



Fixing Emergency Fire Funding

Presenter

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Desired Future State

Sustainable agency finances

- A. Consistent and efficient financial processes that enable ODF to adjust to dynamic workloads across fire seasons.
- B. Sufficient funding to cover ODF's emergency firefighting costs, eliminating the need to draw on budgeted resources, which jeopardizes accomplishment of ODF's other core business.



Challenge—Fire Finance Function

Working to address financial solvency and build toward financial sustainability for nearly 3 years.

Two parts to this:

1. Fire finance function

- Contributing factors
- MGO recommendations



Challenge—Fire Funding

2. Oregon's emergency fire funding structure

- ODF starts fire season with \$10M cash on hand for emergency fire costs.
- Worked for the average fire season of 10+ years ago when average gross costs were \$10M or less.
- Today's average gross costs far exceed that.
- ODF pays full gross costs up front and carries that debt until reimbursed.
- Anything over \$10M comes directly from funds meant for ODF's day-to-day operations.



Proposed Solution—LC 1

Intent: Makes agency and its programs whole by resolving the cause of continuous cash-flow issues—unreimbursed fire season costs—while establishing a stable foundation for the new emergency fire funding structure.

Request for funding to:

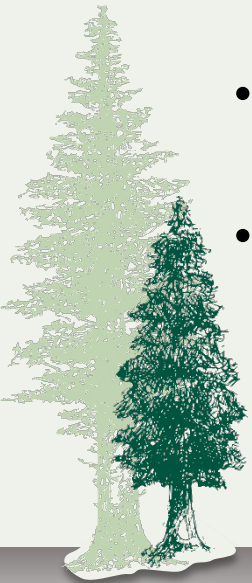
- Cover current debt ODF is carrying while awaiting reimbursement, plus
- Three years of gap funding to address fire season costs until enough revenues are in the new fund (LC 2).



Proposed Solution—LC 2

Intent: Long-term financial stability through an adequately funded emergency fire cost fund.

- Establishes new emergency fire cost fund to cover ODF costs in excess of base firefighting budgets.
- Fund cap = 2x the 3-year rolling cost average.
- Reimbursements go back into fund. Funds in excess of cap to be invested into forest restoration and resiliency work, including fuels mitigation.
- Abolishes OFLPF but keeps revenue streams. Adjusts existing revenue streams for inflation. Recommends GF.
- Abolishes EFCC. Establishes oversight committee for new fund. Membership proportional to revenue streams and appointed by BOF.





Questions?