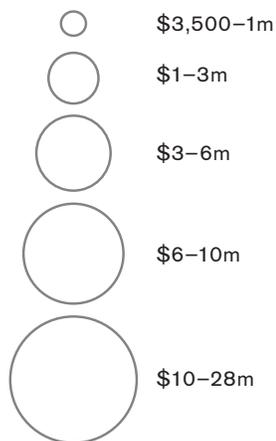
0 50 100 Miles

Data source: USAspending.gov

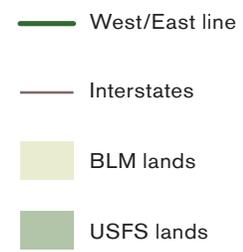
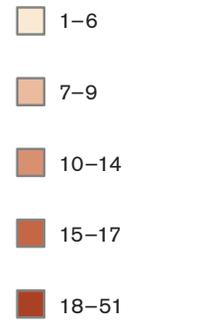
**Rural Development Business and Cooperative Service grants and loans awarded**

This map includes all Rural Development Business Cooperative Service funding by county as identified by the agency as the place of performance. It includes grants, direct loans, and nonfederal loan funds that are guaranteed by the service. It does not include Rural Development spending through its community facilities or water and environmental programs.

**Total value of awards, by county**



**Number of awards, by county**



percent of all RDBCS spending in Oregon during the study period. Polk and Clackamas counties also received over \$20 million each. Together, Umatilla, Polk, and Clackamas counties received 30 percent of all RDBCS spending in Oregon from 2007–11. Total spending was below \$100,000 in several eastern counties—Grant, Gilliam, Hood River, and Wheeler. This suggests that RDBCS spending in Oregon was fairly geographically concentrated during the study period.

### Recipients and local capture of Rural Development Business and Cooperative Service investments

Across the state, businesses captured 86 percent (almost \$203 million) of RDBCS funding from 2007–11. This was distantly followed by city or township governments (five percent), and nonprofit organizations (two percent) (see Appendix B, Table B15, page 32). This means that RDBCS has largely focused on directly delivering resources to businesses and has invested considerably less non-business capacity for economic development during the study period.

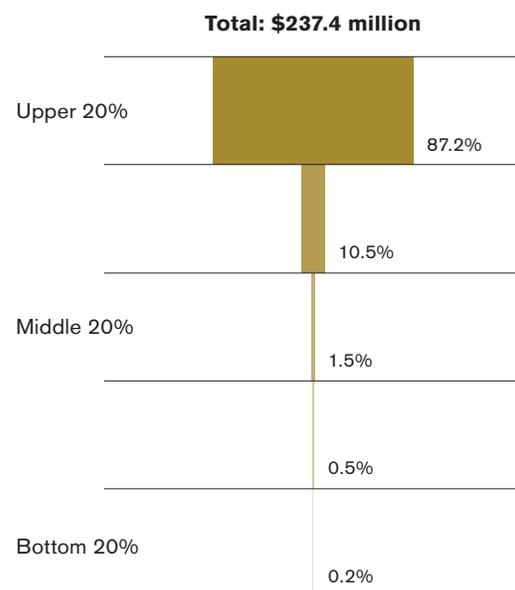
Most of this RDBCS business spending was concentrated among a few entities. Specifically, 63 of the 315 recipients of RDBCS funding during the study period received 87 percent of all the funding (see Figure 11, right). The top five businesses that received the most investment were agricultural producers, including an onion company, two vineyards, and a Christmas tree farm. This may indicate that many businesses that engage with RDBCS are able to capture large or multiple awards.

In total, fourteen entities that could be determined as natural resources or forestry-based—eight wood products companies, three community-based organizations, one soil and water conservation district, one forestry cooperative, and one biomass renewable energy development firm—received RDBCS funding in the study period. Funds to these businesses were less than one percent of all RDBCS in-

vestment. Further, \$615,000 or 39 percent went to one business in southern central Oregon through a guaranteed insured loan.

Because RDBCS's service delivery model directly delivers resources to businesses and other entities, place of performance is recipient location, and local capture of RDBCS funding is high. In 14 of Oregon's 36 counties, local capture was 100 percent (see Appendix B, Table B16, page 33). This total local capture was more likely in eastern Oregon; 12 eastern counties had 100 percent local capture as opposed to two counties in western Oregon. Non-local capture may be the result of businesses investing the RDBCS resources they received in branches or operations that are in a county other than their primary office.

**Figure 11 Distribution of Rural Development Business and Cooperative Service spending in Oregon between recipients, 2007–11**



## Conclusions

This exploratory study has considered how two USDA agencies, the Forest Service and RDBCS, invested in the state of Oregon between 2007–11, a time of significant economic change and challenge. We found that these agencies made different kinds of investments with different delivery mechanisms. This affects the outcomes that federal investment can have on natural resource-based economic development, particularly in Oregon’s public lands communities.

## Discussion

From 2007–11, the Forest Service and RDBCS awarded a combined total of about \$617 million to entities in Oregon through service contracts, agreements, loan guarantees, loans, and grants for selected natural resource management and economic development activities. The Forest Service invested approximately \$380 million through contracts and agreements. It spent the most on contracts for natural resource management activities, which include hazardous fuels reduction and other vegetation work. RDBCS invested approximately \$237 million through loan guarantees, loans, and grants.

