

Agency: 490 Department of Natural Resources
Decision Package Code/Title: FM Emergency Fire Suppression
Budget Period: 2013-15
Budget Level: PL - Performance Level

Recommendation Summary Text:

One-time funding is requested for the costs of fire response activity incurred and anticipated during fiscal year 2015. These costs are projected to be in excess of the Department of Natural Resources (DNR) existing fire suppression appropriation.

Fiscal Detail

Operating Expenditures	<u>FY 2014</u>	<u>FY 2015</u>	<u>Total</u>
001-1 General Fund - Basic Account-State		70,000,000	70,000,000
001-2 General Fund - Basic Account-Federal		1,484,000	1,484,000
Total Cost		71,484,000	71,484,000

Package Description:

This request seeks to fund incurred and anticipated costs associated with emergency fire suppression activities in FY15 that exceed DNR's fire suppression appropriation. Firefighting expenses paid by other state agencies are excluded from this request. The table below summarizes DNR's biennial fire suppression appropriations and projected FY15 shortfall:

Fund	13-15 Appropriations	FY14 Expenditures	FY15 Projected Expenditures	FY15 Shortfall
FY14 GF-S	25,271,000	25,271,000	0	0
FY15 GF-S	19,099,000	0	89,099,000	70,000,000
Disaster Response	5,000,000	1,073,920	3,926,080	0
Subtotal	49,370,000	26,344,920	93,025,080	70,000,000
GF-Federal	5,879,000	4,076,600	3,286,100	1,483,700
Total	55,249,000	30,421,520	96,311,180	71,483,700

At the beginning of every biennium, DNR is appropriated funds for emergency fire suppression. As with other accounts covering disasters, the legislature funds a baseline appropriation for emergency fire suppression in DNR's biennial budget, and any actual costs exceeding that amount are covered with supplemental funding. DNR was appropriated an additional \$6,172,000 GF-S in the FY14 Supplemental to cover costs that exceeded its baseline funding. Current projections for FY15 fire suppression costs project a GF-S shortfall of \$70,000,000 and a GF-Federal shortfall of \$1,483,700.

This request is for funds to cover incurred and anticipated costs associated with emergency fire suppression activities in FY15 that

exceed the Department's fire suppression appropriation. DNR expects to have more precise expenditure figures prior to the start of the legislative session and will provide them to OFM and Legislative staff.

DNR's costs of firefighting on behalf of other state agencies (WDFW protected lands) are included in DNR's costs. Firefighting expenses paid by other state agencies (WSP for State Mobilization fires) are excluded from this request.

Fires already occurred in FY15 top \$57.9 -

Eight significant and costly large fires in FY15 have already impacted DNR's current FY15 funding. The most costly was the Carlton Complex fire, which has an estimated total cost of \$69.4 million, of which DNR's portion is estimated to be \$25 million. The Chiwaukum Complex has an estimated total cost of \$35.2 million, of which DNR's portion is estimated to be \$16.5 million. The other six large fires during July and August, 2014 (Lake Spokane, Mills Canyon, Snag Canyon, Hansel, South Cle Elum Ridge and Haven Lake) have a total estimated cost of \$37.0 million, of which DNR's portions are estimated to be \$16.4 million collectively. These eight fires alone already account for \$57.9 million, surpassing DNR's fire suppression appropriation. DNR's total FY15 Estimated Costs shown in the Fiscal Data section reflect the above listed fires plus numerous smaller fires (less than \$1 million each) experienced in the first quarter of FY15, plus projections for future fires next spring. (See fire details on Attachment A)

FEMA Disaster Funds reduce net GF-State costs -

For FEMA-eligible fires, DNR processes the requests for FEMA assistance and pursues reimbursement to the state. Although receipts typically lag beyond the current state fiscal year, these FEMA reimbursements result in reduced net fire costs to the General Fund as follows:

Fiscal Year	Fire Suppression GF-S	Fire Suppression Disaster	FEMA Reimbursement Received *	Net Suppression Costs to State
FY08	15,541,789	5,000,000	882,965	19,658,824
FY09	25,490,000	0	900,482	24,590,384
FY10	22,670,000	1,560,869	1,413,960	22,817,189
FY11	11,447,289	3,439,131	289,667	14,596,753
FY12	8,030,000	3,813,160	1,480,499	10,362,661
FY13	41,838,749	1,186,840	7,504,585	35,521,004
FY14	25,271,000	1,073,920	7,881,589	18,463,331
FY15**	89,099,000	3,926,080	25,827,311	59,255,609

*Reimbursements are usually not received in the same fiscal year as filed.

