



Oregon

Tina Kotek, Governor

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

November 3, 2025

Senator Kate Lieber, Co-Chair
Representative Tawna Sanchez, Co-Chair
Interim Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301

RE: 2025-27 Proposed Agency Reduction Options, and New and Expanded Program List

Dear Co-Chairs:

Following the September 2025 state economic forecast, which showed lower than expected revenues, the Legislature directed state agencies to submit a five percent reduction in 2.5% increments for General Fund, Lottery Fund, and Other Fund sources, in addition to a list of new and expanded programs from July 1, 2021, through the 2025-27 biennium. The Department of the State Fire Marshal, with a statutory mission to protect people, property, and the environment from fire and hazardous materials, respectfully submits the following letter, budget reduction, and program lists.

Reduction Options

The Department of the State Fire Marshal was directed to create and prioritize two 2.5% packages, totaling 5%, for reduction options. The agency worked hard to maintain its ability to meet its statutory mission while protecting existing employees and the statewide wildfire season staffing grant. The following provides a summary of the proposed reductions and a spreadsheet with additional details is attached.

Total 2.5% Reduction All Funds: \$2.9 million:

1. General Fund Reduction: \$1.3 million
 - Delay replacement of information technology, including laptops, monitors and docking stations. This will extend the lifecycle replacement plan by one to two years.
 - Reduce capital outlay by delaying replacement of vehicles across multiple divisions.
 - Reduce General Fund transfer to Community Risk Reduction Fund for the second year of the biennium. To date, the Department of the State Fire Marshal has transferred \$6.5 million of the \$13 million allocated by the Legislature, or one year of funding. Implementation is ongoing as the agency continues to meet with stakeholders and interested parties to stand up risk reduction and prevention programs. The agency is reviewing personnel requirements, primarily for the home hardening program, and is not anticipating any new hiring before January 2026 to implement the new programs. The reduction proposed would not delay the start of this program. In addition, deposits from the Department of Administrative Services began in October 2025 from the Rainy Day Fund interest (a new funding source established in HB 3940). The Community Risk

Protecting people, property, and the environment from fire and hazardous materials

Reduction Fund is currently accruing interest and revenue from the new tax on oral nicotine products is expected to begin late spring or early summer of 2026.

2. Other Funds Reduction: \$1.6 million
 - Reduce capital outlay and services and supplies budgets across agency programs.
 - The largest reduction is \$1.6 million in capital outlay for the Emergency Response Division Hazardous Materials Unit. The vehicles purchased are distributed to 12 regional hazardous material emergency response teams across Oregon and include two types of vehicles:
 - 1) Heavy response vehicles which provide for workspace and transportation of equipment and materials used for incident mitigation and hazardous materials containment; and
 - 2) Initial response vehicles are the first vehicle to respond that carry the basic equipment of a smaller-scale identification/mitigation mission for up to four team members.

Total 2.5% Reduction All Funds: \$2.9 million:

1. General Fund Reduction: \$1.3 million
 - Further reductions from the General Fund transfer to the Community Risk Reduction Fund (*see details in package #1 above*).
 - Additional reductions to capital outlay by delaying replacement of vehicles across multiple units.
 - Reduce services & supplies budget supporting units.
2. Other Funds Reduction: \$1.6 million
 - Reduce capital outlay and services & supplies budgets across agency programs.
 - The largest reduction is \$1.5 million in capital outlay for the Emergency Response Division Hazardous Materials Unit (*see full details in package #2 above*)

If taken, the total funds impact to the Department of the State Fire Marshal of all reductions would be approximately \$5.8 million.

New and Expanded Programs

Oregon's wildfire crisis has escalated over the last decade, challenging the state operationally and fiscally. Durable, long-term programs and funding to address catastrophic wildfires, and protect communities and Oregon's natural resources is paramount. To address this risk and challenge, the following new programs were created or expanded under the authority of the Legislature and the executive branch between July 2021 and today.

- Senate Bill 762 expanded agency positions/FTE including deputy state fire marshals, emergency response mobilization coordinators, leadership positions, and policy and administrative support.

