

# ANALYSIS

## Item 24: Department of the State Fire Marshal 2024 Fire Season

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**Analyst:** Katie Bannikov

**Request:** Allocate \$5,000,000 General Fund from the Emergency Fund to the Department of the State Fire Marshal for 2024 fire costs.

**Analysis:** The Department of the State Fire Marshal (DSFM) is responsible for mobilizing firefighting resources throughout the state when local fire agencies are not able to protect structures from fire on their own. During the 2024 fire season, DSFM mobilized firefighting resources for 27 prepositioning and readiness response activities and 17 conflagrations. The 2024 fire season was officially declared over on October 28, 2024, after a record-breaking season of over 1.9 million acres burned and gross costs exceeding \$34 million for the Department.

During a conflagration, firefighters and equipment from other fire protection agencies in the state are “loaned” to the local agency for the duration of the incident; DSFM coordinates such mobilizations. The Emergency Conflagration Act (ORS 476.510 - 476.610) governs mobilizations. It requires that “...the state shall reimburse the political subdivision supplying such aid...” and shall “...draw warrants on the State Treasurer for the payment of all duly approved claims....” In practical terms, local fire agencies have 60 days to submit invoices to DSFM, and the Department must reimburse the costs within 90 days as outlined in the Oregon Fire Service Mobilization Plan. The DSFM budget initially pays the submitted invoices for mobilizations, then seeks reimbursement from the federal government for eligible expenses, and finally requests state resources for the total conflagration costs.

Large wildfires with a level of destruction constituting a major disaster may qualify for federal reimbursement from the Federal Emergency Management Agency’s (FEMA) Fire Management Assistance Grant (FMAG) program. FEMA evaluates fires based on four criteria: (1) threats to lives and improved property, (2) high fire danger conditions, (3) potential for major economic impact, and (4) availability of state and local firefighting resources. Qualifying wildfires receive 75% reimbursement of the eligible wildfire costs.

During the 2024 session, the Legislature approved \$4 million General Fund for deposit into the State Fire Marshal Mobilization Fund for immediate response and pre-positioning. An additional \$4 million General Fund was appropriated as a contingency for 2024 fire season cash flow, but was directed to remain unscheduled, pending DSFM demonstrating a cash flow need. The funds for cash flow were scheduled after the September 2024 meeting of the Emergency Board and

the Department was directed to return to the December 2024 meeting of the Emergency Board with updated fire costs and cash flow projections.

Of the \$34.6 million in gross fire costs for DSFM, \$17.4 million is expected to be reimbursed by FEMA and the remaining \$17.2 million the state is responsible for covering. To date, \$8 million General Fund has been appropriated to the Department, leaving a remainder of \$9.2 million reimbursable to DSFM for 2024 net fire costs.

Historically, fire costs have been reimbursed net of expected federal reimbursement. With the Department becoming independent of the Oregon State Police (OSP) in 2023, cash flow and budget concerns were posed in relation to holding federal debt as FEMA reimbursements have taken anywhere from 12-30 months, sometimes longer. Due to this, 2023 fire costs were reimbursed at gross costs, with the understanding that FEMA revenue would be returned to the General Fund upon receipt. Additionally, due to timing, reimbursements have been made based on fire cost estimates and estimated federal reimbursements rather than actual amounts, which results in either an under or overpayment of General Fund for net fire costs, if not reconciled. This is illustrated in the chart below.

