

Fire Suppression

WILDFIRE SUPPRESSION FUNDING

In Montana, wildfires are expected. However, the location, severity, and ultimate cost to the state is difficult to predict.

The chart below shows that annual state fire costs range between \$2.0 million in 2002 to \$64.3 million in the summer of 2017, one of the worst fire years in recent memory.

The 2007 legislature established the fire suppression fund to provide funds dedicated to fire costs (76-13-150, MCA). The fund is administered by the Montana Department of Natural Resources and Conservation (DNRC).

In addition to fire suppression, DNRC may use up to \$5 million from the fund each biennium for fuel reduction and forest restoration when the fund balance is above \$40 million.

Fire Fund Ongoing Revenue Source HB 354, 2013 Session		
	Reverted General Fund	Unexpended Gov. Emergency
FY 2014	\$14.3	\$0.0
FY 2015	3.7	0.0
FY 2016	21.6	13.5
FY 2017	11.4	0.0
FY 2018*	0.0	0.0
FY 2019*	0.0	0.0
FY 2020	30.3	0.0
Totals	\$81.3	\$13.5

*The 2017 Legislature suspended these transfers for FY 2018 & FY 2019

The legislature provided three sources of revenue for the fund:

1. The annual unspent general fund above 0.5% of the total state general fund appropriation

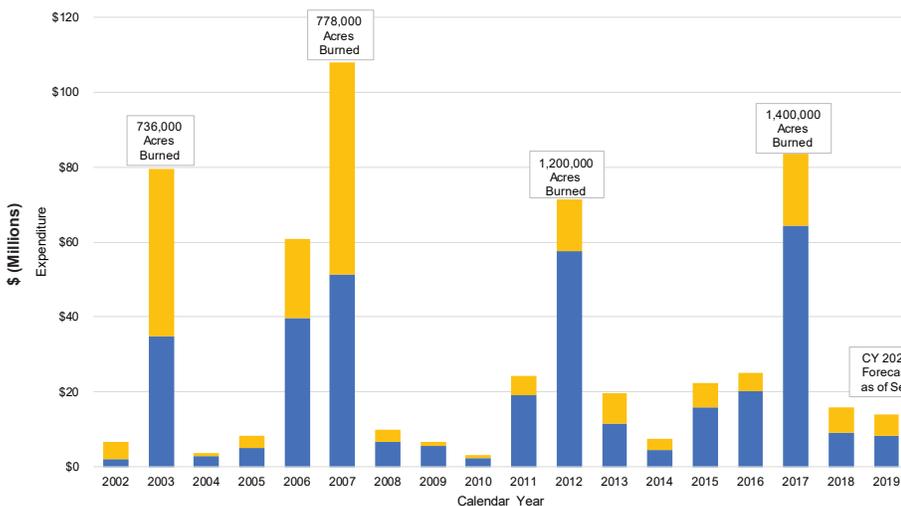
2. The unused portion of the Governor's \$16 million emergency appropriation at the end of each biennium
3. The interest earned on the fund balance

In the summer of 2017, the fire suppression cost exceeded the available balance in the fire suppression fund. In November of 2017, the legislature convened a special session, in part, to provide additional temporary revenue to the fire fund.

The legislature provided up to \$40 million in temporary sources of revenue to the fire fund:

1. A 3% management rate on certain portfolios over \$1.0 billion managed by the Board of Investments, providing an estimated \$29.7 million in revenue;
2. Up to \$15.0 million to be deposited into the fire suppression fund from money received by the state and any savings realized by the state from contract renegotiations between the state and private correctional facility contractors;
3. A supplemental appropriation in HB 3 for FY 2018 of \$40.0 million; and
4. The legislature limited total revenue to \$40.0 million for the 2019 biennium (HB 6 November 2017 Special Session.)
5. The fund balance in the account may not exceed 4% of all general fund appropriations in the second year of the biennium. (About \$100 million.)

This chart shows the 10-year inflation adjusted average of Montana fire suppression **state costs** and the costs the state incurred but were **reimbursed** by the federal government.



LANDOWNER FIRE PROTECTION FEE

Landowners within a direct protection zone provide funding for fire readiness by paying a fire protection fee.

This fee is set in statute with an upper limit of \$50 per parcel per fire district and a \$0.30 per acre fee for parcels over 20 acres. Landowners with less than 20 acres pay approximately 60% of the total fee. In FY 2018 this fee raised \$3.8 million.

The state also has signed an inter-agency agreement for cooperative wildfire management with federal fire agencies that also have fire protection responsibilities in Montana.

Considerable investment has been made in the management of wildland fire for infrastructure, training and initial attack suppression activities with the philosophy that in reducing or limiting fire costs, the best defense is to extinguish the fire quickly.

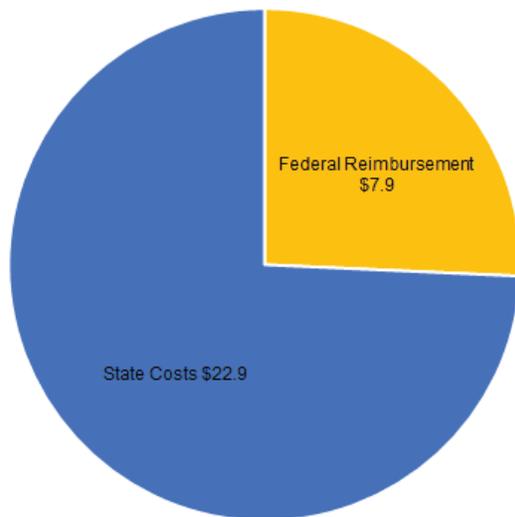
DNRC

The Montana Department of Natural Resources and Conservation (DNRC) provides direct protection to 5.2 million acres through its direct protection program, and an additional 45 million acres through the state/federal/county cooperative fire program.

DNRC is also responsible for forest health on the majority of state owned lands. Forest management activities include timber harvesting from trust lands, fuel reduction projects, homeowner assistance and public education.

FEDERAL ASSISTANCE

Average Annual Fire Suppression Cost, Adjusted for Inflation FY 2011 - FY 2020
(\$ Millions)



Federal assistance for fire suppression is made available to the state when fire conditions meet federal thresholds.

The Federal Emergency Management Agency (FEMA) determines whether the threat posed by a fire or fire complex would constitute a major disaster. FEMA utilizes the following specific criteria:

- Threat to lives and improved property, including threats to critical facilities and/or infrastructure, and critical watershed areas (otherwise referred to as the 100 structure threshold)
- Availability of state and local firefighting resources
- High fire danger conditions, as indicated by nationally accepted indicators
- Potential major economic impact

Montana has a threshold of \$100,000 per fire and a cumulative threshold of \$500,000. When the thresholds are met, and the governor has declared a disaster, FEMA provides 75% of the eligible costs. The actual amount is calculated after the fire has been extinguished.