Geographically, both agencies invested about 60 percent of their resources in western Oregon. Both also tended to invest more in counties that are non-metro or economically nonspecialized. The Forest Service invested more in counties with two-thirds or more public land, while RDBCS invested the most in counties with less than one-third public land.

The primary recipients of investments from both agencies were businesses. In addition, most spending was fairly concentrated among the top 20 percent of recipients. There was far less investment in nonprofits, other governments, and other institutions. This indicates that although the delivery mechanisms of these agencies differed, they both supported private sector rather than public sector capacity. The Forest Service engaged a range of labor and equipment-intensive businesses to carry out restoration work. RDBCS provided support primarily to agricultural producers, and gave less than one percent of all funding to forestry-based businesses.

## Increasing investment in natural resource-based economic development

Both the Forest Service and RDBCS have existing tools that they could use to invest in more public sector capacity. Agreements and grants can allow a range of institutions to build their capacities while providing local businesses and other entities opportunities to perform natural resource management work. For example, a small community-based organization that runs its own youth crew can invest Forest Service resources through an agreement into training that crew and providing employment opportunities while working on public land management. A council of governments that receives a Rural Business Enterprise Grant can analyze wood-energy installations in public buildings and report on the keys to innovation and lessons learned.

Contracting authorities serve a different purpose—they request the Forest Service to “go to market” to competitively procure services with efficiency and cost efficacy. This mechanism is intended to manage public lands for the good of the American public through prudent use of government dollars. But it means that local capture of land management opportunities is not always possible, as local businesses may not be present, or may not be able to compete against other bids. Although non-local contractors may in some instances hire locally, this is not consistent and the multiplier effects of land management work may flow elsewhere. When businesses capture resources locally, the direct, indirect, and multiplier effects of federal investments are more likely to accrue locally. This can also allow businesses to build their skills and experience on their local landscapes. However, sometimes these businesses can face challenges for which they may need a grant, loan, or loan guarantee. RDBCS may play a role in helping address natural resource-based business needs if its programs are accessible and applicable to the natural resource context.

## Further questions and implications

As this research is exploratory, it brings a number of questions to light about federal investment in natural resource-based economic development. First, our data do not show how recipients spent



money through further reloaning, subcontracting, or other redistributions. Much of the resources allocated to state agencies through agreements, for example, reached the ground in ways that we cannot see. We also do not know if businesses that contracted with the Forest Service hired local workers or made local purchases, which would have increased the economic multiplier effects of land management activities.

Second, we found that regardless of agency and delivery mechanism, federal investments were highly concentrated among a small number of recipients. Our data cannot say with certainty why this has occurred. For the Forest Service, this may mean that a limited number of contractors are bidding on their opportunities or able to bid within the cost and skill range that the Forest Service seeks. For RDBCS, this also could reflect a limited use of programs, either due to lack of knowledge about them, or some other inhibitions such as challenging requirements, paperwork, or perceived or real ineligibility. For example, we do not know if natural resource businesses are applying for RDBCS loans and not receiving them, if they are not aware of or interested in these opportunities, or if these programs do not meet their needs. It is not clear if these programs are oversubscribed, but given the rela-

tively small amounts of appropriated dollars that RDBCS has to invest, there may be more demand than availability for its programs. This results in programs that have great potential to affect natural resource-based economic development but cannot, given the current fiscal and economic climate. Further, we are not able to tell why certain counties received proportionally large amounts of spending, such as Umatilla.

Finally, it is not clear how significant federal investments are to all businesses. Although a few of the businesses performing land management work for the Forest Service may draw the majority of their business from this agency, others may rely on work available from private industrial landowners, or restoration may only make up a portion of their business portfolio. For example, a bulldozing and grading company may perform restoration-related work for the Forest Service as well as more traditional roadwork in other contexts. If opportunities to perform federal work are inconsistent, businesses that want to meet their bottom line have to shift their models towards other sources of activity. Further study of businesses and the kinds of work they perform would be necessary to understand the relative role of federal investments in their viability.

## ENDNOTES

<sup>1</sup>Community Development Insights. 2012. *USDA's Business and Industry Guaranteed Loan Program*. An Insights report. Available at: <http://www.occ.gov/topics/community-affairs/publications/index-ca-publications.html>.

<sup>2</sup>United States Census Bureau. 2010. State and county quick facts: Oregon. Available at: <http://quickfacts.census.gov/qfd/states/41000.html>.

<sup>3</sup>Moseley, Cassandra. 2003. "Procurement and timber sale contracting definitions." Available at: <http://ewp.uoregon.edu/sites/ewp.uoregon.edu/files/downloads/resources/contrdefns3.pdf>.

<sup>4</sup>Moseley, C., and Y.E. Reyes. 2008. "Forest restoration and forest communities: have local communities benefitted from Forest Service contracting of ecosystem management?" *Environmental Management* 42(2): 327-343.

<sup>5</sup>Moseley, C., K. MacFarland, M.J. Enzer, L. Jungwirth, L. Podowski, E. Donoghue, and S. Charnley. 2011. Ecosystem Workforce Program Briefing Paper #30, "Local

benefits from land management: a strategy for measuring performance." Available at: [http://ewp.uoregon.edu/sites/ewp.uoregon.edu/files/downloads/ewp-BP-30\\_Final.pdf](http://ewp.uoregon.edu/sites/ewp.uoregon.edu/files/downloads/ewp-BP-30_Final.pdf).