**DSFM Fire Costs**

Fire Season	EXPENDITURES	REVENUES				REMAINING BALANCE	
	Fire Costs	FEMA Misc Revenue Received	Expected FEMA Revenue <sup>2</sup>	Mobilization Fund	General Fund Appropriated for Net Fire Costs	Total Revenue	Remaining State Obligation
2020	26,613,964	16,833,078	6,688,451	-	6,625,000	30,146,529	3,532,565
2021	26,952,249	-	5,395,669	-	21,175,645	26,571,314	(380,935)
2022	15,626,299	1,876,742	1,085,910	-	12,130,042	15,092,695	(533,604)
2023	14,837,845	-	505,856	2,000,000	10,536,728	13,042,584	(1,795,261)
2024 <sup>1</sup>	34,596,205	-	17,382,977	4,000,000	4,000,000	25,382,977	(9,213,228)
<b>Total</b>	<b>\$118,626,562</b>	<b>\$18,709,820</b>	<b>\$31,058,863</b>	<b>\$6,000,000</b>	<b>\$54,467,415</b>	<b>\$110,236,098</b>	<b>(\$8,390,464)</b>

<sup>1</sup> Fire costs for the 2024 fire season are based on estimates

<sup>2</sup> Expected FEMA revenue may change based on FEMA review of eligible costs and takes 12-30 months to receive payment

During the 2020 fire season, federal waivers provided up to 100% reimbursement through FEMA Public Assistance grants, which was unknown at the time of the reimbursement request to the Legislature. This resulted in the agency receiving more General Fund than necessary for the state portion of fire costs. This is an anomaly, considering that, typically, fire costs come in higher than estimated and FEMA FMAG reimbursements come in less than estimated, resulting in an agency cost if not reconciled.

The reconciled remaining state portion of net fire costs necessary to reimburse DSFM is \$8.4 million. This leaves the Department holding \$31.1 million of federal debt from FEMA. DSFM was able to maintain solvency this biennium due to considerable cash balances in their Other Fund accounts which have been depleted by reimbursing local fire agencies while waiting on state and federal reimbursement. To ensure cash flow does not pose a problem while the agency awaits federal reimbursement, it is recommended that the gross 2024 fire costs, less the previously appropriated \$8 million General Fund be appropriated with the understanding that the amount in excess of the remaining state obligation of \$18,205,741 be repaid upon receipt of FEMA funds.

DSFM's 2024 Fire Season		TOTAL COSTS
<b>Conflagrations</b>		<b>29,821,313</b>
	<i>Less SB 5701 appropriation unscheduled GF for cash flow</i>	<i>(4,000,000)</i>
<b>Pre-positioning/response</b>		<b>4,774,892</b>
	<i>Less SB 5701 appropriation for Pre-positioning/response</i>	<i>(4,000,000)</i>
	<b>RECOMMENDED APPROPRIATION &gt;&gt;</b>	<b>\$ 26,596,205</b>
	<b>RECONCILED REMAINING STATE OBLIGATION &gt;&gt;</b>	<b>(8,390,464)</b>
	<b>CASH FLOW FLOAT &gt;&gt;</b>	<b>\$ 18,205,741</b>

**Recommendation:** The Legislative Fiscal Office recommends that the Emergency Board defer action on the request to the 2024 special session.

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**Request:** Allocate \$5.0 million from the State Emergency Fund to reimburse 2024 Fire Season Costs.

**Recommendation:** Approve the request as modified at the December 2024 Special Session: Appropriate \$26.6 million General Fund to address the expenses of the 2024 fire season.

**Discussion:** The Oregon State Fire Marshal (OSFM) is responsible for protecting Oregonians, their property, and the environment from fire and hazardous materials. During the fire season, they mobilize, manage and direct Oregon fire services for emergency operations. The Governor can invoke the Emergency Conflagration Act, which directs OSFM to mobilize, support, and provide leadership to more than 300 fire service agencies across the state. Those fire agencies then submit invoices to OSFM, and OSFM is required to reimburse those costs.

The agency responded to 17 conflagrations, staffed their Agency Operation Center 24/7 for 39 consecutive days and 63 days total, and brought in 10 task forces and strike teams from four different states. This unprecedented fire season required significant and costly local, regional, state, and federal resources to combat. The 2024 fire season in Oregon was historic in terms of acres burned and resulted in approximately \$34.6 million in mobilization costs. Total costs are paid by OSFM initially and then reimbursed by FEMA for eligible expenditures, which creates cash flow challenges while the agency waits for federal reimbursement.