Additionally, positions were received during this time to support the creation of the Department of the State Fire Marshal as its own agency, effective July 1, 2023.

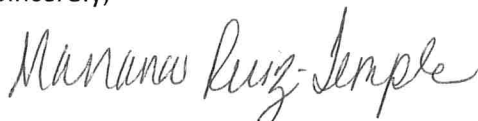
- Mobilization Fund, which includes funds for Immediate Response (IR) & Pre-Positioning (Pre-Po)
- Engine Program
- Emergency wildfire response and mitigation grants program (upstaffing, strategic investments, & equipment)
- Community Risk Reduction Program, Defensible Space Program, and Community Risk Reduction Fund
- Wildfire Cost Recovery Authority
- Wildfire Prepared Structure Program

These programs were created or impacted through legislation passed in the 2021, 2023, 2024, and 2025 legislative sessions, including: SB 762 (2021), SB 1049 (2021), HB 2927 (2023) SB 5506 (2023), SB 5036 (2023), SB 5701 (2024); SB 5801 (1st Special Session 2024), SB 5550 (2025), SB 83 (2025), SB 80 (2025), HB 3940 (2025), SB 863 (2025), HB 5006 (2025), and SB 5538 (2025). More details for each program are available on the attached New and Expanded Programs Spreadsheet.

Action Requested

The Department of the State Fire Marshal respectfully requests that the Joint Committee on Ways and Means accept this letter and the attached reduction options and new and expanded programs list. Please let us know if you have any questions.

Sincerely,



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

CC:

- *Amanda Beitel, Legislative Fiscal Officer*
- *Katie Bannikov, Agency LFO analyst*
- *Jonathan Bennett, Agency CFO Analyst*
- *Doug Grafe, Governor's Military and Wildfire Advisor*

Agency Name (Acronym)		Department of the State Fire Marshal (DSFM)									
2025-27 Biennium											
				2025-27 LAB	51,851,757	65,728,913	117,580,670				
Detail of Reductions to 2025-27 Legislatively Adopted Budget											
1	2	3	4	5	6	8	12	15	16	17	
Priority (ranked most to least preferred)		Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	OF	TOTAL FUNDS	Gov. Reduction Target Yes / No	One-Time Yes / No	Describe the reduction and associated impact on services and outcomes. Please identify the source of Other Funds reductions.	
Dept	Prgm/ Div										
1		260	260-015	Business Services Division: reduction to information technology S&S	204,152		\$ 204,152	Yes	Yes	Delay replacement of information technology, including laptops, monitors and docking stations. Extends the lifecycle replacement plan by one to two years	
2		260	260-035	Fire & Life Safety Education Division: reduction to capital outlay	62,940		\$ 62,940	Yes	Yes	Delay replacement of vehicles in unit. Extends the lifecycle replacement plan and potential higher maintenance costs.	
3		260	260-020	Emergency Response Division: reduction to capital outlay	114,094		\$ 114,094	Yes	Yes	Delay replacement of vehicles in unit. Extends the lifecycle replacement plan and potential higher maintenance costs.	
4		260	260-030	Fire & Life Safety Services Division: reduction to capital outlay	65,200		\$ 65,200	Yes	Yes	Delay replacement of vehicles in unit. Extends the lifecycle replacement plan and potential higher maintenance costs.	
5		260	260-035	Fire & Life Safety Education Division: reduction to General Fund transfer to Community Risk Reduction Fund	849,908		\$ 849,908	No	Yes	Reduce General Fund transfer to Community Risk Reduction Fund for the second year of the biennium. Revenue transfers for rainy day fund interest begins October 2025 on a monthly cadence. Department of Revenue transfers for new oral nicotine tax are estimated to begin around the May to July 2026 timeframe. Implementation is ongoing as agency continues to meet with stakeholders and interested parties to stand up risk reduction and prevention programs. Agency is reviewing personnel requirements to implement the new programs. This reduction would not delay the start of this program. DSFM currently has \$13 million in other funds limitation.	