<sup>6</sup>USDA Rural Development. 2009. *Oregon program guide and activity report*. Available at: [www.rurdev.usda.gov/OR\\_home.html](http://www.rurdev.usda.gov/OR_home.html).

<sup>7</sup>Cowan, Tadlock. 2010. *An overview of USDA Rural Development programs*. Available at: [www.nationalaglawcenter.org/assets/crs/RL31837.pdf](http://www.nationalaglawcenter.org/assets/crs/RL31837.pdf).

<sup>8</sup>Campbell, S., P. Dunham, and D. Azuma. 2004. *Timber resource statistics for Oregon*. Available at: [http://www.fs.fed.us/pnw/pubs/pnw\\_rb242.pdf](http://www.fs.fed.us/pnw/pubs/pnw_rb242.pdf).

<sup>9</sup>This coalition is called the Wallowa Canyonlands Partnership. For more information, see: [http://cms.oregon.egov.com/ODA/PLANT/WEEDS/Pages/cwma\\_wallowacanyonlands.aspx](http://cms.oregon.egov.com/ODA/PLANT/WEEDS/Pages/cwma_wallowacanyonlands.aspx).

<sup>10</sup><http://ashland.or.us/Page.asp?NavID=12907>.

## Appendix A: Study methods and data notes

We collected data on USDA Forest Service and Rural Development's Rural Business and Cooperative Service (RDBCS) investments in the state of Oregon between 2007 and 2011 from USAspending.gov (<http://usaspending.gov>), an online database that provides information about federal actions such as grants, agreements, contracts, loans, loan guarantees and direct payments.

We built our dataset using the following fields: award amount (action obligation, loan guarantee amount, grant award amount), award recipient id (Duns and Bradstreet data universal number system number), award id (procurement instrument identifying number, federal award id), fiscal year (2007–11), award type, funding agency, place of performance (county), recipient location (county), and government program and/or project description.

For contracting data we limited the dataset to specific product service codes. Product service codes are used to classify government contract spending based on the products or services being purchased. We excluded all contracts for products (numerical codes) and selected service contracts for work related to natural resource management and conservation (F codes), construction and maintenance of roads and facilities (Y and Z codes), and non-research and development special studies and analyses for environmental assessments (B codes). We did not include fire suppression contracts (F003).

Awards are often modified between the start and end dates within the contract. Frequently, recipients frequently do not utilize the entirety of the award money and unspent money is de-obligated as a negative amount of money. With this in mind, we removed any



awards where that was a net negative value in order to exclude awards where only a subset of actions was present within the time frame of this study.

Our data analysis also has the following constraints:

- Our analysis is limited to spending of appropriated dollars by the Forest Service and does not include the value of timber sales offered during this time period. This is due to the relative ease of collecting data on contracts and agreements from publicly-available sources.
- Information about how recipients of federal awards further allocate funding is unavailable through USAspending.gov (i.e. subcontracting by Forest Service contractors, hiring of contractors using or sharing of Forest Service agreement funds, and the spending or relending of RDBCS grant and loan funds).
- We chose to limit our analysis of USDA Rural Development investments to all programs administered by the RDBCS because these programs have the highest potential for promoting natural resource-based economic development. We excluded Rural Development's Community Facilities and Water and Environmental programs.
- A considerable majority of RDBCS funding we tracked for this project was loan guarantees. A major role of the RDBCS is to provide significant loan guarantees to banks and other private lending firms that are willing to support businesses and other rural entities.
- Although project descriptions were available for most Forest Service contracts and agreements, information about RDBCS awards was limited to only account and program titles.

### Place of performance

For the purposes of tracking where federal agencies were spending money we defined the place of performance as the county where the project occurred (in the case of contracts) or where the money was spent (in the case of grants, agreements, and loans). Further,

we defined local capture as work or spending that was performed or captured by contractors or other entities based in the county where the project occurred or the money was spent.

We were unable to identify the project place of performance for a small percentage of all contracts and awards (three percent for Rural Business Cooperative Service grants and loans and 0.1 percent for Forest Service contracts and agreements). We marked this location information as unknown where appropriate within the figures and tables of this report.

### County characteristics

In order to understand how these federal investments were distributed among Oregon's thirty-six counties based on population and economic characteristics we used USDA Economic Research Service county typologies<sup>1</sup>. These include metro vs. nonmetro designations and the USDA economic dependence classifications. We defined a metro county as a county containing one or more census-designated metropolitan areas. The ERS classifies county economies that are dependent on various industries as follows:<sup>2</sup>

- Farming if farm earnings for a county accounted for an average of 15 percent or more of total earnings from 1998–2000 or farm occupations accounted for 15 percent or more of all county occupations in 2000
- Government if an annual average 15 percent of total county earnings could be attributed to government entities from 1998–2000
- Manufacturing if it accounted for an annual average of 25 percent of total county earnings from 1998–2000
- Services if retail trade, finance, insurance, real estate, and other service industries accounted for an annual average of 25 percent of total county earnings from 1998–2000
- Nonspecialized if the county did not meet any of the criteria for other classification

<sup>1</sup><http://www.ers.usda.gov/data-products/county-typology-codes>

<sup>2</sup><http://www.ers.usda.gov/data-products/county-typology-codes/descriptions-and-maps.aspx>