The current budget for OSFM includes \$8 million General Fund to cover costs related to mobilization and pre-positioning for the fire season. OSFM requested \$5.0 million General Fund from the State Emergency Fund to cover additional expenses related to the 2024 fire season with plans to request additional funding be included in an early session budget reconciliation bill in 2025. The \$5.0 million General Fund ensured agency solvency through April of 2025, but did not cover all the full need for costs associated with the 2024 fire season. The recommendation is to appropriate \$26.6 million to cover the remaining 2024 fire season costs at the December 2024 Special Session, and the Department will not need to return to the 2025 Legislative Session for an early budget bill request. The Department should continue to report to the Chief Financial Office and Legislative Fiscal Office on cash flow and federal reimbursements received.

**Legal Reference:** Increase General Fund appropriation made by chapter 224, section 1, Oregon Laws 2023, for the Department of the State Fire Marshall, by \$26,596,205, for the 2023-25 biennium.



# Oregon

Tina Kotek, Governor

**Oregon State Fire Marshal**  
3991 Fairview Industrial Drive SE  
Salem, Oregon 97302  
503-378-3473  
Fax 503-373-1825

November 4, 2024

The Honorable Senator Rob Wagner, Co-Chair  
The Honorable Representative Julie Fahey, Co-Chair  
State Emergency Board  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301

Dear Co-Chairs:

## **Nature of Request**

The Department of the State Fire Marshal respectfully requests the opportunity to appear before the Interim Joint Committee on Ways and Means during the December 2024 Emergency Board to request reimbursement of \$5 million from the General Fund to ensure agency solvency through April 2025, assuming no new agency mobilizations occur.

## **Background**

As written in the Emergency Conflagration Act, the agency is to request reimbursement from the state for mobilization expenses.

## Agency Responsibilities and Season Overview:

The Oregon State Fire Marshal is responsible for mobilizing, managing, and directing the Oregon fire service during major emergency operations through mobilizations and the Emergency Conflagration Act (ORS 476.520 through 476.610). The governor invokes the Emergency Conflagration Act to mobilize firefighters and equipment when the threat of wildfire to structures and communities exceeds the local jurisdictions' response capacity. When this occurs, the Oregon State Fire Marshal mobilizes, supports, and provides leadership for Oregon fire service resources that respond from the more than 300 fire service agencies across the state. Responding local fire service agencies and other response partners submit invoices to the Oregon State Fire Marshal for payment of costs incurred during their participation in the mobilizations. The Oregon State Fire Marshal is required to reimburse those costs.

The 2024 fire season was unprecedented in scope and scale. A record-setting heatwave in early July turned much of the state into a tinderbox. By mid-July, Oregon experienced a significant surge in lightning, which compounded the already dire conditions caused by the intense heatwave and prolonged drought. Fire personnel contended with the unpredictable nature of lightning strikes, the rapid spread of flames across the landscape, and a significant drawdown of resources at the local, regional, state, and federal levels. The total number of acres burned in the state in 2024 is higher than any annual total previously recorded in Oregon.

As of November 4th, the Oregon State Fire Marshal's incident management teams responded to 17 conflagrations to provide command and control, management, and logistical support. The Oregon State Fire Marshal's Agency Operations Center was staffed 24/7 with agency personnel providing accountability for firefighting personnel for 39 consecutive days, exceeding the previous record by 11 days, and 63 days in total. In addition to Oregon resources, the agency used the Emergency Management Assistance Compact to bring 10 task forces and strike teams from four states to assist with the ongoing crisis. At the height of activity, the Oregon State Fire Marshal had six active conflagrations staffed by four incident management teams and a total of 36 task forces and two strike teams, spread from the Columbia River Gorge to Harney County and far eastern Oregon.