** FY15 numbers are estimates

DNR projects that the State Military Department (Agency 245) will receive an estimated \$25.8 million from seven FEMA-declared FY15 fires. This money is not anticipated to be received until sometime in the 15-17 biennium; upon receipt it's deposited directly into the Disaster Response Account (05H), thus ultimately offsetting the state's costs initially paid by DNR with its GF-S appropriation.

Prudent projections for remainder of FY15 fire season -

Fire seasons seldom coincide with FY timeframes. This year, fire season started early with incident fires in May and June. If this scenario is repeated in May and June of 2015, early fires would increase FY15 expenditures. While DNR expects the number of fires will be minimal during the autumn and winter months, it is only prudent to project additional fires in the spring of 2015 during the final months of the fiscal year. DNR is requesting funding adequate to prepare for the expected volume of fire suppression demand for the remainder of FY15.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

This request impacts the DNR activity: Fire Suppression. DNR's primary responsibility is to respond and suppress wildland fires on lands subject to Forest Fire Protection Assessments. DNR also provides assistance to other local and federal governments for wildland fire suppression as needed, and pursues reimbursement for all eligible costs.

DNR's fire suppression program is committed to the following goals: losses to life from fire are prevented; property loss is minimized; and natural resources damage from wildfires on DNR protected lands is minimized. The agency's Fire Suppression performance

measure - "Percentage of total wildfires contained at or below 10 acres on DNR protected land" - can be achieved at the 95% level if funding is adequate to provide sufficient resources for prompt and aggressive suppression response as soon as the fire starts.

Performance Measure Detail

Activity: **A013Fire Suppression**

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This proposal supports the Department of Natural Resources' strategic plan as follows:

Goal 2-A "Protect Washington's Communities and natural resources from wildfire and other natural hazards" and Goal 2-A-1, "Suppress wildfires safely, efficiently, and cost-effectively".

Does this decision package provide essential support to one of the Governor's priorities?

Yes. An effective wildfire suppression program reduces the risk of property damage and economic loss while making the most effective use of available resources, thus supporting both the governor's Economy priority and his Government Reform priority. Wildland fires have the potential to cause substantial loss to property. DNR strives to keep these losses to a minimum.

It also supports the Results Washington priorities of Sustainable Energy and a Clean Environment and Health and Healthy and Safe Communities. Wildfire response is a high priority activity for public safety. DNR is the largest on-call fire department in the state with more than 1,200 permanent and temporary employees who fight fire on more than 13 million acres of state and private forest land.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

N/A

What are the other important connections or impacts related to this proposal?

DNR partners with the federal government, local governments and fire districts to successfully combat wildfires.

What alternatives were explored by the agency, and why was this alternative chosen?

Rapid initial response to new fires, to contain them before they grow large, greatly reduces wildfire costs and impacts. DNR actively pursued cost management actions in FY15 fires. Incident commanders and fire management personnel take costs into consideration as an important factor when selecting options for operational decisions (while maintaining safety and fire containment priorities). DNR pursues FEMA Fire Management Assistance Grant (FMAG) funds for FEMA-eligible fires, and bills federal (and other) agencies for their share of interagency fires in which DNR provided response support. DNR also investigates and pursues recovery of suppression expenses for fires started by human negligence.

What are the consequences of not funding this package?

When fire suppression expenses exceed the appropriated budget, the overage would be shifted to the Clarke-McNary fund per RCW 43.88.550. The State Treasurer would reimburse the Clarke-McNary fund by transferring sufficient funds from GF-State or other appropriate funds to cover these expenditures plus interest.