## Appendix B: Tables

**Table B1 Characteristics of Oregon counties**

<b>Eastern</b>	<b>2010 population</b>	<b>Land area (square miles)</b>	<b>Percent federal land</b>	<b>Metro vs. nonmetro</b>	<b>Economic dependence*</b>
Baker	16,134	3,100	52%	Nonmetro	Government
Crook	20,978	3,010	56%	Nonmetro	Manufacturing
Deschutes	157,773	3,080	82%	Metro	Services
Gilliam	1,871	1,236	6%	Nonmetro	Nonspecialized
Grant	7,445	4,540	63%	Nonmetro	Government
Harney	7,422	10,277	73%	Nonmetro	Farming
Hood River	22,346	544	73%	Nonmetro	Nonspecialized
Jefferson	21,720	1,803	57%	Nonmetro	Manufacturing
Klamath	66,380	6,195	67%	Nonmetro	Nonspecialized
Lake	7,895	8,380	80%	Nonmetro	Government
Malheur	31,313	9,942	74%	Nonmetro	Nonspecialized
Morrow	11,173	2,055	18%	Nonmetro	Farming
Sherman	1,765	834	12%	Nonmetro	Farming
Umatilla	75,889	3,248	30%	Nonmetro	Nonspecialized
Union	25,748	2,046	49%	Nonmetro	Nonspecialized
Wallowa	7,008	3,162	61%	Nonmetro	Nonspecialized
Wasco	25,213	2,419	48%	Nonmetro	Nonspecialized
Wheeler	1,441	1,718	22%	Nonmetro	Farming
	<b>509,514</b>	<b>67,589</b>			
<b>Western</b>					
Benton	85,579	689	25%	Metro	Manufacturing
Clackamas	375,992	1,905	51%	Metro	Nonspecialized
Clatsop	37,039	824	1%	Nonmetro	Nonspecialized
Columbia	49,351	671	3%	Metro	Manufacturing
Coos	63,043	1,635	27%	Nonmetro	Nonspecialized
Curry	22,364	1,661	69%	Nonmetro	Nonspecialized
Douglas	107,667	5,117	53%	Nonmetro	Manufacturing
Jackson	203,206	2,831	54%	Metro	Services
Josephine	82,713	1,663	68%	Nonmetro	Services
Lane	351,715	4,682	62%	Metro	Nonspecialized
Lincoln	46,034	996	42%	Nonmetro	Nonspecialized
Linn	116,672	2,328	42%	Nonmetro	Manufacturing
Marion	315,335	1,205	31%	Metro	Government
Multnomah	735,334	440	33%	Metro	Services
Polk	75,403	754	10%	Metro	Nonspecialized
Tillamook	25,250	1,114	22%	Nonmetro	Nonspecialized
Washington	529,710	737	3%	Metro	Manufacturing
Yamhill	99,193	729	16%	Metro	Nonspecialized
	<b>3,321,600</b>	<b>29,983</b>			

\*Based on the USDA Economic Research Service 2004 County Typology Codes (see Appendix A, page 20, for in-depth description)

**Table B2 Total Forest Service spending on service contracts and formal agreements in Oregon by county and location, 2007–11**

<b>Eastern</b>	<b>Total award (\$)</b>	<b>Number of awards</b>	<b>Average (\$)</b>
Grant	29,121,320	264	40,564
Deschutes	25,736,380	260	30,000
Umatilla	18,749,993	261	22,998
Baker	11,825,192	132	29,045
Klamath	10,947,083	229	20,300
Jefferson	8,315,421	102	24,443
Crook	5,769,609	107	25,000
Union	5,744,389	12	21,219
Wallowa	5,405,308	110	19,000
Lake	4,861,689	96	30,900
Harney	4,449,112	162	15,567
Hood River	3,393,011	48	26,024
Morrow	2,250,836	43	26,209
Wasco	1,891,464	30	17,443
Wheeler	210,302	4	47,512
Gilliam	-	-	-
Malheur	-	-	-
Sherman	-	-	-
	<b>152,399,859</b>		
<b>Western</b>			
Lane	35,976,583	655	21,488
Marion	32,479,025	75	37,122
Jackson	28,790,245	365	17,217
Douglas	24,647,390	481	13,550
Clackamas	24,415,747	255	23,655
Josephine	18,226,505	116	42,233
Curry	13,691,487	105	21,875
Benton	10,709,405	131	13,060
Lincoln	10,080,291	145	29,480
Linn	9,617,056	165	22,460
Tillamook	7,341,037	92	30,229
Coos	4,977,483	66	23,670
Multnomah	3,792,329	57	17,000
Polk	1,770,683	17	32,340
Clatsop	1,082,640	2	541,320
Washington	305,196	16	12,660
Yamhill	105,989	3	32,700
Columbia	25,000	2	12,500
	<b>228,034,089</b>		

**Table B3 Total Forest Service spending on service contracts and formal agreements in Oregon by county characteristics, 2007–11**

