

Wildfire Funding in Oregon

February 2024 Legislative Session

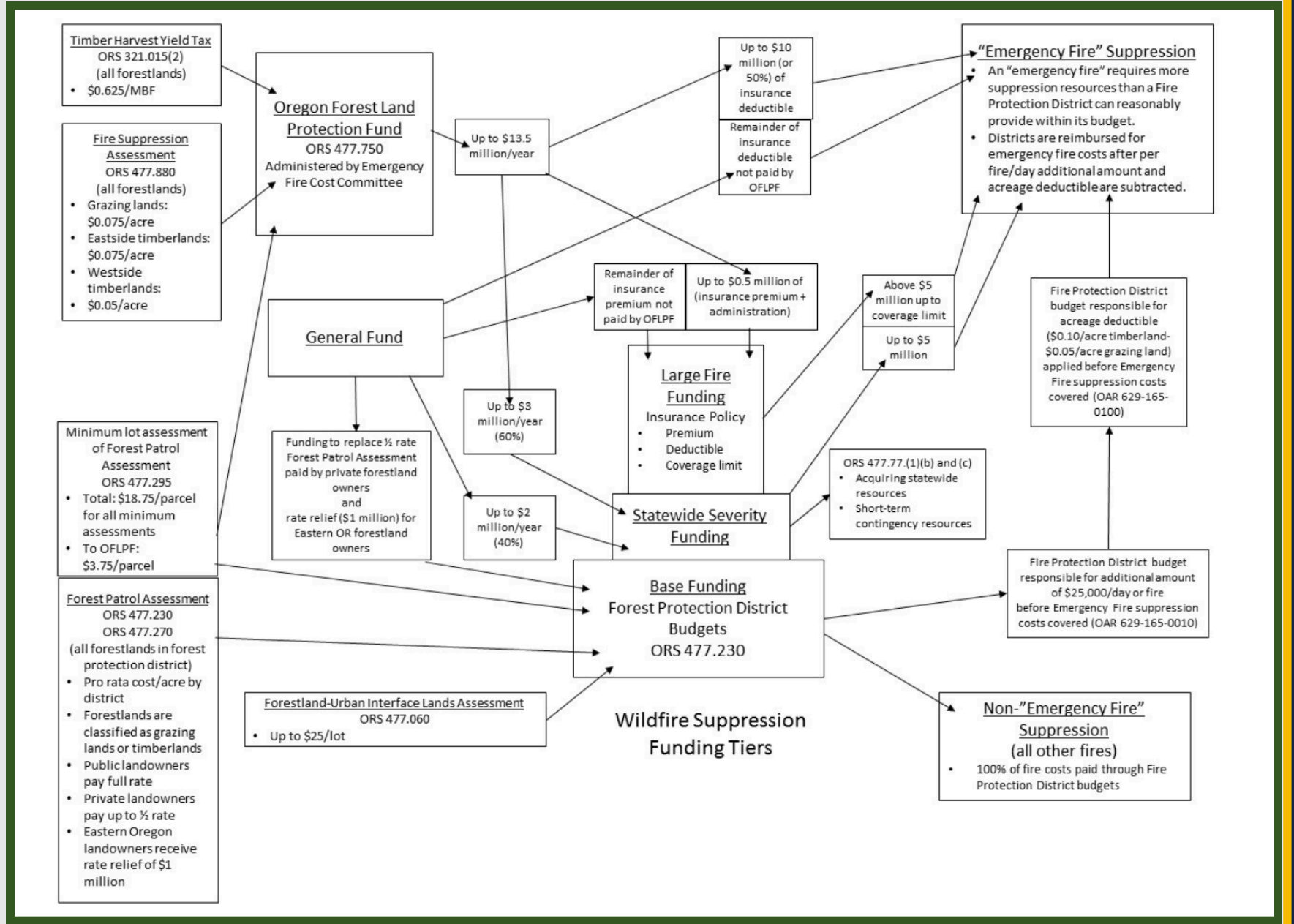


Wildfire Funding Workgroup Proposal - Principles

- 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.

