

Wildfire Funding in Oregon

January 2024 - Legislative Days



Wildfire Funding Overview

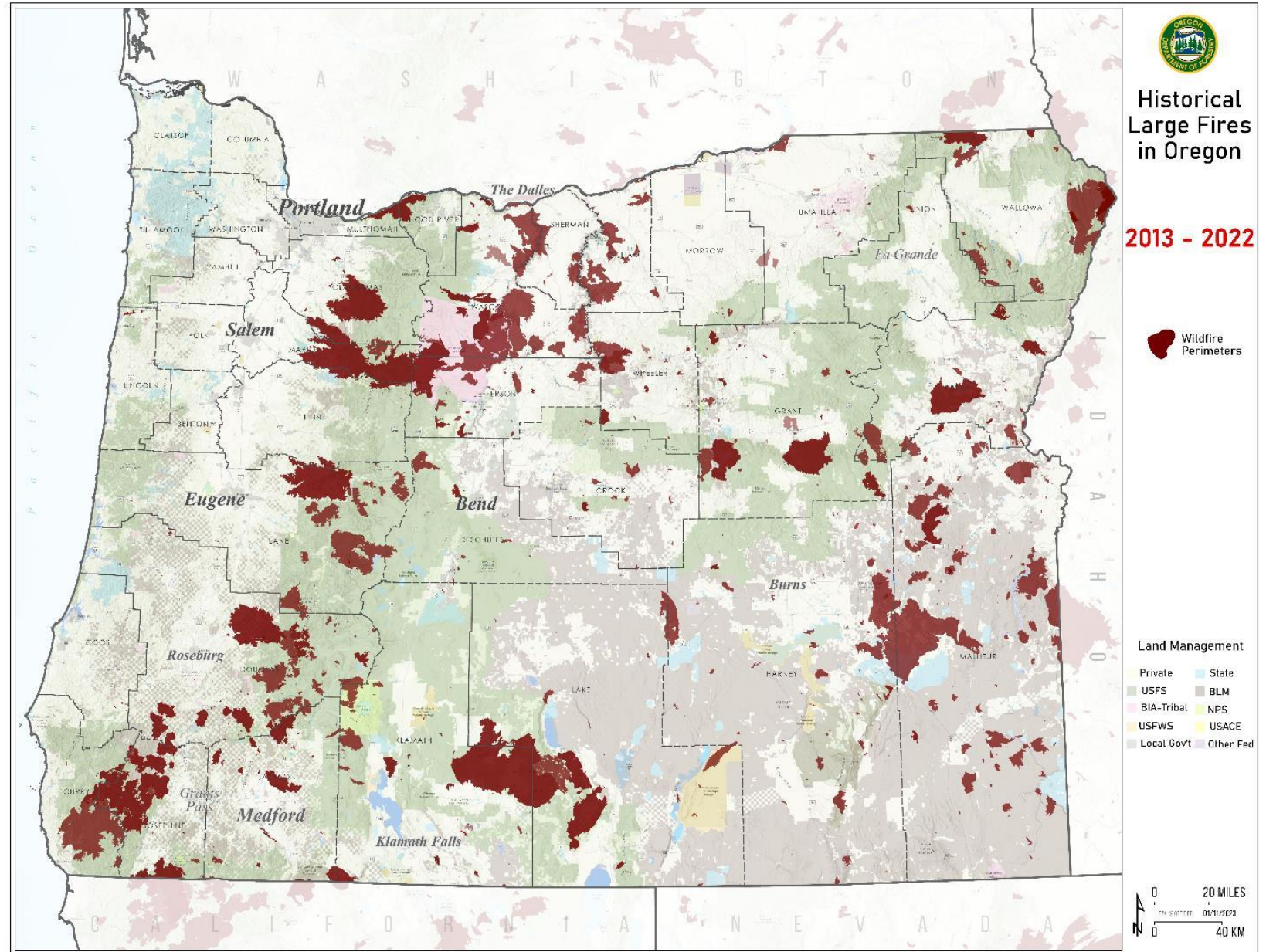
- Wildfire Funding Proposal - Background
- Decade of Wildfire and ODF Wildfire Protection Jurisdiction
- Current Wildfire Protection Assessments
- Proposal Wildfire Protection Assessments

Wildfire Funding Workgroup Proposal - Principles

- We have a **very high functioning** response system. Maintaining a **strong public/private partnership** through a complete and coordinated system is a cornerstone of our success.
- Catastrophic wildfire impacts have expanded beyond a natural resource issue; it is of greater urgent social concern, with impacts to public health and safety, community wellbeing, tourism, and our economy that affects **all Oregonians**. We are looking to establish a **more equitable** funding system.
- Our funding system is **too complicated** and needs to be retooled to decomplexify, increase **trust in the equity of the system**, and ensure buy-in with our Legislature, landowners, and the broader public about who, how, and why we are paying into the system.