County characteristic	Total awards (\$)	Number of counties	Number of awards	Average award (\$)	Average by county (\$)
Eastern	152,399,858	15 (of 18)	1,864	24,805	5,759,778
Western	228,034,090	18	2,717	21,540	9,848,674
Metro	171,408,819	11	1,829	22,055	10,709,405
Nonmetro	209,025,129	22 (of 25)	2,767	22,950	6,735,905
$\frac{2}{3}$ –all public land	166,766,707	11 (of 12)	2,059	23,762	11,401,051
$\frac{2}{3}$ – $\frac{1}{3}$ public land	165,466,284	11 (of 12)	1,913	20,435	10,080,291
$\frac{1}{3}$ –no public land	48,200,957	11 (of 12)	636	22,745	1,770,683
Government	81,016,866	4	635	27,741	21,804,850
Nonspecialized	151,329,836	15 (of 17)	2,117	22,713	7,341,037
Manufacturing	57,194,598	7	914	16,069	6,130,774
Services	83,847,697	4	799	24,498	23,508,375
Farming	7,044,951	3 (of 4)	146	28,187	2,398,808
	<b>380,433,948</b>				

**Table B4 Forest Service contracts awarded in Oregon by contract start year, 2007–11**

	Total awards (\$)	Number of awards	Average award (\$)
2007	41,532,591	868	14,398
2008	34,558,322	918	8,572
2009	56,914,752	1,276	8,515
2010	129,517,018	1,507	8,853
2011	39,768,711	1,139	3,834
	<b>308,291,394</b>		

**Table B5 Forest Service contracts awarded in Oregon by general location and type of work, 2007–11**

Eastern	Total awards (\$)
Natural resource management and conservation	77,079,638
Construction of roads and facilities	30,264,360
Maintenance of roads and facilities	28,466,138
Special studies and analyses	3,988,126
	<b>139,798,262</b>
<b>Western</b>	
Natural resource management and conservation	63,219,085
Construction of roads and facilities	44,291,228
Maintenance of roads and facilities	51,030,353
Special studies and analyses	3,952,465
	<b>162,493,131</b>

**Table B6 Forest Service contract spending in Oregon by county characteristics, 2007–11**

County characteristic	Total awards (\$)	Number of counties	Number of awards	Average award (\$)	Average by county (\$)
Eastern	139,798,262	14 (of 18)	1,798	9,984	5,338,634
Western	162,493,132	18	2,530	7,159	6,848,144
Metro	121,272,428	11	1,686	8,100	4,983,161
Nonmetro	181,018,966	21 (of 25)	2,657	8,173	6,976,290
$\frac{2}{3}$ –all public land	142,260,608	11 (of 12)	1,965	9,361	6,976,290
$\frac{2}{3}$ – $\frac{1}{3}$ public land	117,616,318	11 (of 12)	1,799	6,751	9,093,287
$\frac{1}{3}$ –no public land	42,414,468	10 (of 12)	591	8,554	2,084,745
Government	51,364,931	4	584	9,000	9,019,721
Nonspecialized	132,991,825	15 (of 17)	2,043	8,922	6,976,290
Manufacturing	42,124,011	7	855	5,239	5,781,705
Services	68,975,978	4	733	8,969	17,828,396
Farming	6,834,649	2 (of 4)	142	14,000	3,417,325



**Table B7 Local capture of Forest Service contracts in Oregon by general location and county, 2007–11**

<b>Eastern</b>	<b>Total awards (\$)</b>	<b>Number of local entities</b>	<b>Percent captured locally</b>
Wallowa	4,895,563	19	67%
Klamath	9,856,751	32	50%
Harney	4,435,841	18	37%
Deschutes	32,040,744	37	36%
Umatilla	18,343,583	20	32%
Grant	28,692,937	30	25%
Union	9,093,287	15	24%
Morrow	2,398,808	3	20%
Jefferson	722,736	3	19%
Crook	5,781,705	9	16%
Baker	13,056,282	12	15%
Lake	4,632,552	5	7%
Hood River	3,012,703	6	3%
Wasco	2,834,772	4	3%
Gilliam	-	-	-
Malheur	-	-	-
Sherman	-	-	-
Wheeler	-	-	-
	<b>139,798,263</b>		
<b>Western</b>			
Clatsop	1,082,640	2	100%
Washington	232,341	9	100%
Polk	1,770,683	4	95%
Multnomah	1,278,442	19	83%
Yamhill	105,989	1	69%
Jackson	20,785,412	71	64%
Coos	4,419,389	10	60%
Douglas	20,657,613	78	33%
Clackamas	21,232,547	32	27%
Lane	32,123,112	78	26%
Marion	4,983,161	18	24%
Benton	6,719,998	23	21%
Curry	6,976,290	8	19%
Josephine	14,871,380	18	19%
Linn	8,009,619	14	12%
Lincoln	9,903,480	7	9%
Tillamook	7,341,037	2	0%
Columbia	-	-	-
	<b>162,493,131</b>		