Reducing Complexity in ODF's

Wildfire Funding Structure

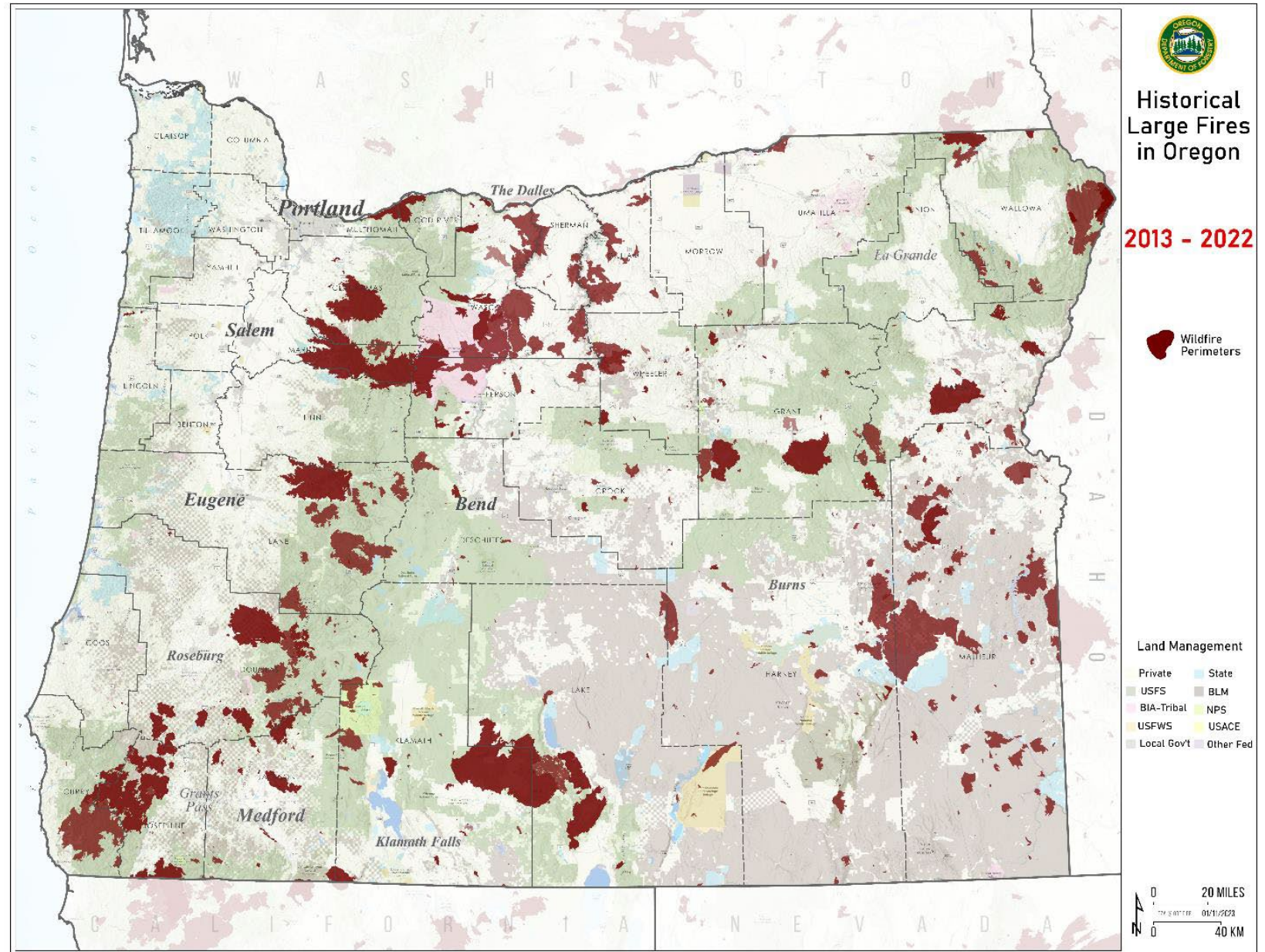


Wildfire Funding Overview

- Decade of Wildfire and ODF Wildfire Protection Jurisdiction
- Current Wildfire Protection Assessments
- Proposed Wildfire Protection Assessments