#### 2024 Fire Season Expenses and Agency Mobilization Reimbursement:

The estimated agency mobilization costs to include conflagrations, immediate response, and pre-positioning to date total approximately \$34,596,205. The Department of the State Fire Marshal continues to work with CFO and LFO around monthly cashflow analysis and the remaining balance of the General Fund.

The Oregon State Fire Marshal is requesting \$5 million General Fund from the December Emergency Board. The agency will be working with LFO and CFO to address cash flow issues throughout the reimbursement stages and must submit an additional request at the next available opportunity, likely an early session bill in 2025, requesting additional reimbursement for the remaining unreimbursed total agency cost of the 2024 fire season.

#### **Actions Requested**

The Department of the State Fire Marshal respectfully requests to appear before the December 2024 Emergency Board to request \$5 million General Fund. The department must seek and request, at the next available opportunity, reimbursement from the state for the remainder of the 2024 fire season costs.

## **Legislation Affected**

House Bill 5036 (2023) Oregon Law 2023, Chapter 224, Section 1.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script that reads "Mariana Ruiz-Temple".

Mariana Ruiz-Temple  
State Fire Marshal  
Department of the State Fire Marshal

### CC:

- Amanda Beitel, Legislative Fiscal Officer
- Kate Nass, Chief Financial Officer
- Katie Bannikov, Agency LFO Analyst
- LFO.LegRequests@oregonlegislature.gov
- CFO.LegRequests@das.oregon.gov

### Attachments:

- Attachment A – 2024 Statewide Conflagrations
- Attachment B – 2024 Immediate Response & Pre-Positioning Mobilizations

**Attachment A- 2024 Statewide Conflagrations as of 11/4/2024**

<b>Conflagrations</b>	<b>Completion</b>	<b>County</b>	<b>Date Began</b>	<b>Estimate</b>	<b>State Costs</b>	<b>FEMA Eligible</b>	<b>Payment begin:</b>
Darlene 3	Yes	Deschutes	6/25/24	\$1,011,313	\$252,828	\$758,485	July/August
Larch Creek	Yes	Wasco	7/9/24	\$2,438,642	\$617,761	\$1,820,881	August/Sept
Cow Valley	Yes	Malheur	7/12/24	\$786,510	\$786,510	No	August/Sept
Falls	Yes	Harney/Grant	7/14/24	\$4,589,013	\$1,817,255	\$2,771,758	August/Sept
Lone Rock	Yes	Gilliam/Morrow/Wheeler	7/15/24	\$4,441,708	\$1,523,719	\$2,917,989	August/Sept
Pilot Rock	Yes	Umatilla	7/17/24	\$438,090	\$438,090	No	August/Sept
Boneyard	Yes	Morrow/Grant	7/19/24	\$1,042,457	\$469,333	\$573,124	August/Sept
Durkee	Yes	Malheur	7/20/24	\$2,005,093	\$1,027,544	\$977,549	August/Sept
Battle Mountain	Yes	Umatilla/Morrow/Grant	7/21/24	\$2,095,360	\$523,840	\$1,571,520	August/Sept
Telephone	Yes	Harney	8/1/24	\$626,431	\$626,431	No	Sept/Oct
Elk Lane	Yes	Jefferson	8/5/24	\$1,285,016	\$321,254	\$963,762	Sept/Oct
Town Gulch	Yes	Baker	8/6/24	\$1,630,183	\$1,630,183	No	Sept/Oct
Dixon	Yes	Douglas	8/11/24	\$1,065,301	\$1,065,301	No	Sept/Oct
Copperfield	Yes	Klamath	9/2/24	\$1,353,180	\$338,295	\$1,014,885	Oct/Nov
Rail Ridge	Yes	Grant/Wheeler	9/6/24	\$4,121,174	\$1,030,293	\$3,090,881	Oct/Nov
Shoe Fly	Yes	Wheeler	9/6/24	\$243,114	\$243,114	No	Oct/Nov
Service	Yes	Wheeler	9/9/24	\$648,728	\$648,728	No	Oct/Nov
<b>2024 Estimated Running Total</b>				<b>\$29,821,313</b>	<b>\$13,360,479</b>	<b>\$16,460,834</b>	