**Table B8 Forest Service agreement spending in Oregon by general location and program funding title, 2007–11**

<b>Eastern</b>	<b>Total awards (\$)</b>
Recovery Act of 2009: Wildland Fire Management	7,087,862
Schools and Roads—Grants to States	1,700,540
Collaborative Forest Restoration	1,293,506
Recovery Act of 2009: Capital Improvement and Maintenance	1,128,436
Forest Products Lab: Technology Marketing Unit (TMU)	749,819
Cooperative Forestry Assistance	200,000
Forestry Research	199,930
Forest Land Enhancement Program	48,353
Forest Health Protection	48,000
Unknown	145,150
	<b>12,601,596</b>
<b>Western</b>	
Recovery Act of 2009: Wildland Fire Management	36,664,851
Recovery Act of 2009: Capital Improvement and Maintenance	13,869,695
Cooperative Forestry Assistance	4,125,892
Schools and Roads—Grants to States	2,113,080
Collaborative Forest Restoration	1,818,825
Forestry Research	1,713,228
Forest Health Protection	1,436,225
Forest Stewardship Program	1,023,110
Forest Products Lab: Technology Marketing Unit (TMU)	850,014
International Forestry Programs	525,000
Forest Legacy Program	255,000
Urban and Community Forestry Program	164,954
National Forest Dependent Rural Communities	6,637
Watershed Restoration and Enhancement Agreement Authority	1,000
Unknown	973,447
	<b>65,540,958</b>



**Table B9 Forest Service agreement spending in Oregon by county characteristics, 2007–11**

County characteristic	Total awards (\$)	Number of counties	Number of awards	Average award (\$)	Average by county (\$)
Eastern	12,601,596	12 (of 18)	66	40,000	499,010
Western	65,540,958	14 (of 18)	187	40,000	3,269,163
Metro	50,136,391	9 (of 11)	143	43,298	3,183,200
Nonmetro	28,006,163	17 (of 25)	110	36,487	558,094
2/3—all public land	24,506,099	10 (of 12)	94	34,578	1,626,891
2/3—1/3 public land	5,786,489	6 (of 12)	45	38,089	384,198
1/3—no public land	47,849,966	10 (of 12)	114	46,394	2,060,662
Government	29,651,935	4	51	83,530	1,002,536
Nonspecialized	18,338,011	10 (of 17)	74	32,800	744,463
Manufacturing	15,070,587	7	59	35,000	1,607,437
Services	14,871,719	4	66	30,762	2,934,506
Farming	210,302	1 (of 4)	4	44,028	210,302
	<b>78,142,554</b>				

**Table B10 Forest Service agreement spending in Oregon by general location and recipient type, 2007–11**

	Total awards (\$)	Number of entities	Average by entity (\$)
<b>Eastern</b>			
Indian tribe	6,444,443	3	1,436,000
Nonprofit	2,222,249	13	68,300
Special district government	1,988,588	8	139,256
County government	806,567	9	40,000
Profit organization	519,819	3	249,819
City or township government	250,000	1	250,000
State government	244,930	2	122,465
	<b>12,476,596</b>		
<b>Western</b>			
State government	31,733,978	7	1,803,708
Nonprofit	15,420,594	36	109,054
Federal government	9,252,500	3	2,287,500
State-controlled institution of higher education	3,620,154	4	124,373
County government	2,664,848	10	111,424
Special district government	1,579,420	9	99,997
Profit organization	825,014	3	250,000
Indian tribe	250,000	1	250,000
Independent school district	144,392	1	144,392
City or township government	25,058	1	25,058
	<b>65,515,958</b>		

**Table B11 Local capture of Forest Service agreement spending in Oregon by county and general location, 2007–11**

<b>Eastern</b>	<b>Total awards (\$)</b>	<b>Number of local entities</b>	<b>Percent captured locally</b>
Jefferson	5,037,042	2	100%
Klamath	1,544,300	3	100%
Wallowa	536,104	2	100%
Wasco	378,088	5	100%
Lake	295,590	2	100%
Wheeler	210,302	2	100%
Grant	1,709,481	2	99%
Deschutes	997,874	7	95%
Hood River	461,915	3	94%
Crook	349,069	3	47%
Umatilla	930,831	1	1%
Baker	151,000	1	0%
Gilliam	-	-	-
Harney	-	-	-
Malheur	-	-	-
Morrow	-	-	-
Sherman	-	-	-
Union	-	-	-
	<b>12,601,596</b>		
<b>Western</b>			
Marion	27,495,864	7	100%
Linn	1,607,437	5	100%
Coos	558,094	5	100%
Lincoln	176,811	1	100%
Washington	72,855	1	100%
Columbia	25,000	1	100%
Benton	3,989,407	3	86%
Multnomah	2,513,887	13	81%
Lane	3,853,471	8	58%
Douglas	3,989,777	6	54%
Josephine	3,355,125	3	27%
Clackamas	3,183,200	2	12%
Curry	6,715,197	2	5%
Jackson	8,004,833	3	1%
Clatsop	-	-	-
Polk	-	-	-
Tillamook	-	-	-
Yamhill	-	-	-
	<b>65,540,958</b>		

**Table B12 Rural Development Business and Cooperative Service spending in Oregon by general location and program title, 2007–11**

