

ANALYSIS

Item 21: Department of the State Fire Marshal

2026 Fire Season Cash Flow

Analyst: Katie Bannikov

Request: Appropriate \$7,000,000 General Fund and increase Other Funds expenditure limitation by \$7,000,000 for the Department of the State Fire Marshal for cash flow in preparation for the 2026 fire season.

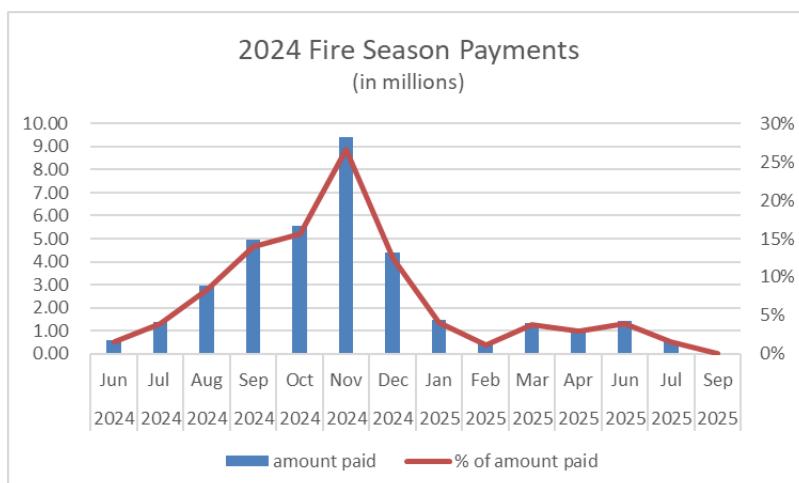
Analysis: The Department of the State Fire Marshal (DSFM) is responsible for mobilizing firefighting resources throughout the state when local fire agencies are not able to protect structures from fire on their own. Over the last decade, DSFM has averaged \$16.7 million in gross fire costs, and pre-positioning and response, which began in 2021, has averaged just under \$3 million annually.

For fire season cash flow, the timing of payments roughly mirrors a bell curve with a ramp up to a peak of payments and then leveling off, as shown in the chart below representing 2024 fire season. This aligns with the

Oregon Fire Service

Mobilization Plan which allows for 60 days post demobilization for local fire agencies to submit invoices to DSFM and then the Department has 90 days to pay the invoices. 2024 was the heaviest fire season in the last decade with peak payments occurring in November and approximately 28% of costs

paid by the end of September. Considering the Emergency Board typically convenes in September and December of even numbered years, it is not necessary to fund the entire fire season up front.



Additionally, the agency has a current State Fire Marshal Fund cash balance of approximately \$38 million and is projecting an ending funding balance for the 2025-27 biennium of \$44 million. If 2026 fire response costs are more than the initial cash flow provided, these could be supported by the Other Fund cash balance until the agency reports to a future meeting of the Emergency Board. However, based on historical trends it is unlikely that much, if any, would need to be utilized.

The Department's request includes \$7 million in Other Funds expenditure limitation, assuming that the requested General Fund would be deposited into the existing Mobilization Fund. However, because the \$7 million General Fund is not intended to cover the entire cost of the 2026 fire season and is anticipated to be fully expended before the end of the 2025-27 biennium, depositing into the Mobilization Fund is unnecessary. As a result, the Legislative Fiscal Office does not recommend providing an increase of \$7 million in Other Funds expenditure limitation to expend General Fund as Other Funds.

Recommendation: The Legislative Fiscal Office recommends that the Joint Interim Committee on Ways and Means recommend appropriating \$7,000,000 General Fund to the Department of the State Fire Marshal in a budget reconciliation bill during the 2026 legislative session for cash flow in preparation for the 2026 fire season.

Request: Appropriate \$7,000,000 General Fund to be deposited into the Mobilization Fund for the 2026 fire season. Increase Other Funds expenditure limitation by \$7,000,000 for the 2026 fire season.

Recommendation: Consider the request during the 2026 Legislative Session.

Discussion: The Department of the State Fire Marshal (DSFM) is requesting \$7.0 million General Fund for deposit into the State Fire Marshal Mobilization Fund to provide the agency with resources for cash flow for eligible mobilization costs for the 2026 fire season.

