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Budget Information Brief / 2016-2

2015 Fire Season Costs

The 2015 fire season in Oregon was notable for its severity and cost. The U.S. Department of Agriculture reports that more than 630,000 acres burned in Oregon during a fire season characterized as the “most severe in modern history from a variety of standpoints.”¹ The Oregon Department of Forestry’s Wildland Fire Statistics database records fires for which the Oregon Department of Forestry (ODF) has jurisdiction. The Department recorded 1,080 fires in 2015, ranging in size from less than one acre to more than 110,000 acres. In 2015, wildfires consumed a total of 386,125 acres of the approximately 16 million acres under ODF jurisdiction; for large fires, state agencies incurred a total net cost of \$94.4 million in wildfire-related expenses. Federal agencies reimbursed 61% of that amount, or \$57.7 million; and Other Funds from the State Highway Fund, the Oregon Forestland Protection Fund, and fire district insurance deductibles covered \$11.8 million. The state’s General Fund bore \$24.9 million of the cost.

The table below shows expenses incurred for large fires by each state agency for the 2015 fire season. Expenses incurred by the Oregon Military Department (OMD) are fully reimbursed by the state departments of Forestry and Police, so those costs are netted out of all following totals to avoid double-counting.

State agency	Total Fire Season Expenses	Reimbursed Amount	State Other Funds	State General Fund
Department of Transportation	\$ 6,231,467	\$ 5,600,315	\$ 631,152	\$ -
Oregon State Police	8,767,191	6,911,613		1,855,579
Oregon Department of Forestry	79,449,530	45,172,387	11,162,021	23,115,122
Oregon Military Dept	<u>2,441,355</u>	<u>2,441,355</u>	<u>0</u>	<u>0</u>
Total Agency Expenditures	\$ 96,889,543	\$ 60,125,670	\$ 11,793,173	\$ 24,970,701
Net of OMD expenses included in Forestry Totals:	\$ 94,448,188	\$ 57,684,315	\$ 11,793,173	\$ 24,970,701

State agencies have a variety of responsibilities in the event of wildfires, including:

- The Oregon Department of Forestry has primary responsibility for protecting about 16 million acres of public and privately-owned forestland in partnership with twelve fire districts, three private forest protection associations, and associated federal, state, and local agencies.
- When emergency conflagrations are declared by the Governor, the State Fire Marshal (organizationally located within the Oregon State Police) mobilizes firefighting resources throughout the state on behalf of local fire agencies that are not able to protect structures from fire on their own.

¹ Narrative Timeline of the Pacific Northwest 2015 Fire Season, United States Department of Agriculture, February 2016.

- The Department of Transportation (ODOT) must repair transportation infrastructure that is both needed during a firefighting effort and may be damaged or destroyed by fire. Wildfires can damage the pavement on roads and bridges, burn road signs and guardrails, destroy culverts, destabilize roadside slopes and embankments, and require road closures and traffic control activities.
- OMD provides personnel and equipment in the event of emergency declarations by the Governor. In 2015, the Oregon National Guard mobilized 524 soldiers and airmen, 11 state employees, and 14 firefighters to help fight eight wildfires, and provided the use of nine helicopters, and other equipment such as trucks, generators, and trailers.

Large Wildfires

Large fires accounted for the majority of expense incurred and acres burned during 2015. There is no initial state budget for large fires², as the cost of suppressing them is borne by a variety of jurisdictions and depends on where the fires occur, but ultimately the state’s General Fund is responsible for large fire costs that are not reimbursed or covered by insurance or other funding sources. The following table shows the ten most expensive large fires for the state of Oregon in 2015, their locations, and the state agency incurring the expense.

Statewide Fire Expenses, 2015 Fire Season				
<i>Ten Most Expensive Fires by Fire Name, County, and State Agency</i>				
Fire Name	Total Expenses	ODF	ODOT	OSP
Cable Crossing, Douglas County	9,922,893	9,877,893	45,000	0
Canyon Creek Complex, Grant County	14,592,390	5,680,041	4,999,523	3,912,826
Cornet-Windy Ridge Complex, Baker County	4,766,394	2,708,813	1,081,466	976,115
County Line 2, <i>Warm Springs Reservation</i>	1,344,877	0	0	1,344,877
Dry Gulch, Baker County	2,331,894	2,165,719	0	166,175
El Dorado, Baker County	5,533,563	5,533,563	0	0
Grizzly Bear Complex, Wallowa County	3,633,906	2,850,718	0	783,188
Jones Canyon, Grant County	1,629,475	1,629,475	0	0
Stouts Creek, Douglas County	38,714,760	37,130,750	0	1,584,010
Willamina Creek, Yamhill County	1,495,060	1,495,060	0	0
Total Expenses by Fire:	\$ 83,965,212	\$ 69,072,032	\$ 6,125,989	\$ 8,767,191