<b>Eastern</b>	<b>Total awards (\$)</b>
Business and Industry Loans	56,420,254
Rural Energy for America Program	3,927,236
Intermediary Relending Program	3,162,000
Renewable Energy Systems Improvements	1,754,254
Rural Economic Development Loans and Grants	1,700,000
Rural Business Enterprise Grants	1,391,413
Rural Cooperative Development Grants	1,147,712
Rural Business Enterprise Grants—ARRA	298,998
Rural Microentrepreneur Assistance Program	250,000
Rural Business Opportunity Grants	233,900
Bioenergy Program For Advanced Biofuels	58,299
Unknown	14,212,749
	<b>84,556,749</b>
<b>Western</b>	
Business and Industry Loans	106,768,040
Rural Energy for America Program	5,679,623
Rural Business Enterprise Grants	3,168,175
Bioenergy Program For Advanced Biofuels	2,349,284
Rural Cooperative Development Grants	2,173,359
Intermediary Relending Program	1,460,000
Renewable Energy Systems Improvements	969,268
Rural Business Opportunity Grants	769,386
Rural Business Enterprise Grants—ARRA	722,801
Rural Microentrepreneur Assistance Program	375,000
Unknown	20,583,182
	<b>145,018,118</b>
<b>Unspecified location</b>	
Business and Industry Loans	5,235,422
Rural Energy for America Program	503,230
Rural Cooperative Development Grants	270,326
Renewable Energy Systems Improvements	9,523
Unknown	1,072,500
	<b>7,091,001</b>

**Table B13 Rural Development Business and Cooperative Service spending in Oregon by general location and county, 2007–11**

<b>Eastern</b>	<b>Total award (\$)</b>	<b>Number of awards</b>	<b>Average award (\$)</b>
Umatilla	29,972,472	34	300,000
Malheur	18,408,444	16	46,785
Union	7,703,059	13	240,000
Morrow	5,864,572	5	360,000
Baker	5,800,612	12	157,973
Deschutes	4,990,300	9	18,300
Klamath	4,143,469	37	18,977
Wallowa	3,396,798	16	18,937
Jefferson	2,754,712	10	98,246
Lake	1,752,150	7	20,000
Wasco	1,138,000	7	60,000
Sherman	160,600	2	80,300
Harney	140,227	3	27,368
Crook	123,248	3	20,000
Grant	81,100	5	17,500
Gilliam	77,500	1	77,500
Hood River	39,486	2	19,743
Wheeler	10,000	1	10,000
	<b>84,556,749</b>		
<b>Western</b>			
Polk	1,770,683	17	32,340
Clackamas	24,415,747	255	23,655
Yamhill	105,989	3	32,700
Columbia	25,000	2	12,500
Lane	35,976,583	655	21,488
Linn	9,617,056	165	22,460
Marion	32,479,025	75	37,122
Lincoln	10,080,291	145	29,480
Douglas	24,647,390	481	13,550
Washington	305,196	16	12,660
Clatsop	1,082,640	2	541,320
Tillamook	7,341,037	92	30,229
Coos	4,977,483	66	23,670
Multnomah	3,792,329	57	17,000
Curry	13,691,487	105	21,875
Jackson	28,790,245	365	17,217
Benton	10,709,405	131	13,060
Josephine	18,226,505	116	42,233
	<b>145,018,118</b>		
<b>Unknown</b>			
	<b>7,091,001</b>		