Oregon burns
645,000 acres
across all protection
jurisdictions
annually

10-year Average
from 2013 - 2022

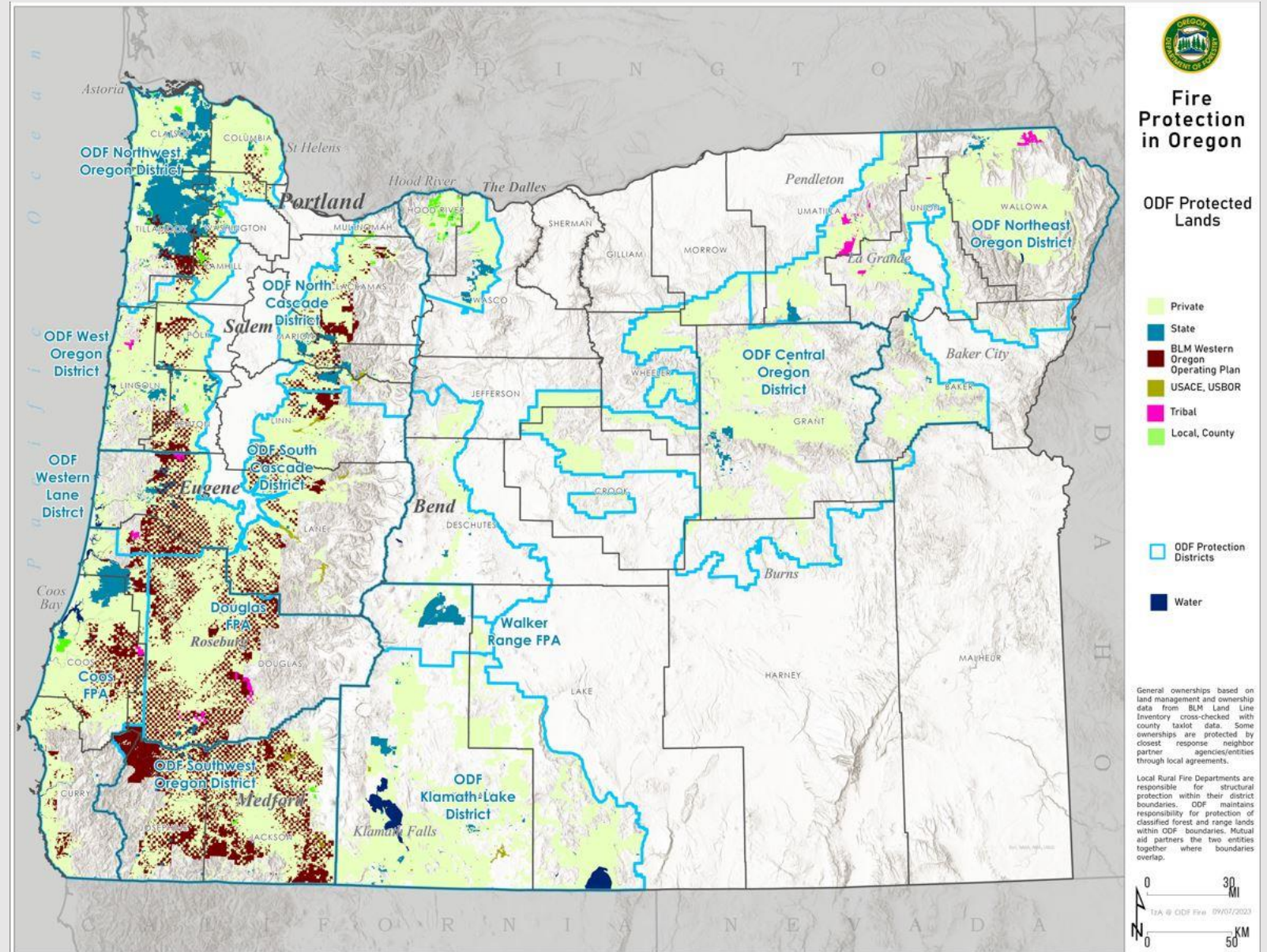


Oregon Department of Forestry (ODF)