**Attachment B - 2024 Immediate Response & Pre-Positioning Mobilizations as of 11/4/2024**

<b>Immediate Response &amp; Pre-Positioning</b>	<b>Completion</b>	<b>County</b>	<b>Date Began</b>	<b>Estimate</b>	<b>State Costs</b>	<b>FEMA Eligible</b>	<b>Payment begin:</b>
Upper Applegate	Yes	Jackson	6/21/24	\$241,005	\$241,005	No	July/August
Cow Valley	Yes	Malheur	7/11/24	\$36,288	\$36,288	No	August/Sept
Lone Rock	Yes	Gilliam/Morrow/Wheeler	7/13/24	\$301,156	\$301,156	No	August/Sept
Bodenhamer Rd	Yes	Lane	7/15/24	\$150,356	\$150,356	No	August/Sept
Pilot Rock	Yes	Umatilla	7/17/24	\$40,788	\$40,788	No	August/Sept
Grant Road	Yes	Jackson	7/16/24	\$9,000	\$9,000	No	August/Sept
Green Team PrePo	Yes	Umatilla	7/19/24	\$39,344	\$39,344	No	August/Sept
Durkee	Yes	Malheur	7/19/24	\$156,732	\$156,732	No	August/Sept
Battle Mountain	Yes	Umatilla/Morrow/Grant	7/19/24	\$203,400	\$133,611	\$69,789	August/Sept
Microwave	Yes	Wasco	7/22/24	\$585,058	\$585,058	No	August/Sept
Milton Freewater	Yes	Umatilla	7/25/24	\$2,500	\$2,500	No	August/Sept
Courtrock	Yes	Grant	7/27/24	\$1,119,840	\$279,960	\$839,880	Sept/Oct
Utah PrePo	Yes	Lane	7/27/24	\$255,815	\$255,815	No	Sept/Oct
Redmond PrePo	Yes	Deschutes	8/2/24	\$440,496	\$428,022	\$12,474	Sept/Oct
Powell Butte	Yes	Crook	8/2/24	\$8,000	\$8,000	No	Sept/Oct
Medford Veg Fire	Yes	Jackson	8/4/24	\$4,000	\$4,000	No	Sept/Oct
Hicks Road	Yes	Lane	8/5/24	\$4,000	\$4,000	No	Sept/Oct
Lee Falls	Yes	Washington	8/9/24	\$98,280	\$98,280	No	Sept/Oct
South End	Yes	Clackamas	8/9/24	\$4,000	\$4,000	No	Sept/Oct
Dixon	Yes	Douglas	8/10/24	\$24,192	\$24,192	No	Sept/Oct
Shoe Fly	Yes	Wheeler	9/2/24	\$327,412	\$327,412	No	Oct/Nov
Oak Canyon	Yes	Wasco	9/4/24	\$72,766	\$72,766	No	Oct/Nov
Rail Ridge	Yes	Grant	9/4/24	\$162,688	\$162,688	No	Oct/Nov
Bowman Wells	Yes	Klamath	9/7/24	\$244,032	\$244,032	No	Oct/Nov
Service	Yes	Wheeler	9/9/24	\$81,744	\$81,744	No	Oct/Nov
Dry Creek	Yes	Gilliam	9/9/24	\$8,000	\$8,000	No	Oct/Nov
Aircraft Standby	No	Statewide	6/17/24	\$154,000	\$154,000	No	June
<b>2024 Estimated Running Total</b>				<b>\$4,774,892</b>	<b>\$3,852,749</b>	<b>\$922,143</b>	