ORS 476.565 establishes the State Fire Marshal Mobilization Fund and allows funds to be used for both emergency mobilizations and for pre-positioning activities. The intent of this request is for \$3.0 million to be used to support immediate response and pre-positioning efforts and the other \$4.0 million for mobilization to conflagrations. This request will provide DSFM with upfront funding for the 2026 fire season roughly consistent with General Fund provided by the Legislature for each fire season last biennium. DSFM was provided with \$10.0 million for these activities prior to the 2025 fire season in Senate Bill 5538 (2025); however, the source of funds was from Federal Emergency Management Agency (FEMA) reimbursements from prior fire seasons and not the General Fund.

DSFM anticipates the 2026 fire season cost will exceed this \$7.0 million. This is supported by the recent history of fire season costs, which have been at least \$14.9 million a year since 2020. However, this request should provide sufficient cashflow to cover the DSFM through most of the 2026 fire season. The agency will have opportunities to request additional fire season funding before the Emergency Board or during the 2027 Legislative Session, if necessary. It is also important to note the agency is expecting FEMA reimbursement of \$25.6 million from 2023, 2024, and 2025 fire seasons, which may be able to reduce the pressure on the General Fund for cashflow purposes, although the timing of these federal reimbursements is difficult to predict.

Legal Reference: Increase General Fund appropriation made by chapter 554, section 1(3), Oregon Laws 2025, for the Department of the State Fire Marshal, Emergency response for deposit into the Mobilization Fund, for the 2025-27 biennium.

Increase the Other Funds expenditure limitation made by chapter 554, section 2(1), for the Department of the State Fire Marshal, by \$7,000,000 for the 2025-27 biennium for the payment of expenses from the State Fire Marshal Mobilization Fund established by ORS 476.565 for the 2026 fire season.



Oregon

Tina Kotek, Governor

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

December 8, 2025

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

Dear Senator Lieber and Representative Sanchez:

Nature of the Request

The Department of the State Fire Marshal respectfully requests the opportunity to appear before the January 2026 Interim Joint Committee on Ways and Means to request \$7 million from the General Fund to be deposited into the Mobilization Fund for the 2026 fire season and corresponding other funds expenditure limitation increase of \$7 million.

Agency Action

The Department of the State Fire Marshal is responsible for mobilizing, supporting, and providing leadership to the Oregon fire service during major emergency operations or wildfire mobilizations. The OSFM is given the authority in statute to mobilize firefighting resources to a Governor declared Conflagration (Conflagration Act ORS 476.520 through 476.610) and to pre-position resources when there is potential for fire weather or immediately respond to emerging incidents (OSR 476.132). The Governor may invoke the Conflagration Act to mobilize firefighters and equipment from other structural fire agencies in the state to a local agency's jurisdiction when their capacity has been exceeded. During any of the mobilizations under the Department's purview, firefighters and equipment from the Oregon fire service respond from more than 300 fire agencies throughout the state and over 13,000 structural firefighters across Oregon through the Oregon Fire Mutual Aid System (OFGAS). Responding local fire service agencies have 60 days to submit invoices to DSFM for payment of costs incurred during their participation in the conflagration. DSFM is required to reimburse local fire agencies within 90 days of receiving the invoice.

2026 Fire Season Request:

The State Fire Marshal is requesting \$7 million General Fund to be deposited into the mobilization fund for immediate responses, pre-positioning, and conflagrations for the 2026 fire season. \$3 million will support the agency's immediate responses and pre-positioning efforts and \$4 million will be utilized for cash flow for mobilizations and conflagration reimbursements. The agency anticipates the 2026 wildfire

season cost to exceed the \$7 million request and will return to report out on and request additional reimbursement for the costs of the 2026 fire season in September.

Action Requested

The Department of the State Fire Marshal respectfully requests \$7 million from the General Fund to be deposited into the Mobilization Fund for the 2026 fire season and corresponding other funds expenditure limitation increase of \$7 million.

Legislation Affected

Senate Bill 5538 (2025) Oregon Law 2025, Chapter 554, Section 1(3)

Senate Bill 5538 (2025) Oregon Law 2025, Chapter 554, Section 2(1)

Sincerely,



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
- Jonathan Bennett, Agency CFO Analyst
- LFO.LegRequests@oregonlegislature.gov
- CFO.LegRequests@das.oregon.gov