

# Legislative Fiscal Office

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## Budget Information Brief / 2002-2

### 2002 Forest Fire Season Impact on Emergency Fund

Through August 9, 2002, 83,300 acres of land protected by the State Forester have been involved in wildfires. By the end of this fire season, fire suppression costs in excess of base protection and district deductibles for state-protected lands are estimated to exceed the \$10 million limit of the Oregon Forest Land Protection Fund by \$18 million. Costs incurred by the state for fighting fires on U.S. Forest Service and Bureau of Land Management lands are reimbursed by the federal government. Actual final costs for the 2002 forest fire season will not be known until May or June of 2003.

As of August 9<sup>th</sup>, state agencies have provided the following cost *estimate* information:

(Dollars in Millions)	2001-03 Forestry Budget	Oregon Forest Land Protection Fund	Emergency Fund	Insurance Policy	Other Sources	Total Costs
Department of Forestry:						
2002 Insurance Premium		\$ 3.45				\$ 3.45
Fire Season Suppression Costs		\$ 6.55	<b>\$3.45</b>	\$18.11		\$28.11
Severity Plan Costs *	\$0.40		<b>\$0.40</b>			\$ 0.80
FEMA State Share (NG Training)			<b>\$0.27</b>			\$ 0.27
Reimbursable Costs (FEMA. & Coop)					\$14.24	\$14.24
Oregon State Fire Marshal:						
2002 Fire Season Estimate			<b>\$0.80</b>			\$ 0.80
2001 Fire Season Actual			<b>\$0.50</b>			\$ 0.50
OMD Support to OSP/Office of Emergency Management			<b>\$0.05</b>			\$ 0.05
<b>Total</b>	<b>\$0.40</b>	<b>\$10.00</b>	<b>\$5.47</b>	<b>\$18.11</b>	<b>\$14.24</b>	<b>\$48.22</b>
Maximum Available	\$0.40	\$10.00		\$43.00		

\* The Department of Forestry plans to request emergency funds for standby crews, engines, and helicopters in Southern and Eastern Oregon for the balance of the fire season. The helicopter for Southern Oregon is already under contract (\$240K) utilizing current funding.

In addition to these cost projections, the insurance premium for the 2003 fire season will be due in April 2003. In the past, when the state has experienced a severe fire season that maximizes the resource available from the Oregon Forest Land Protection Fund (OFLPF), the Department has requested money from the Emergency Fund to pay the premium. While the potential for an additional \$4.3 million allocation from the Emergency Fund exists, the Legislature will be in regular session when the need arises. The Legislature is planning to revisit the limitations of the OFLPF, insurance deductibles, and premium payment responsibilities during the upcoming regular session. A number of possibilities exist for dealing with the premium payment, such as a statutory change in the limitations on the OFLPF to require payment of the premium; advance payment by the Department of Administrative Services, Risk Management to be repaid July 1<sup>st</sup> when the limitation on the OFLPF begins; or a shared payment by the Emergency Fund and OFLPF.

### **Emergency Conflagration Act**

Under circumstances when wildfires create a serious threat to life and property, the Governor may invoke the Emergency Conflagration Act. Once invoked, the Act authorizes the Governor to use the resources of any county, city, or district fire suppression organization to assist fire-fighting efforts anywhere in the state. The Act requires the state to reimburse the political subdivision for costs in providing such fire suppression assistance. The Governor can also declare a "state of emergency" authorizing the participation of all public agency personnel and equipment, including the Oregon National Guard, to assist in the battle against wildfires. During a Governor-declared "state of emergency," the Oregon State Police coordinates National Guard resources through the Office of Emergency Management and structural fire fighting resources through the Office of the State Fire Marshal. The Oregon Military Department also provides both staff and equipment for emergency fire fighting needs.

### **Federal Emergency Management Act (FEMA) Eligibility**

Federal fire management financial assistance is provided through the President's Disaster Relief Fund and made available by FEMA. Only fires involving structures or homes can be declared eligible for FEMA reimbursement. Cost reimbursement can only occur if the Governor invokes the Emergency Conflagration Act and the Office of Emergency Management requests assistance and provides information on the estimated amount and severity of the threat to structures or homes through the FEMA Region 10 office. Each incident requires separate approval. After validating the nature and extent of the threat, the FEMA regional office requests approval by the FEMA director in Washington, D.C. Once approved, subsequent fire fighting costs on all FEMA approved fires are eligible for approximately 70% cost reimbursement under an approved grant for managing, mitigating, and controlling designated fires during the incident time period as established by FEMA.

The following fires (8 out of 9) thus far in the 2002 fire season have been approved by FEMA and will therefore be eligible for cost reimbursement:

Cache Mountain Fire	Deschutes County
Biscuit (Florence) Fire	Josephine County
Timbered Rock Fire	Jackson County
Sheldon Ridge Fire	Wasco County
Flagtail Fire	Grant County
Squire Peak Fire	Jackson County
Winter Fire	Lake County
Eyerly Fire	Jefferson County

**For additional information, contact: Susie Jordan, Legislative Analyst, 503-986-1835**