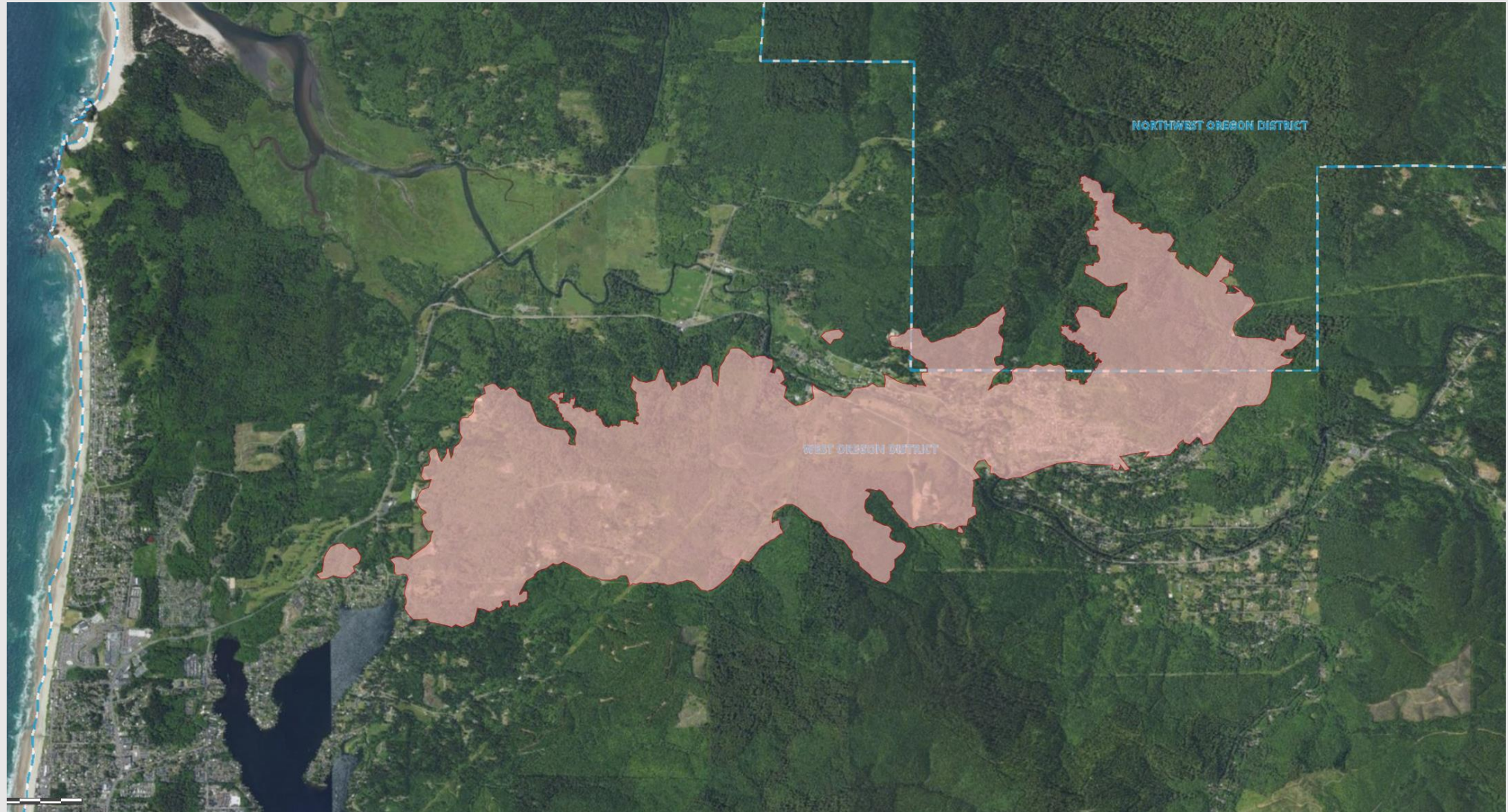
Protection District Boundaries

16 Million Acres of Protected Lands
Private/Public

Over 1,000 wildfires responses annually

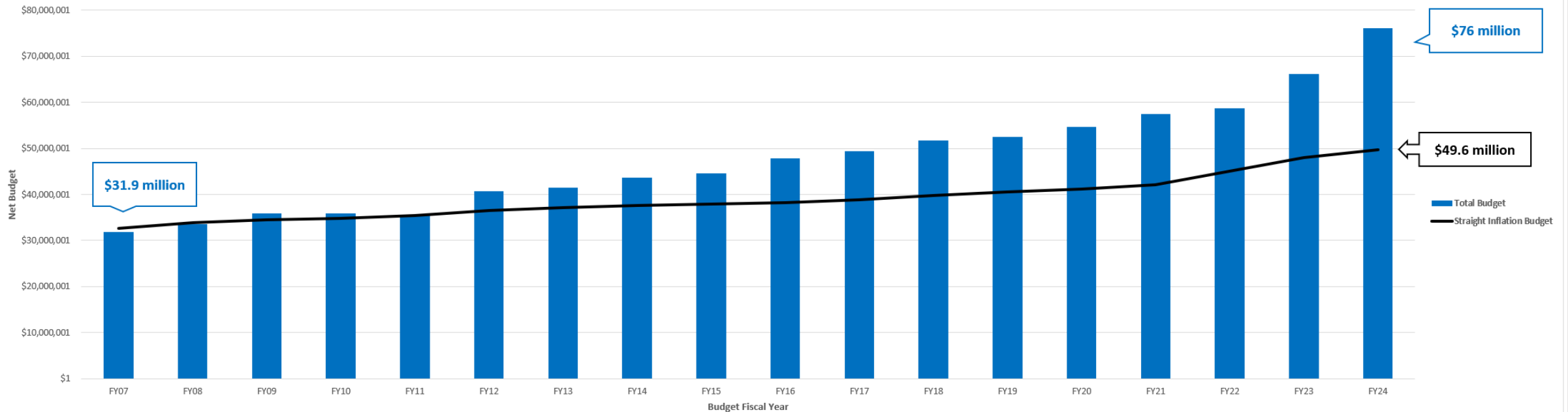


2020 Echo Mt Fire: Lincoln City & Otis



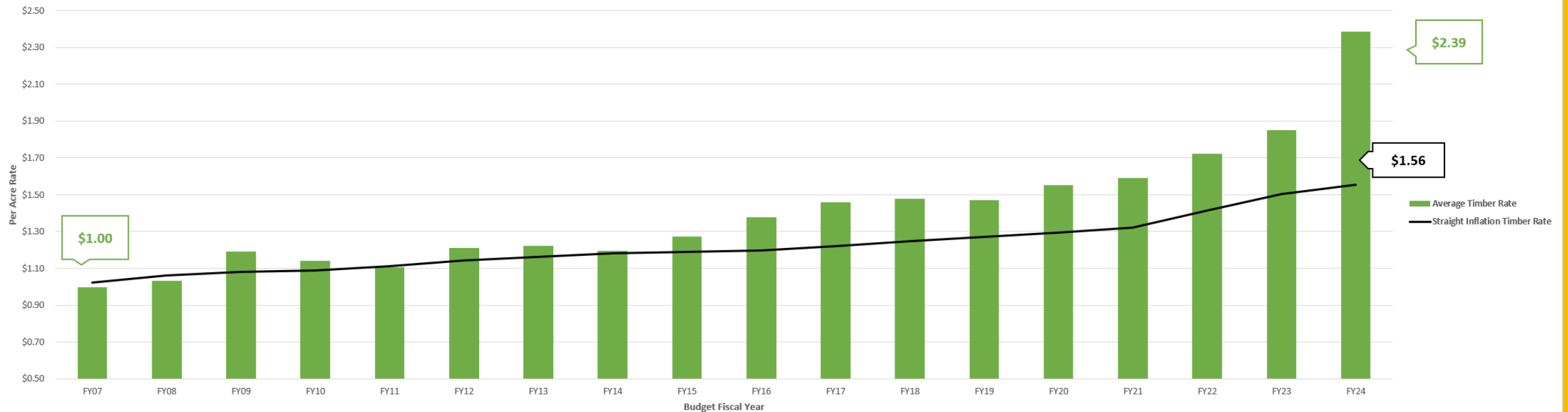
ODF Base Level of Wildfire Protection Budget

- Budgets have exceeded CPI since FY 07 by **52%**
- FY12 began the drought cycle in Oregon when over one million acres burned in Southeast Oregon
- “Adequate Level of Protection Budgets” are required by law. As wildfire workload increases, budgets increase: extension of seasonal workforce hours worked, equipment expenses and contracting services.



ODF Base Level of Wildfire Protection Rates

- Private Timber rate has exceeded CPI since FY 07 by **52%**
- Rates are established in law – by establishing a fire protection budget then applying that cost against protected acres
- Budgets and Rates are approved by the Board of Forestry



2020 Echo Mt Fire: Lincoln City

Landowners outside of the blue shade line pay
Wildfire Assessments

Current Model

Per Acre Assessment

52% Above CPI since 2007

Minimum Lot

\$18.75

Improved Lot Surcharge

\$47.50

Harvest Tax

\$.62 / 1000 board feet



Proposed Model

Revenues Indexed from 2007

Per Acre Assessment

Bring to Balance with CPI

Minimum Lot

\$27.55

Improved Lot Surcharge

\$69.80

Harvest Tax

\$1 / 1000 board feet

Statewide Fee

\$10

Statewide Wildfire Protection Fee (SF) \$10

- The Statewide Wildfire Protection Fee is collected through property tax accounts annually by the Counties and distributed as detailed below.
- The fee is applied to all 2 million property tax accounts in the state and is anticipated to collect \$20 million annually.

