



# MONTANA LEGISLATIVE BRANCH

## Legislative Fiscal Division

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Director  
AMY CARLSON

DATE: September 27, 2012

TO: Members of the Legislative Finance Committee

FROM: Christina Allen, Fiscal Analyst

RE: Update on Fire Suppression Costs

### FY 2012 Suppression Summary

For FY 2012 the state has incurred \$20.0 million in fire suppression costs, of which \$3.5 million is reimbursable by other parties, creating a net cost to the state of \$16.5 million. The FY 2012 beginning fire suppression fund balance is \$20.6 million, leaving an estimated balance of \$4.1 million for FY 2013.

### FY 2013 Suppression Status

As of September 26, 2012, the FY 2013 estimated expenses are \$52.5 million, of which \$7.3 million is reimbursable by other parties. The current estimated net cost to the state is \$45.2 million. Figure 1 lists the available funding options for fire suppression for the remainder of FY 2013. The agency anticipates beginning to receive invoices in March 2013. This will allow the legislature to consider an appropriation to fund fire costs.

Department of Natural Resources and Conservation Available Funding Sources for Fire Suppression	
FY 2013 Fire Suppression Fund Balance	\$4,100,000
Governor's Emergency Fund	\$14,400,000
General Fund (DNRC Appropriation)	\$10,000,000
<b>Total</b>	<b>\$28,500,000</b>

Average Cost of Fire Suppression			
Fiscal Year	Total Costs	Reimbursements	State Costs
2006	\$8,302,312	(\$3,240,042)	\$5,062,270
2007	61,000,318	(21,290,928)	39,709,390
2008	108,152,537	(56,757,219)	51,395,318
2009	10,082,885	(3,211,351)	6,871,534
2010	6,695,714	(1,047,748)	5,647,966
2011	3,293,346	(807,571)	2,485,775
2012 Estimate	<u>20,015,142</u>	<u>(3,520,822)</u>	<u>16,494,320</u>
7 Year Total	<u>\$217,542,254</u>	<u>(\$89,875,681)</u>	<u>\$127,666,573</u>
7 Year Average	\$31,077,465	(\$12,839,383)	\$18,238,082
5 Year Adj.	\$106,096,371	(\$32,310,891)	\$73,785,480
Average	\$21,219,274	(\$6,462,178)	\$14,757,096

### AVERAGE COST OF FIRE SUPPRESSION

The average cost of fire suppression has risen from \$11.2 million in FY 2011 to \$14.8 million FY 2012. The Legislative Fiscal Division calculates the average by utilizing the previous seven years of data, removing the high and low seasons, and dividing by five. The average increased slightly because of the elimination of FY 2005, a very low cost season. Figure 2 demonstrates the calculation.

## **FUTURE COSTS**

As with any fire season, suppression costs are not certified complete until long after the last flame is put out. Available resources for DNRC include the remainder of the fire suppression fund, the Governor's emergency fund, and a portion of DNRC's general fund appropriation. The LFD staff will continue to monitor the estimates.