

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 1516 - 1

80th Oregon Legislative Assembly – 2020 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Creates program for periodic review and modernization of State Forestry Department structure and programs to ensure effectiveness and efficiency, including but not limited to department programs relating to wildfire.

Government Unit(s) Affected:

Department of Forestry (ODF)

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Analysis:

SB 1516 - 1 appropriates \$6 million General Fund to the Oregon Department of Forestry (ODF) in 2019-21. At least \$1 million of these funds are to be used for firefighting severity resources, and the remainder must be used to fund two administrative position and up to 35 permanent full-time positions that fight or prevent wildfire.

Firefighting severity resources

The \$1 million for severity resources is in addition to the \$4 million General Fund and \$6 million Other Funds from the Oregon Forest Land Protection Fund (OFLPF) already allocated for severity resources in the 2019-21 biennium.

In addition to this appropriation, the Department is authorized to assess a surcharge of \$10.80 on each improved lot or parcel, which is to be paid into the OFLPF. This surcharge may be assessed in addition to the surcharge of \$47.50 that is assessed under ORS 477.277 (1) if the balance of OFLPF is less than \$22.5 million. If the unencumbered balance is more than \$22.5 million, no surcharges would be applied. Moneys from this surcharge, if levied, may be used to fund two administrative position and up to 35 permanent full-time positions that fight or prevent wildfires.

Although the measure provides the permissive language that the funding may be used for the purposes specified, ORS 477.750 describes the moneys in the OFLPF as held in trust for the purposes provided in ORS 477.750 to 477.775 and 477.880. The fund is statutorily appropriated to the Emergency Fire Cost Committee and this body is the funding allocation decision-making authority for the fund.

ORS 477.755 provides an enumerated list of possible uses for the moneys and while this statute allows for a certain amount of interpretation as to what activities are available for allocation of moneys from the fund, historically the only use of the fund for personnel costs has been for the Emergency Fire Cost Committee administrator and associated staffing. Furthermore, ORS 477.755 provides an annual expenditure cap of no more than \$13.5 million. This expenditure cap is broken down as the lesser of \$10 million or 50% of eligible annual fire suppression costs, the lesser of \$3 million or three-fifths of the actual costs associated with severity resources, and the remaining funding for insurance premium costs, committee administration costs, and strategic investments.

The additional monies received from the added surcharge would not impact the amount of expenditures from the fund and, if used for the purposes described in the measure, would reduce the amount of funding available for emergency fire fighting costs.

Modernization program

The remaining \$5 million General Fund and associated positions would support the modernization program outlined in SB 1516-1. This measure directs ODF to implement a program to review and modernize the structure and processes of the department in order to better meet wildfire prevention and response needs, and to avoid diverting resources from elsewhere in ODF to deal with wildfires. This includes changing management of staff trained to fight or prevent wildfires, in order to promote better recruitment, retention and use of staff time; ensuring that wildfire programs have modern equipment that is distributed in order to address changing needs and conditions; and working with insurers and other private parties to encourage landowners to reduce wildfire risk. ODF is authorized to retain a third-party evaluator to accomplish these tasks.

This measure requires that ODF use \$1 million General Fund for firefighting severity resources, but there is flexibility in how ODF chooses to use the remaining \$5 million General Fund appropriated by this measure. ODF estimates that if 35 seasonal firefighting positions were converted to full-time, permanent positions, the cost would be \$3,389,069 in 2019-21, and \$6,778,139 in 2021-23, including Services and Supplies costs, but further analysis is needed should the funds be used to hire up to 35 new positions as per the - 1 amendment. The remaining General Fund moneys in 2019-21 would be spent on firefighting severity resources and the two administrative positions referenced in the bill. It is unclear if the administrative positions are intended to be temporary or permanent positions; if permanent, these positions would increase rollup costs in the 2021-23 biennium.

The funding mechanism for fire protection in statute relies on a mix of assessments against private and public landowners within the twelve fire protection districts for which ODF has jurisdiction. These assessments on private lands are limited to no more than 50% of the total per-acre costs of providing fire protection within a given district. The additional General Fund appropriated in this measure would also increase the per-acre assessment on private lands due to the matching formula. The exact amount would depend on the district in which the lands were situated and the allocation of personnel to the district of the total number of new personnel authorized.

This measure is referred to the Joint Committee on Ways and Means by prior reference.