Agency Name (Acronym)		Department of the State Fire Marshal (DSFM)									
2025-27 Biennium											
				2025-27 LAB	51,851,757	65,728,913	117,580,670				
Detail of Reductions to 2025-27 Legislatively Adopted Budget											
1	2	3	4	5	6	8	12	15	16	17	
Priority (ranked most to least preferred)		Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	OF	TOTAL FUNDS	Gov. Reduction Target Yes / No	One-Time Yes / No	Describe the reduction and associated impact on services and outcomes. Please identify the source of Other Funds reductions.	
Dept	Prgm/ Div										
6		260	260-020	Emergency Response Division: reduction to capital outlay		1,559,632	\$ 1,559,632	No	Yes	Reduction to capital outlay. Delays replacement of regional hazardous material vehicles for one to two years. The vehicles purchased for this program are distributed to 12 regional hazardous material emergency response teams across Oregon. These teams are trained and equipped to support local first responders. The teams also provide outreach and training to local responders and business/industries to help prepare communities in responding to incidents involving hazardous materials. There are two types of vehicles provided to each team: 1) Heavy Response Vehicles, which provide for workspace as well as transportation of personal protective equipment, computer systems, communications equipment, and monitoring and detection equipment along with a variety of materials used for incident mitigation and hazardous materials containment; and 2) Initial Response Vehicles, which are smaller, more nimble apparatus which carry the basic equipment for a smaller-scale identification/mitigation mission and up to 4 team members. The IRV generally responds first and later the HRV comes with additional team members and capability. 34% reduction to the \$4.6m C/O budget.	
7		260	260-025	Regulatory Services Division: reduction to services & supplies		12,893	\$ 12,893	No	Yes	2.5% Reduction to services & supplies budget supporting unit.	
8		260	260-035	Fire & Life Safety Education Division: reduction to services & supplies		33,607	\$ 33,607	No	Yes	2.5% Reduction to services & supplies budget supporting unit, impacting purchases of educational materials for local fire service and Oregonians.	
9		260	260-030	Fire & Life Safety Services Division: reduction to services and supplies		29,148	\$ 29,148	No	Yes	2.5% Reduction to services & supplies budget supporting unit. Impact on training of local fire districts	
10		260	260-010	Office of State Fire Marshal: reduction to services and supplies		7,943	\$ 7,943	No	Yes	2.5% Reduction to services & supplies budget supporting unit.	
				Subtotal 2.5%	1,296,294	1,643,223	\$ 2,939,517				

Agency Name (Acronym)		Department of the State Fire Marshal (DSFM)									
2025-27 Biennium											
				2025-27 LAB	51,851,757	65,728,913	117,580,670				
Detail of Reductions to 2025-27 Legislatively Adopted Budget											
1	2	3	4	5	6	8	12	15	16	17	
Priority (ranked most to least preferred)		Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	OF	TOTAL FUNDS	Gov. Reduction Target Yes / No	One-Time Yes / No	Describe the reduction and associated impact on services and outcomes. Please identify the source of Other Funds reductions.	
Dept	Prgm/ Div										
1		260	260-035	Fire & Life Safety Education Division: reduction to General Fund transfer to Community Risk Reduction Fund	1,047,281		\$ 1,047,281	No	Yes	Reduce General Fund transfer to Community Risk Reduction Fund for the second year of the biennium. Revenue transfers for rainy day fund interest begins October 2025 on a monthly cadence. Department of Revenue transfers for new oral nicotine tax are estimated to begin around the May to July 2026 timeframe. Implementation is ongoing as agency continues to meet with stakeholders and interested parties to stand up risk reduction and prevention programs. Agency is reviewing personnel requirements to implement the new programs. This reduction would not delay the start of this program. DSFM currently has \$13 million in other funds limitation.	
2		260	260-030	Fire & Life Safety Services Division: reduction to capital outlay	130,400		\$ 130,400	No	Yes	Delay replacement of vehicles in unit. Extends the lifecycle replacement plan and potential higher maintenance costs.	
3		260	260-035	Fire & Life Safety Education Division: reduction to capital outlay	65,200		\$ 65,200	No	Yes	Delay replacement of vehicles in unit. Extends the lifecycle replacement plan and potential higher maintenance costs.	
4		260	260-010	Office of State Fire Marshal: reduction to services & supplies	4,751		\$ 4,751	No	Yes	2.5% Reduction to services & supplies budget supporting unit.	
5		260	260-015	Business Services Division: reduction to services and supplies	24,002		\$ 24,002	No	Yes	2.5% Reduction to services & supplies budget supporting unit.	
6		260	260-020	Emergency Response Services: reduction to services and supplies	13,393		\$ 13,393	No	Yes	2.5% Reduction to services & supplies budget supporting unit.	
7		260	260-030	Fire & Life Safety Services Division: reduction to services and supplies	11,267		\$ 11,267	No	Yes	2.5% Reduction to services & supplies budget supporting unit.	