Oregon burns
645,000 acres
across all protection
jurisdictions
annually

10-year Average
from 2013 - 2022

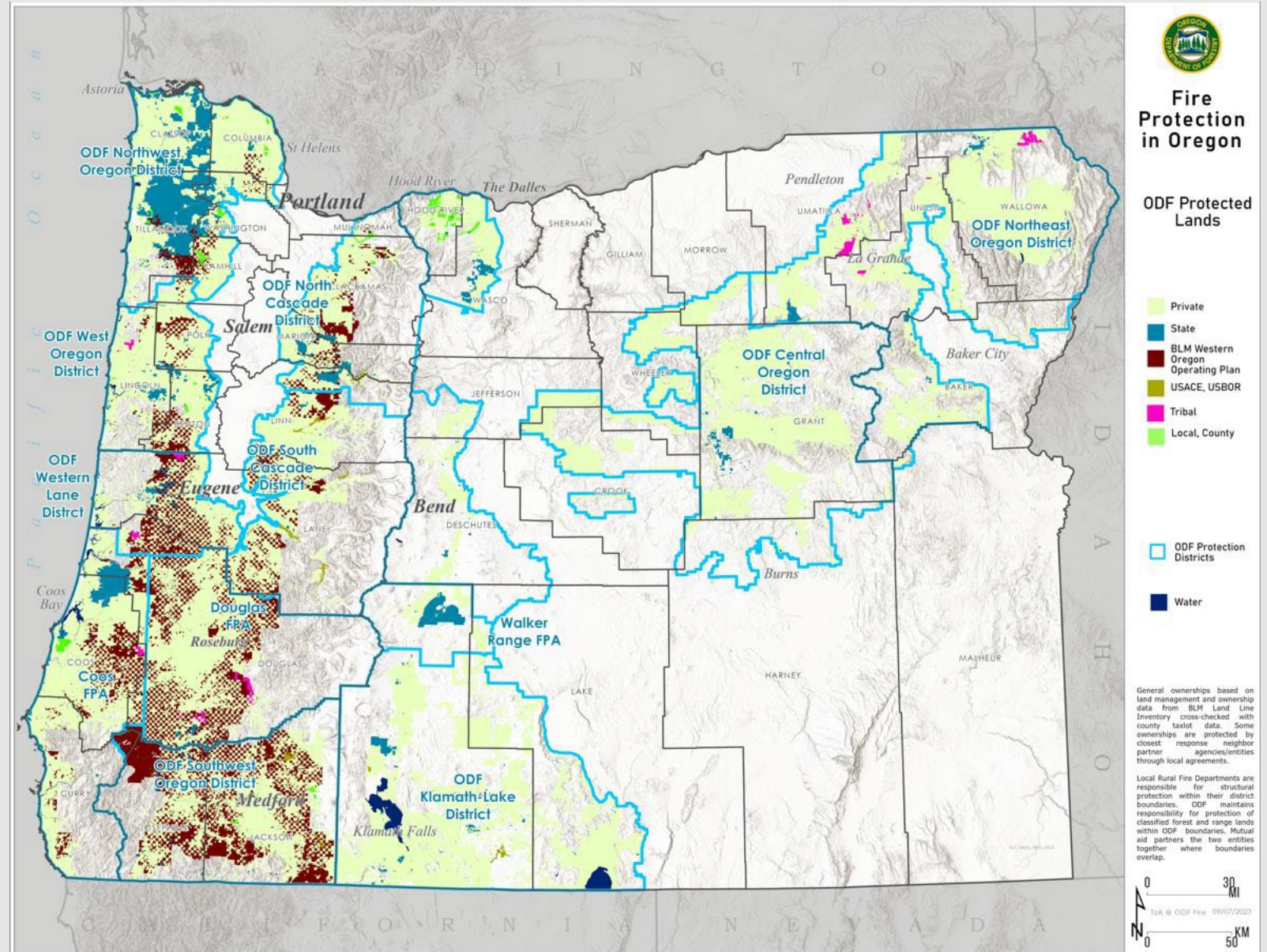


Oregon Department of Forestry (ODF)