What is the relationship, if any, to the state's capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

This request represents the initial estimate for funds needed to cover actual and projected costs for emergency fire suppression in FY15. DNR expects to have more precise expenditure figures prior to the start of the legislative session and will provide them to OFM and Legislative staff.

Submitted figures are from DNR regions based on emergency incident response statistics, adjusted for estimated fire billings, anticipated recoveries, and new fire costs.

Although FTE's are charged in the total costs of fire suppression, no FTE's are requested. DNR's FTE authority has not included the fire suppression FTE's since the 2001-03 biennium. The costs of hiring, training and equipping fire personnel are provided in DNR's Fire Control and Regulation programs which are funded by a combination of GF-State and Forest Fire Protection Assessment (FFPA) funds. Once the personnel are assigned to a fire, their costs shift to the Emergency Fire Suppression Account.

Distribution is estimated based on the corresponding proportions of actual costs for FY15.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

The additional costs associated with FY 2015 fire season are one time.

<u>Object Detail</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Total</u>
A Salaries And Wages		15,827,000	15,827,000
B Employee Benefits		4,015,000	4,015,000
E Goods\Other Services		50,047,000	50,047,000
G Travel		1,595,000	1,595,000
Total Objects		71,484,000	71,484,000

**Department of Natural Resources
FY 2015 Fire Suppression Incident Costs
Attachment A**

					Estimated Incident Cost by Agency and Fund (dollars)					
					DNR Incident Cost by Fund					
Fire Name	Agency with Jurisdiction^	County	Cause	Start Date	Total Cost for Incidents that DNR Participated In*	DNR's FY15 Total Share of Cost*	General Fund - State / Disaster*	General Fund - Federal (GF-F)	General Fund - Local (GF-L)	Landowner Contingency Forest Fire Suppression (LOC)
Type 1 and 2 Incidents										
Lake Spokane	DNR/BIA/BLM/FS	Stevens	Undetermined	7/9/2014	1,680,000	1,160,000	1,160,000			
Mills Canyon	DNR/FS/BIA/BLM/NP	Chelan	Undetermined	7/8/2014	9,000,000	2,000,000	2,000,000			
Carlton Complex	DNR/FS/BLM/MOBE	Okanogan	Lightning	7/14/2014	69,430,000	25,000,000	25,000,000			
Chiwaukum Complex	DNR/FS/MOBE	Chelan	Lightning	7/14/2014	35,211,000	16,549,200	16,549,200			
Watermelon Hill	DNR/BLM/BIA/FS	Spokane	Undetermined	7/19/2014	1,250,000	438,000	438,000			
Snag Canyon	DNF/FS	Kittitas	Lightning	8/2/2014	14,462,100	6,829,900	6,829,900			
Hansel	BLM/FS/DNR	Chelan	Lightning	8/2/2014	2,996,300	1,002,000	1,002,000			
Little Bridge Creek	FS/BIA/BLM	Okanogan	Lightning	8/2/2014	10,950,000	595,000	100,000	495,000		
South Cle Elum Ridge	FS/BLM/BIA	Kittitas	Lightning	8/7/2014	6,376,000	2,863,300	2,863,300			
Devil's Elbow Complex	FS/ST	Ferry	Lightning	8/3/2014	13,935,000	849,100	836,100	13,000		
Haven Lake	DNR	Mason	Undetermined	8/11/2014	2,500,000	2,500,000	2,500,000			
June						1,000,000	1,000,000			
Total DNR area involved:			TOTAL TYPE 1 and 2 INCIDENTS		167,790,400	60,786,500	60,278,500	508,000	0	0
Type 3 Incidents										