Agency Name (Acronym)		Department of the State Fire Marshal (DSFM)									
2025-27 Biennium											
				2025-27 LAB	51,851,757	65,728,913	117,580,670				
Detail of Reductions to 2025-27 Legislatively Adopted Budget											
1	2	3	4	5	6	8	12	15	16	17	
Priority (ranked most to least preferred)		Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	OF	TOTAL FUNDS	Gov. Reduction Target Yes / No	One-Time Yes / No	Describe the reduction and associated impact on services and outcomes. Please identify the source of Other Funds reductions.	
Dept	Prgm/ Div										
8		260	260-020	Emergency Response Division: reduction to capital outlay		1,498,056	\$ 1,498,056	No	Yes	Reduction to capital outlay. Delays replacement of regional hazardous material vehicles for one to two years. The vehicles purchased for this program are distributed to 12 regional hazardous material emergency response teams across Oregon. These teams are trained and equipped to support local first responders. The teams also provide outreach and training to local responders and business/industries to help prepare communities in responding to incidents involving hazardous materials. There are two types of vehicles provided to each team: 1) Heavy Response Vehicles, which provide for workspace as well as transportation of personal protective equipment, computer systems, communications equipment, and monitoring and detection equipment along with a variety of materials used for incident mitigation and hazardous materials containment; and 2) Initial Response Vehicles, which are smaller, more nimble apparatus which carry the basic equipment for a smaller-scale identification/mitigation mission and up to 4 team members. The IRV generally responds first and later the HRV comes with additional team members and capability. 33% reduction to the \$4.6m	
9		260	260-025	Regulatory Services Division: reduction to services & supplies		12,893	\$ 12,893	No	Yes	2.5% Reduction to services & supplies budget supporting unit.	
10		260	260-035	Fire & Life Safety Education Division: reduction to services & supplies		33,607	\$ 33,607	No	Yes	2.5% Reduction to services & supplies budget supporting unit	
11		260	260-030	Fire & Life Safety Services Division: reduction to services & supplies		29,148	\$ 29,148	No	Yes	2.5% Reduction to services & supplies budget supporting unit.	
12		260	260-010	Office of State Fire Marshal: reduction to services & supplies		7,943	\$ 7,943	No	Yes	2.5% Reduction to services & supplies budget supporting unit.	

Agency Name (Acronym)		Department of the State Fire Marshal (DSFM)									
2025-27 Biennium											
				2025-27 LAB	51,851,757	65,728,913	117,580,670				
Detail of Reductions to 2025-27 Legislatively Adopted Budget											
1	2	3	4	5	6	8	12	15	16	17	
Priority (ranked most to least preferred)		Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	OF	TOTAL FUNDS	Gov. Reduction Target Yes / No	One-Time Yes / No	Describe the reduction and associated impact on services and outcomes. Please identify the source of Other Funds reductions.	
Dept	Prgm/ Div										
13		260	260-015	Business Services Division: reduction to information technology S&S		61,576	\$ 61,576	No	Yes	2.5% reduction -- Delay replacement of information technology, including laptops, monitors and docking stations. Extends the lifecycle replacement plan by one to two years	
							\$ -				
							\$ -				
				Subtotal 2.5%	1,296,294	1,643,223	\$ 2,939,517				
							\$ -				
				TOTAL 5% Reduction by Fund Type	2,592,588	3,286,446	5,879,034				