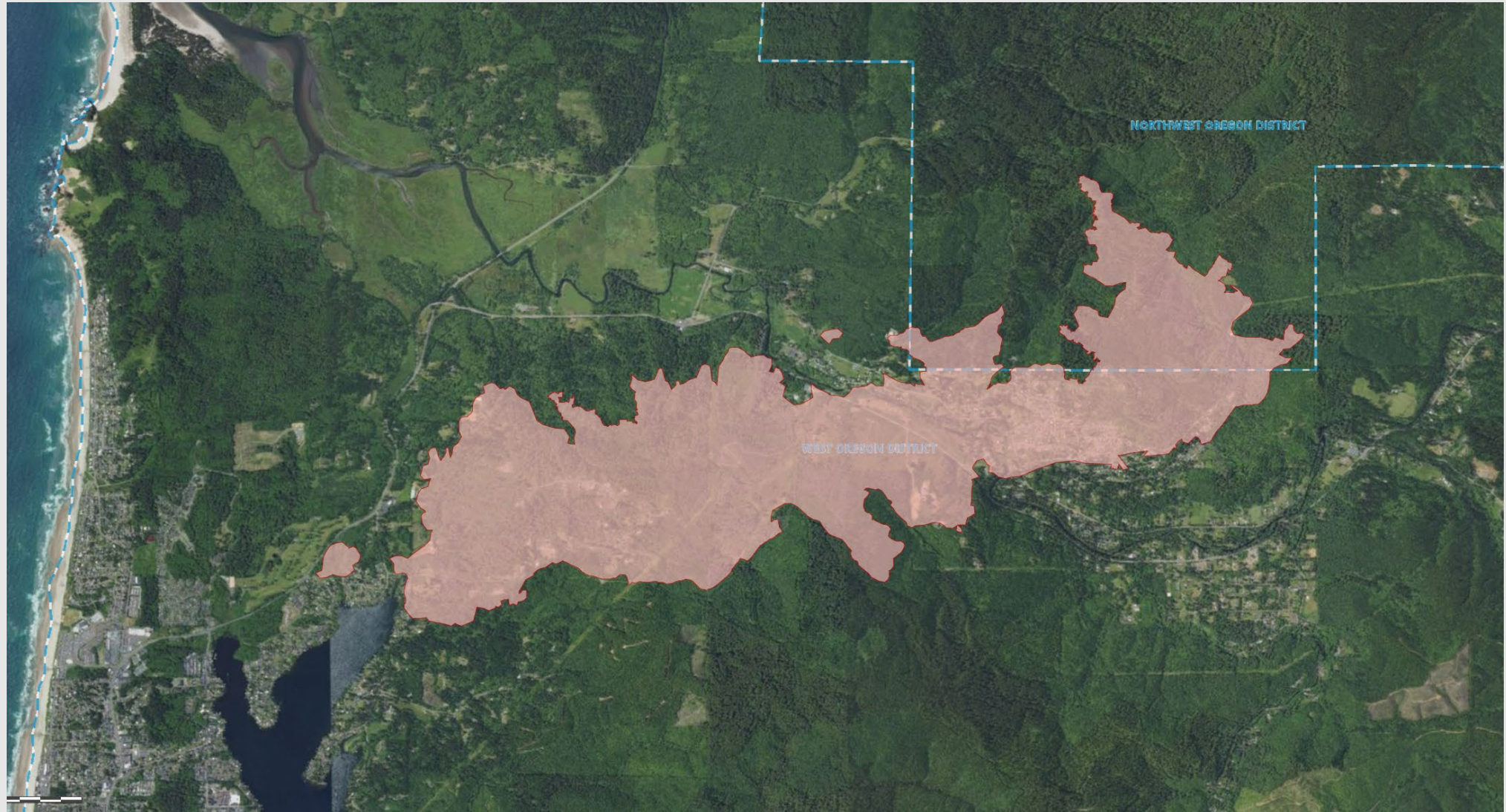
Protection District Boundaries

16 Million Acres of Protected Lands
Private/Public

Over 1,000 wildfires responses annually



2020 Echo Mt Fire: Lincoln City & Otis



2020 Echo Mt Fire: Lincoln City

Landowners outside of the blue shade line pay ODF 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

Per Acre Assessment

Bring towards Balance with CPI

Revenues Indexed from 2007

Minimum Lot

\$27.55

Improved Lot Surcharge

\$69.80

Harvest Tax

\$1/1000 board feet

Proposed Wildfire Funding Structural Adjustments:

Proposal with Flat Grazing Rates Statewide: All “central services” admin prorate, Salem, Area, and Large Fire costs, along with Severity costs above landowner obligation, are covered by GF. All Minimum lot, Harvest Tax, Improved lot Surcharge, \$5 Million of Severity and Flat Grazing Rates are indexed and covered by landowners to pay for wildfire readiness and response at base level of protection. Tribal fee lands receive same 50/50 match with GF as private lands. Apply all existing and future east side rate relief to east site timber rates only, given grazing rates are flat and indexed.