25 Mile Creek	DNR/FS	Chelan	Undetermined	7/10/2014	450,000	450,000	450,000			
Rock Hill	DNR/FS	Douglas	Undetermined	7/6/2014	700,000	250,000	250,000			
Skookum	DNR/FS	Klickitat	Undetermined	7/14/2014	400,000	400,000	400,000			
Bugg Road	DNR/FS/BIA	Okanogan	Human	7/21/2014	1,240,000	517,000	517,000			
Toroda Mountain	DNR/FS	Okanogan	Human	7/29/2014	1,120,400	626,000	251,000	375,000		
Rising Eagle	WSP/DNR	Okanogan	Undetermined	8/1/2014	1,000,000	251,000	251,000			
Mill 5	DNR	Mason	Undetermined	8/10/2014	120,000	120,000	120,000			
Tenino Complex	DNR	Thurston	Undetermined	8/10/2014	190,000	190,000	190,000			
Teague	DNR	Lewis	Undetermined	8/10/2014	250,000	250,000	250,000			
Enterprise	NPS/DNR	Stevens	Lightning	8/15/2014	1,700,000	1,260,000	600,000	660,000		
Tillman's Best	DNR	Okanogan	Lightning	8/6/2014	500,000	250,000	250,000			
Running Deer	DNR	Spokane	Miscellaneous	8/15/2014	155,000	125,000	125,000			
Mineral Hill	DNR	Lewis	Undetermined	9/7/2014	250,000	250,000	250,000			
Fork Peak	DNR	Lewis	Undetermined	9/11/2014	850,000	850,000	850,000			
Yaxon	DNR	Chelan	Undetermined	9/22/2014	250,000	250,000	250,000			
South Touchet	DNR	Columbia	Undetermined	10/10/2014	250,000	250,000	250,000			
Oct						250,000	250,000			
June						250,000	250,000			
June						250,000	250,000			
Total DNR area involved:			TOTAL TYPE 3 INCIDENTS		9,425,400	7,039,000	6,004,000	1,035,000	0	0
TOTAL FIRE SUPPRESSION COSTS for TYPE 1, 2 and 3 INCIDENTS*					177,215,800	67,825,500	66,282,500	1,543,000	0	0
Other Incidents										
Out-of-state dispatches of DNR firefighting resources						793,100	50,000	743,100		
Reacting to Fire Potential, Reacting to Fire Danger, false alarms, unclassified fires						10,050,000	10,050,000			
Fires not itemized above (Type 4 and Type 5 classified fires) + Unidentified Cost						5,090,000	3,840,000	1,000,000		250,000
Contingency						9,172,580	9,172,580			
TOTAL OTHER INCIDENT COST						25,105,680	23,112,580	1,743,100	0	250,000
Other Fire Suppression Costs										
Attorney General Office						130,000	130,000			0
DNR State Lands						0				
Addition Fire Costs (Exclusive use SEAT availability, DOP Warrants, radios, unemployment, inmate L&I, etc.)						3,500,000	3,500,000			0
TOTAL OTHER FIRE SUPPRESSION COSTS						3,630,000	3,630,000	0	0	0
TOTAL						96,561,180	93,025,080	3,286,100	0	250,000

FY15 Supplemental Request							
	GF-S	Disaster	Total GFS/Dis	GF-F	GF-L	LOC	Total
FY15 Fire Incident Cost	89,099,000	3,926,080	93,025,080	3,286,100	0	250,000	96,561,180
FY15 Incident Cost - Total	89,099,000	3,926,080	93,025,080	3,286,100	0	250,000	96,561,180
FY15 Allotment Authority	19,037,200	3,926,080	22,963,280	1,802,400	173,877	1,066,910	26,006,467
Attorney General's Office Legal Services	61,800	0	61,800	0	0	0	61,800
Adjusted Allotment Authority	19,099,000	3,926,080	23,025,080	1,802,400	173,877	1,066,910	26,068,267
FY15 Supplemental Budget Request	70,000,000			1,483,700			71,483,700

FY15 July to September Actual Fire Suppression Expenditures (data as of 9/30/14 - source AFRS)							
	GF-S	Disaster	Total GFS/Dis	GF-F	GF-L	LOC	Total
	45,899,672	0	45,899,672	0	0	30,650	45,930,322

^ "Mobe" is the paying entity for qualifying Fire Protection district(s)

* Incident costs exclude Mobe and WDFW suppression costs for non-forested lands