ANALYSIS

Item 30: Department of the State Fire Marshal

2026 Fire Season

Analyst: Ali Webb

Request: Allocate $15,000,000 from the special purpose appropriation made to the Emergency Board for natural disaster prevention, preparedness, response, and recovery to the Department of the State Fire Marshal; and increase Other Funds expenditure limitation for the Department of the State Fire Marshal by $13,000,000 for 2026 fire season costs.

Analysis: The Department of the State Fire Marshall (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. As of August 17, 2026, DSFM has mobilized for 12 conflagration fires, although the 2026 fire season still has a projected six weeks remaining.

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 DSFM 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.

Some fire costs have met the eligibility for the Fire Management Assistance Grant and are expected to be reimbursed by the Federal Emergency Management Agency (FEMA). The rate may be up to a 75% federal match rate; however, timelines for FEMA reimbursement range from 12-30 months, and it is unclear when the funds are expected to be received. Currently, DSFM has pending FEMA reimbursements for the 2023 through 2025 fire seasons totaling $25.6 million. For the 2026 fire season, $16.4 million in costs to date are expected to be eligible for FEMA reimbursement, with an additional $2.3 million in costs expected to be reimbursed by the Bureau of Indian Affairs (BIA). These are point in time estimates that are likely to change, and due to the uncertain timeline for reimbursement, are not assumed as available resources in DSFM's cash flow estimate needs.

For the 12 conflagrations thus far, the projected gross costs total $50.3 million with net costs estimated at $31.6 million. The agency's request to the Emergency Board is based on the 2024

fire season, which was the most expensive fire season on record and totaled $35 million in gross costs. After deducting the $7 million General Fund that was appropriated in HB 5204 (2026), the remainder of estimated net costs totals $28 million. DSFM is requesting this amount be covered through a $15 million allocation from the natural disaster prevention, preparedness, response, and recovery special purpose appropriation and utilizing $13 million of Other Funds through additional available Fire Insurance Premium Tax (FIPT) revenues. DSFM has sufficient Other Funds expenditure limitation to expend $39 million of FIPT revenues in the 2025-27 biennium, and the cash balance of FIPT funds was approximately $46 million, as of July 27, 2026, with a projected 2025-27 biennium ending balance estimated at $52 million. Because FIPT revenues fund non-fire related agency expenditures, any funding used from FIPT revenues is intended to be temporary for cash flow purposes and is expected to be reimbursed after permanent funding has been secured for fire season costs.

To project the necessary cash flow for the remainder of the anticipated six weeks of fire season, if the gross fire costs continue to follow the average of $7 million per week (based on the first two weeks of August), the total additional gross cost would be $42 million. Assuming the costs for the final two weeks of August (projected at $14 million) are paid in November 2026 and the remaining four weeks (projected at $28 million) are paid in December 2026; the agency should have sufficient cash resources to pay invoices if this request is approved. However, depending on the accrued fire costs over the remaining six weeks, DSFM may need to return to the Emergency Board during the December 2026 meeting to seek reimbursement to avoid potential cash flow issues in January.

Recommendation: The Legislative Fiscal Office recommends that the Emergency Board allocate $15,000,000 General Fund from the special purpose appropriation made to the Emergency Board for natural disaster prevention, preparedness, response, and recovery to the Department of the State Fire Marshal; and increase Other Funds expenditure limitation for the Department of the State Fire Marshal by $13,000,000 for 2026 fire season costs.

Request: Allocate $15,000,000 from the special purpose appropriation made to the Emergency Board for natural disaster prevention, preparedness, response, and recovery. Increase Other Funds expenditure limitation by $13,000,000 for estimated mobilization costs associated with the 2026 fire season.

Recommendation: Approve the request.

Discussion: The Department of the State Fire Marshal (DSFM) is providing an update on the status and costs of the ongoing 2026 fire season. The agency is also requesting an allocation from the special purpose appropriation established during the 2025 Legislative Session for natural disaster prevention, preparedness, response, and recovery (Natural Disaster SPA), as well as additional Other Funds expenditure limitation to ensure that the agency has adequate cash flow and expenditure limitation to make timely payments on the costs it has incurred.

The 2026 fire season was relatively quiet through early July, but by mid-August it has quickly grown to surpass the record 2024 fire season in terms of total acres burned and estimated costs to DSFM. As of August 17, DSFM has supported immediate response and prepositioning efforts at a total of 22 incidents and responded to 12 conflagrations. DSFMs estimated total costs as of August 17 are over $50 million, with several large active fires still burning.

To ensure adequate cash flow, DSFM is requesting a $15 million General Fund allocation from the Natural Disaster SPA as well as an additional $13 million Other Funds expenditure limitation. Combined with the $7 million the agency received in the 2026 session, DSFM will have roughly $35 million in funding available for 2026 fire costs, which should provide sufficient resources to sustain the agency to at least the December meeting of the Emergency Board.

As the 2026 fire season has not closed, DSFM will need to closely manage cash flow and will continue to work closely with the Chief Financial Office and Legislative Fiscal Office through the conclusion of the season.