Current Model FY 24	Current Costs	Current Costs by Source	Proposed Model	Proposed Costs
Emergency Suppression Costs	10-yr Avg. Net Cost \$36 M	\$26M GF \$10M OFLPF	Emergency Suppression Costs	\$36M GF
Severity	\$10M	\$7M GF \$3M OFLPF	Severity Split	\$5M GF \$5M Assessments
Admin Prorate (Statewide Administration)	\$14 M	\$11M GF \$3M Public Assessment	All Admin Prorate, Salem and Area Costs	\$23M GF
Base Level Protection FY 24	\$76 M	\$27M GF \$49M Assessments Includes Salem and Area	Move OFLPF revenues to base Level of Protection & Index.	\$14M GF \$53M Assessments Base is now \$67M
Total	\$136 M	\$71 M GF \$65 M Assessments	\$136 M	\$78M GF \$58M Assessments
Avg. Base Rate		Private: Timber/Grazing \$2.44 / \$1.15 Public: Timber/Grazing \$5.73 / \$3.24		Private: Timber/Grazing \$1.88 / \$.55 Public: Timber/Grazing \$3.74 / \$1.10

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.

District Rates with Restructuring of the Protection Funding System

- * Includes 5 and 7 cents from Oregon Forestland and Protection Fund, along with 74 cents for public landowner's admin prorata, to ensure comparisons between what landowners paid in the past to proposed are accurate.
- It is important to recognize that all proposed rates are estimates based on previous years' data. Official future rates will be influenced by future adequate level of protection budgets and beginning balances that are largely driven by the intensity of fire seasons.

FY24 Private District Rate						
	*FY 23 with Offset	*Current Timber	Proposed Timber Rate	*FY 23 With Landowner Offset	*Current Grazing	Flat Grazing Rate Indexed Annually
COD	\$2.29	\$3.09	\$2.74	\$0.81	\$1.44	\$0.55
KLD	\$1.86	\$2.46	\$1.86	\$0.48	\$0.68	\$0.55
NEO	\$1.80	\$2.37	\$2.25	\$0.53	\$0.80	\$0.55
NCAS	\$1.57	\$2.13	\$1.23			
NWOD	\$1.54	\$1.68	\$1.22			
WOD	\$1.30	\$1.63	\$1.05			
SCAS	\$1.57	\$2.29	\$1.83			
SWO	\$2.99	\$3.92	\$3.19	\$0.55	\$1.35	\$0.55
WLD	\$1.59	\$1.96	\$1.16			
CFPA	\$1.85	\$2.56	\$2.10	\$1.40	\$1.93	\$0.55
DFPA	\$2.48	\$3.07	\$2.78	\$0.76	\$1.49	\$0.55
WRFPA	\$2.07	\$2.16	\$1.15	\$0.10	\$0.35	\$0.55
Average	\$1.91	\$2.44	\$1.88	\$0.66	\$1.15	\$0.55
			\$.56 Difference from current			\$.60 Difference from current
FY 24 Public District Rates						
	*FY 23 with Offset	*Current Timber	Proposed Timber Rate	*FY 23 With Landowner Offset	*Current Grazing	Flat Grazing Rate Indexed Annually
COD	\$5.84	\$7.32	\$6.06	\$2.89	\$4.02	\$1.10
KLD	\$4.98	\$6.06	\$4.30	\$2.23	\$2.50	\$1.10
NEO	\$4.86	\$5.88	\$4.97	\$2.33	\$2.74	\$1.10
NCAS	\$3.98	\$4.96	\$2.10			
NWOD	\$3.91	\$4.05	\$2.07			
WOD	\$3.45	\$3.95	\$1.73			
SCAS	\$3.98	\$5.27	\$3.30			
SWO	\$6.83	\$8.53	\$6.42	\$1.92	\$3.39	\$1.10
WLD	\$4.02	\$4.60	\$1.96			
CFPA	\$4.55	\$5.80	\$3.84	\$3.62	\$4.54	\$1.10
DFPA	\$5.81	\$6.83	\$5.21	\$2.34	\$3.66	\$1.10
WRFPA	\$5.40	\$5.46	\$2.88	\$1.45	\$1.85	\$1.10
Average	\$4.80	\$5.73	\$3.74	\$2.40	\$3.24	\$1.10
			\$1.99 Difference			\$2.14 Difference

Questions?