

## WILDFIRE COSTS

Montana had a severe 2012-2013 fire season. As a result, a large supplemental request has been submitted to pay those costs that are determined to be the responsibility of the state. The following figure shows the total current fire costs, and how those costs would be funded. As shown, the total is \$59.4 million, of which all but \$9.1 million, or \$50.3 million, is the responsibility of the state.

Funding Component	Amount
Current Fire Costs	\$59.4
Reimbursements from Other Entities	9.1
FY 2013 Fire Suppression Fund Balance	4.1
Governor's Emergency Fund (estimated)	<u>12.0</u>
Total Required Supplemental	<u>\$34.2</u>

The existing fire suppression fund will be exhausted this year. The Governor has an emergency fund of \$16.0 million over the biennium, of which as shown the executive plans to use \$12.0 million on fire suppression. The remaining costs must come from a supplemental appropriation. This supplemental projection does not include any funding for potential spring 2013 fire costs.

The Governor has proposed the following in legislation:

- Appropriate \$50.0 million for fire costs, or \$15.8 million more than the projected required supplemental level using current estimates. Average yearly fire costs, based upon a rolling 7-year average in which the high and low years are removed, are \$23.8 million
- Use any excess supplemental appropriation authority at the end of the fiscal year to replenish the fire suppression fund
- Transfer the ending balance of the Governor's emergency fund to the fire suppression fund at the end of this biennium and each biennium following
- Transfer general fund dollars in excess of certain triggers:
  - Any amount above 0.5% of general fund reversions as long as no reductions are required provided in 17-7-140, MCA
  - Three year temporary transfer tied to the executive's corporation license tax revenue estimates
- Cap the fire fund at \$100 million
- Make appropriations from the fire suppression fund statutory

A further discussion of wildfire costs is in the narrative for the Department of Natural Resources and Conservation budget analysis, located at the following address:

[http://leg.mt.gov/content/Publications/fiscal/ba-2015/section\\_c/res\\_con\\_summary.pdf](http://leg.mt.gov/content/Publications/fiscal/ba-2015/section_c/res_con_summary.pdf)