Target (5%)
Difference

2,592,588

3,286,446

\$ 5,879,034

-

-

-

Department of the Oregon State Fire Marshal (DSFM) 2025-27 Biennium											
Detail of Programs in the 2025-27 Legislatively Approved Budget that have been established or expanded since 2021-23											
1	2	3	4	5	6	7	9	13	14	15	16
Agency	SCR	Program Establishment / Expansion			Program Description	GF	OF	TOTAL FUNDS	Pos.	FTE	Implementation Status
		Biennium	Effective Date	Authorization							
DSFM	260-010	2021-2027		SB 762; HB 5036; SB 5538	Positions are agency leadership, legislative affairs, Tribal relations and strategic planning, communications and internal auditor.	2,589,004		\$ 2,589,004	7	7.00	Expansion in SB 762 and HB 5036 to include agency leadership, policy and internal auditor. Established positions in SB 5538 as part of 2025-27 LAB.
DSFM	260-015	2021-2027		SB 762; HB 2927; HB 5036; SB 5506; SB 5538	Positions are 'back office functions' for the new agency and include, financial services, procurement, human resources, information technology, budget and unit leadership.	13,065,535	8,376,220	\$ 21,441,755	40	40.00	New agency related positions in SB 762, HB 2927, HB 5038, SB 5508 and established positions in SB 5538, 2025-27 LAB. Services & Supplies expansion in SB 5538 for agency information technology, one-time funding for MARS and business mapping and includes SGSC charges.
DSFM	260-020	2021-2027		SB 762; HB 5036; SB 5538	Emergency Response Unit received 13 new positions in SB 762 and one position in HB 5036. All positions funded in 2025-27 biennium. Positions included additional regional mobilization coordinators, IMT program coordinator, response support services leadership, public safety training specialist, agency operations center (AOC) coordinator and unit administrative support.	5,313,068		\$ 5,313,068	14	14.00	SB 762 and HB 5036 expansion and established in SB 5538, 2025-27 LAB
DSFM	260-020	2025-27		HB 5538	HB 5538, package 801 provided one-time other funds limitation of \$400,000 to extend a limited duration position and services and supplies for the program. Funding is from the high hazard oil by railroad fee extended in HB 2384 during the 2025 Session.		400,000	\$ 400,000	1	1.00	Established; one time other funds limitation increase for the extended high hazard oil by railroad fee.
DSFM	260-020	2021-2025	2021	SB 762 (2021); SB 5506 (2023); SB 5036 (2023); SB 5538 (2025)	Engine Program		362,227	\$ 362,227	1	1.00	Established; SB5538 fund shifted the engine program position and related services and supplies from General Fund to Other Funds.