**Table B14 Rural Development Business and Cooperative Service spending in Oregon by county characteristics, 2007–11**

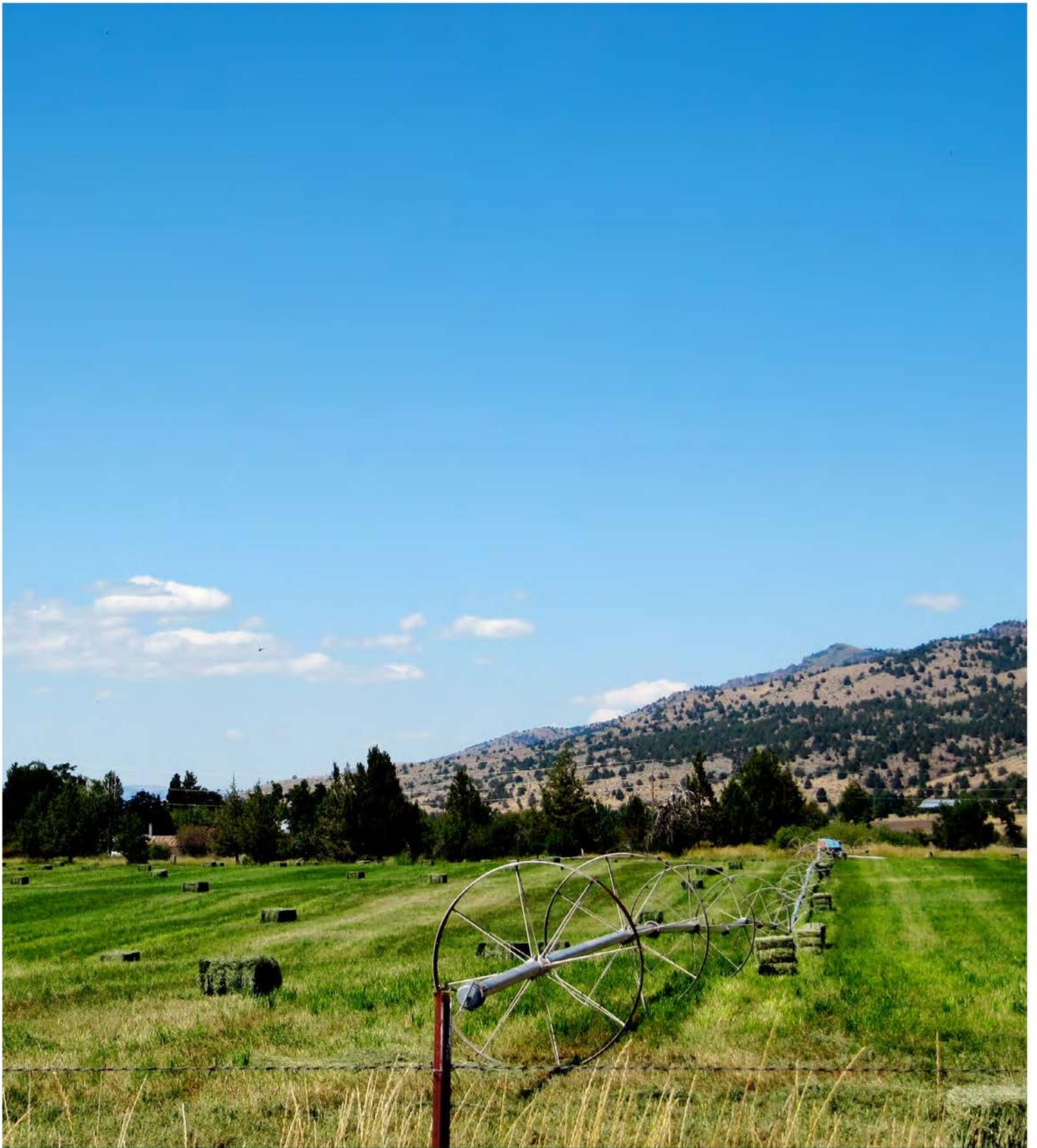
County characteristic	Total awards (\$)	Number of counties	Number of awards	Average award (\$)	Average by county (\$)
Eastern	84,556,749	18	183	44,550	2,253,431
Western	145,018,118	18	269	49,189	8,263,911
Unknown	7,091,001	-	29	29,125	7,091,001
Metro	150,395,057	11	181	49,189	9,524,964
Nonmetro	124,179,810	25	272	44,588	3,396,798
Unknown	7,091,001	-	29	29,125	7,091,001
$\frac{2}{3}$ –all public land	48,982,703	12	146	20,000	2,305,818
$\frac{2}{3}$ – $\frac{1}{3}$ public land	75,009,214	11 (of 12)	169	30,490	7,703,059
$\frac{1}{3}$ –no public land	105,582,950	12	142	99,950	5,864,572
Unknown	7,091,001	-	29	29,125	7,091,001
Government	17,278,558	4	52	20,000	1,752,150
Nonspecialized	154,071,250	17	232	85,000	6,712,370
Manufacturing	42,164,397	7	97	50,000	8,225,740
Services	9,885,263	4	67	19,100	1,986,883
Farming	6,175,399	4	11	80,300	150,414
Unknown	7,091,001	-	29	29,125	7,091,001

**Table B15 Rural Development Business and Cooperative Service spending in Oregon by general location and recipient type, 2007–11**

	Total awards (\$)	Number of entities	Average by award (\$)
<b>Eastern</b>			
Business	76,614,331	41	551,881
City or township	4,332,994	32	15,000
Nonprofit	2,871,712	14	80,300
Profit organization	58,299	3	12,203
Indian tribe	1,029,308	6	97,438
Other	1,650,105	36	17,933
	<b>84,556,749</b>		
<b>Western</b>			
Business	128,383,484	61	1,000,000
City or township	8,591,789	54	16,833
Nonprofit	2,408,130	20	99,000
Profit organization	2,349,284	7	21,085
Indian tribe	940,466	8	93,250
Other	2,344,965	59	19,828
	<b>145,018,118</b>		
<b>Unknown</b>			
Business	6,587,771	1	246,000
Other	503,230	2	28,313
	<b>7,091,001</b>		

**Table B16 Local capture of Rural Development Business and Cooperative Service spending in Oregon by county, 2007–11**

<b>Eastern</b>	<b>Total award value (\$)</b>	<b>Number of local entities</b>	<b>Percent captured locally</b>
Umatilla	27,972,472	34	100%
Malheur	18,408,444	16	100%
Union	7,703,059	13	100%
Deschutes	4,990,300	9	100%
Klamath	4,143,469	37	100%
Wallowa	3,396,798	16	100%
Lake	1,752,150	7	100%
Sherman	160,600	2	100%
Harney	140,227	3	100%
Crook	123,248	3	100%
Gilliam	77,500	1	100%
Wheeler	10,000	1	100%
Morrow	5,864,572	5	99%
Jefferson	2,754,712	10	96%
Wasco	1,138,000	7	95%
Baker	5,800,612	12	74%
Hood River	39,486	2	55%
Grant	81,100	5	40%
<b>84,556,749</b>			
<b>Western</b>			
Clatsop	6,712,370	10	100%
Coos	3,852,783	10	100%
Washington	8,225,740	17	99%
Linn	9,812,005	22	97%
Polk	22,800,046	13	96%
Jackson	1,799,230	24	93%
Clackamas	20,055,479	18	88%
Marion	9,524,964	27	84%
Yamhill	12,260,525	11	82%
Douglas	8,302,082	17	81%
Multnomah	2,174,535	18	71%
Lane	10,497,896	18	65%
Columbia	11,719,280	14	57%
Lincoln	8,576,000	10	47%
Benton	1,347,062	16	46%
Curry	1,856,923	7	41%
Josephine	921,198	16	27%
Tillamook	4,580,000	9	7%
<b>145,018,118</b>			
<b>Unknown</b>			
<b>7,091,001</b>			



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