	Oregon Department of Forestry	Department of State Fire Marshal
Emergency Suppression Costs	<ul style="list-style-type: none"> • Re-purpose existing Emergency Fire Cost Committee and create ODF Large Wildfire Fund. • Receives \$5M SF annual revenues. • Consider proactive funding GF portion of annual ODF Large Wildfire Fund. 	<ul style="list-style-type: none"> • Mobilization fund established in law. • \$5M SF annual revenues • Consider proactive funding GF portion of annual mobilization costs (Conflagrations).
Mitigation - Reducing Wildfire Risk	<ul style="list-style-type: none"> • Landscape Resiliency Fund established in law. • \$5M SF annual revenues • Consider additional GF investments in landscape resiliency. 	<ul style="list-style-type: none"> • Community Risk Reduction Fund established in law. • \$5M SF annual revenues • Consider additional GF investments in community risk reduction.

Wildfire Funding Considerations

Annual Costs: FY 24. **Red** denotes primary changes across options.

- Current Model: Oregon Forestland Protection Fund (OFLPF) Revenues distributed to emergency fire and severity, Base Level includes Salem and Area budgets.
- Proposal: All Emergency Suppression Costs and Severity to GF and SF. All Admin Prorate, Salem and Area budgets to GF. Direct indexed OFLPF (Harvest Tax, All Minimum lot, Surcharge) revenues to Base. Continue East side rate relief. Create ODF Large Wildfire Fund.
 - Establish Statewide Wildfire Protection Fee (SF) collected through property tax accounts (\$10/account across 2 million accounts) *Revenues directed as follows: \$10M Emergency Suppression Costs / \$10M to Mitigation.
- Alternate Considerations: Removes the SF and drops Salem and Area Budgets back to the Base Level Protection to reduce exposure to GF given the removal of the SF.

Current Model FY 24	Current Costs	Current Costs by Source	Proposal With Statewide Fee (SF)	Proposal With Statewide Fee (SF)	Alternate Considerations Without SF
Emergency Suppression Costs	10-yr Avg. Net Cost \$36 M	\$26M GF \$10M OFLPF	Emergency Suppression Costs	\$31M GF \$5M SF*	\$36M GF
Severity	\$10M	\$7M GF \$3M OFLPF	Severity	\$10M GF	\$10M GF
Admin Prorate	\$14 M	\$11M GF \$3M Public Assessment	All Admin Prorate, Salem and Area	\$23M GF	\$14M GF All Admin Prorate
Base Level Protection FY 24	\$76 M	\$27M GF \$49M Assessments Includes Salem and Area	Move OFLPF revenues to base & Index. 50/50 Tribal Fee Lands.	\$14M GF \$53M Assessments Base is now \$67M	\$18M GF \$58M Assessments Base is back to \$76 M
Total	\$136 M	\$71 M GF \$65 M Assessments	Total \$136 M	\$5M SF* Suppression \$78M GF \$53M Assessments	\$78M GF \$58M Assessments
Avg. Base Rate		Private: Timber/Grazing \$2.39 / \$1.09 Public: Timber/Grazing \$4.93 / \$2.44	Avg. Base Rate	Private: Timber/Grazing \$1.50 / \$.61 Public: Timber/Grazing \$3.15 / \$1.40	Private: Timber/Grazing \$1.78 / \$.70 Public: Timber/Grazing \$3.72 / \$1.61
Statewide Fee split 50/50 across Mitigation/Suppression and ODF/OSFM funds for these purposes.					
Community Risk Reduction Fund (CRRF)		CRRF - \$1.5M GF		CRRF - \$5 M SF*	
Landscape Resiliency Fund (LRF)	\$7.75M	LRF - \$6.25M GF	\$15M SF*	LRF - \$5M SF*	NA
OSFM Mobilization Fund		Mobilization Fund \$2M GF		Mobilization Fund \$5M SF*	

Note: Also, Last biennium with the \$15M offset applied annually to the base level at \$7.5M, the total split was: **\$78.5M GF / \$57.5M** landowner assessments.

Questions?