Department of the Oregon State Fire Marshal (DSFM)											
2025-27 Biennium											
Detail of Programs in the 2025-27 Legislatively Approved Budget that have been established or expanded since 2021-23											
1	2	3	4	5	6	7	9	13	14	15	16
Agency	SCR	Program Establishment / Expansion			Program Description	GF	OF	TOTAL FUNDS	Pos.	FTE	Implementation Status
		Biennium	Effective Date	Authorization							
DSFM	260-020	2021-2027	2021	SB 762 (2021); SB 1049 (2023); SB 5506 (2023); SB 5701 (2024); SB 5801 (1st Special Session 2024); SB 5538 (2025)	Mobilization Fund (Immediate Response & Pre-Positioning)		10,000,000	\$ 10,000,000			Established; During the 2025 Legislative Session, agency received one-time \$10 million Other Fund limitation for wildfire costs. 2025 Fire estimated cost is \$16.2, agency will request allocation from SPA at future date as well as funding for the 2026 fire season.
DSFM	260-020	2021 - 2027	2021	SB 762 (2021); SB 5506 (2023); SB 5550 (2025) SB 5538 (2025)	Emergency wildfire response and mitigation grants program (upstaffing, strategic investments, & equipment)	6,000,000		\$ 6,000,000			Established; During the 2025 Legislative Session, agency received one-time \$6 million General Fund appropriation for the 2026 wildfire upstaffing grants. Future budget ask includes funding the 2027 wildfire upstaffing grants.
DSFM	260-025	2023-2027		HB 5036 and SB 5538	HB 5036, package 104, provided three new positions to the regulatory services unit in the community right to know program. Positions provide leadership, policy, and administrative support to the unit.		848,762	\$ 848,762	3	3.00	New positions in HB 5038 and part of agency budget bill, SB 5538. Established positions in 2025-27 LAB.
DSFM	260-030	2021-2027		SB 762; HB 5028 and SB 5538	SB 762 expanded Fire & Life Services by 13 positions and HB 5028 expanded the unit by 2 positions. Positions include deputy state fire marshal position, a leadership position and two program analyst positions related to home hardening and OrSAP.	6,275,378	392,725	\$ 6,668,103	15	15.00	Expansion in SB 762 and HB 5038 and established in SB 5538 for 2025-27 LAB
DSFM	260-030	2025-27	2025	SB 863 (2025)	Wildfire Cost Recovery Authority			\$ -			Established; Agency will seek funding during the 2026 February session for cost recovery expenses, including Department of Justice attorney fees and contracts with specialists (e.g. structural engineers) to assist the agency and DOJ with cost recover efforts.

Department of the Oregon State Fire Marshal (DSFM)											
2025-27 Biennium											
Detail of Programs in the 2025-27 Legislatively Approved Budget that have been established or expanded since 2021-23											
1	2	3	4	5	6	7	9	13	14	15	16
Agency	SCR	Program Establishment / Expansion			Program Description	GF	OF	TOTAL FUNDS	Pos.	FTE	Implementation Status
		Biennium	Effective Date	Authorization							
DSFM	260-035	2021-2027		SB 762; SB 5538	SB 762 expanded the analytics and analysis unit by 3 positions. Including a research analyst, unit leadership, and a policy position.	1,123,293		\$ 1,123,293	3	3.00	Expansion in SB 762 and established in SB 5538, 2025-27 LAB.
DSFM	260-035	2021-2027		SB 762; SB 5538	SB 762 expanded fire and life safety education unit administrative support by 1 position.	287,512			1	1.00	Expansion in SB 762 and established in SB 5538, 2025-27 LAB.
DSFM	260-035	2021 - 2027	2021	SB 762 (2021); SB 80 (2023); SB 83 (2025); HB 3940 (2025); HB 5006 (2025); SB 5538 (2025)	Community Risk Reduction Program (with Fire Risk Reduction Positions), established Defensible Space Program, and Community Risk Reduction Fund. SB 762 provided established program with 9 positions, SB 5538 expanded the program by 2 positions/1.76 FTE during 2025 Legislative Session	17,197,967	13,342,000	\$ 30,539,967	11	10.76	Established; HB 5006 (2025 Session) provided a one-time General Fund appropriation for transfer to the Community Reduction Fund. Future budget requests will involve Other Fund Limitation for the new revenue streams in HB 3940 (rainy day fund interest transfers and a new nicotine tax). Agency received 2.0 positions/1.76 FTE in SB 5538, POP 103 for a new total of 11.0 positions/10.76 FTE for the Community Risk Reduction Unit.
DSFM	260-035	2025-27	2025	HB 3940 (2025)	Wildfire Prepared Structure Program			\$ -			In Development; Future budget request includes other funds limitation and will be part of request described in row 11 for Community Risk Reduction Fund.
				TOTAL		51,851,757	33,721,934	\$ 85,286,179	96	95.76	

Instructions

- Column (5) - Authorization should identify the source of the new program or program expansion, which could include enabling legislation, approved policy option package, or administrative establishment.
- Column (6) - Program description should include a summary of the program and the expansion (if applicable), including any partner state agencies.
- Column (16) - Current status of program implementation should be summarized, including any future budget requests anticipated upon full program implementation.