2016 Legislative Budgetary Actions

As the cost of fighting large fires is not budgeted, agencies that incur large fire-related expenses must request an additional General Fund appropriation and/or Other Funds expenditure limitation from the Legislature after expenditures are fully accounted for at the end of a fire season. During the 2016 legislative session, the Legislature approved budget increases for four state agencies that incurred large wildfire costs (for details, see the table on the following page).

² *How Oregon Funds Forest Wildfire Protection*, Budget Information Brief 2016-3, Legislative Fiscal Office, March 2016.

2016 Budget Actions for 2015 Large Wildfire Costs

General Fund Appropriations and Other Funds Expenditure Limitations, SB 5701

State agency	Total New Appropriation/ Limitation	State Other Funds	State General Fund	SB 5701 (2016) Section Reference
Department of Transportation	\$ 6,231,467	6,231,467	0	Section 12 (1)
Oregon State Police	\$ 8,231,828	6,911,613	1,320,215	Section 32 (1-3)
Oregon Department of Forestry	\$ 79,449,530	56,334,408	23,115,122	Sections 8 & 9
Oregon Military Dept	\$ 2,442,000	2,442,000	0	Section 16
Total: Agency Requests	\$ 96,354,825	\$ 71,919,488	\$ 24,435,337	

A portion of the General Fund appropriated to ODF (\$2.05 million) in 2016 legislative actions is reduced from the \$6 million special purpose appropriation for fire severity established in HB 5019 (2015).

Federal Reimbursements

Costs incurred during large fires may be reimbursed by federal agencies, depending on the fire's location and other characteristics. The Federal Emergency Management Agency (FEMA) provides Fire Management Assistance grants to states, local governments, and tribal governments for the mitigation, management, and control of destructive fires on publicly or privately-owned forests or grasslands. These reimbursable grants cover 75% of actual firefighting costs for such expenses as field camp operations; equipment use, repair, and replacement; tools, materials, and supplies; and mobilization and demobilization activities. The state anticipates total FEMA reimbursements of \$50.7 million for the 2015 fire season.

Likewise, the Federal Highway Administration (FHWA) pays for up to 100% of the cost of repair or reconstruction of Federal-aid highways and roads on Federal lands that have suffered serious damage due to natural disasters through the Emergency Relief Program. ODOT anticipates \$5.6 million of FHWA reimbursements for expenses incurred in 2015.

The County Line 2 fire burned 67,207 acres on the Warm Springs Reservation, and the state's firefighting cost of \$1.34 million will be fully reimbursed by the federal Bureau of Indian Affairs.

The table below shows the ten largest fires and all anticipated federal reimbursements. Note that some fires are not eligible for federal reimbursement.

Statewide Fire Expenses, 2015 Fire Season

Ten Most Expensive Fires by Fire Name, County, and Reimbursing Agency

Fire Name	Total Reimbursable Expenses	FEMA	FHWA	BIA
Cable Crossing, Douglas County	45,000	0	45,000	0
Canyon Creek Complex, Grant County	10,725,949	6,357,578	4,368,371	0
Cornet-Windy Ridge Complex, Baker County	3,786,393	2,704,927	1,081,466	0
County Line 2, Warm Springs Reservation	1,344,877	0	0	1,344,877
Dry Gulch, Baker County	2,278,973	2,278,973	0	0
El Dorado, Baker County	3,264,802	3,264,802	0	0
Grizzly Bear Complex, Wallowa County	2,644,514	2,644,514	0	0
Jones Canyon, Grant County	0	0	0	0
Stouts Creek, Douglas County	33,167,675	33,167,675	0	0
Willamina Creek, Yamhill County	0	0	0	0
Total Expenses by Fire:	\$ 57,258,183	\$ 50,418,469	\$ 5,494,837	\$ 1,344,877