Legal Reference: Allocation of $15,000,000 from the special purpose appropriation made to the Emergency Board by chapter 628, section 5(1), Oregon Laws 2025, to supplement the appropriation made by chapter 554, section 1(3), Oregon Laws 2025, for the Department of the State Fire Marshal, Emergency Response Division for the 2025-27 biennium.

Increase the Other Funds expenditure limitation established by chapter 554, section 2(1), for the Department of the State Fire Marshal, Emergency Response Division, by $13,000,000 for the 2025-27 biennium.

Oregon
Tina Kotek, Governor

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

August 3, 2026

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

Dear Senator Wager and Representative Fahey:

Nature of Request

The Department of the State Fire Marshal respectfully requests the opportunity to appear before the September 2026 Emergency Board to request $15 million from the State's Natural Disaster Prevention, Preparedness, Response and Recovery Special Purpose Appropriation and request an increase in the Other Funds spending limitation of $13 million to cover estimated mobilization costs associated with the 2026 fire season.

Background

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.

Oregon's 2026 fire season has quickly become one of the most severe on record. Record-low snowpack, persistent drought, and early-season heat dried vegetation weeks ahead of normal, and

a surge of lightning storms intensified the crisis—sparking fires that spread rapidly and strained local, regional, and federal resources.

By mid-July, firefighters were contending with fast-moving flames, unpredictable lightning ignitions, and an unprecedented demand for personnel and equipment. Oregon is already nearing 1.8 million acres burned, putting the state on pace to surpass its modern record of 1.93 million acres set in 2024—while the most dangerous months, August and September, still lie ahead. Fire officials warn that the season remains far from over, with significant potential for additional large fires.

As of July 31, the Oregon Department of the State Fire Marshal's incident management teams have responded to 11 conflagrations, with more expected as conditions persist. To meet ongoing demands, the Agency Operations Center remains fully activated and has been staffed around the clock for 20 consecutive days.

Additional support has come through the Emergency Management Assistance Compact, bringing in 14 task forces and strike teams from three states. At peak activity, seven active conflagrations were managed by four incident management teams and supported by 37 task forces, stretching from southwest Oregon through central and eastern regions—surpassing the peak activity level seen in 2024.

Even with these efforts, the collective task ahead remains immense. Continued coordination, sustained resource support, and community readiness will be essential as Oregon moves deeper into what is expected to be a prolonged and challenging fire season.

<u>2026 Fire Season Expenses and Agency Mobilization Reimbursement:</u>

The estimated agency mobilization costs include conflagrations, immediate response, and pre-positioning as of July 27, 2026, total approximately $25.1 million. However, the 2026 fire season is on track to be similar to the 2024 wildfire season, which cost the Oregon State Fire Marshal over $35.4 million.

The Oregon State Fire Marshal is requesting a total of $28 million at this time. The agency will be working with LFO and CFO to address cash flow issues and budgetary needs throughout the reimbursement stages.

For the 2026 fire season, the 2026 legislature appropriated $7 million of General Fund. The agency is also requesting in this letter $28 million from the September Emergency Board. Giving the agency a current total budget for the 2026 fire season of $35 million. The agency used the

cost of the 2024 fire season ($35.4 million) as the basis for this request and recognizes that additional requests maybe required as two more months remain in this fire season.

Actions Requested

The Department of the State Fire Marshal respectfully requests to appear before the September 2026 Emergency Board to request $15 million from the State's Natural Disaster Prevention, Preparedness, Response and Recovery Special Purpose Appropriation and to request an increase in the Other Fund spending limitation of $13 million to cover estimated mobilization costs associated with the 2026 fire season.

Legislation Affected

1. Senate Bill 5538 (2025) Oregon Law 2025, Chapter 554, Section 1(3).
2. Senate Bill 5538 (2025) Oregon Law 2025, Chapter 554, Section 2(1).

Thank you for your time and consideration.

Sincerely,

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

Attachments:

- Attachment A – 2026 Statewide Conflagrations
- Attachment B – 2026 Immediate Response & Pre-Positioning Mobilizations

Attachment A- 2024 Statewide Conflagrations as of 7/27/2026

Conflagration	Completion	County	Date Began	Estimate	State Costs	FEMA Eligible
East Evans Creek	Yes	Jackson	7/10	$6,729,820	$6,729,820	No
Olive Butte	Yes	Grant	7/11	$1,726,479	$1,726,479	No
Lower Dry Creek	Yes	Umatilla	7/15	$1,040,666	$260,216	$780,450
Rowe Complex	No	Wheeler/Wasco/Crook	7/17	$3,810,940	$3,810,940	No
Akawa Butte	No	Jefferson/Deschutes	7/18	$4,526,901	$1,131,725	$3,395,176
Brewer	No	Jefferson/Crook	7/18	$3,752,660	$3,752,660	No
Hagen	No	Umatilla	7/21	$978,928	$978,928	No
Shingle	No	Wheeler	7/25	$350,416	$350,416	No
Second Flat	No	Harney	7/26	$978,928	$978,928	No
2026 Estimated Running Total				$23,895,738	$19,720,112	$4,175,626

Attachment B - 2024 Immediate Response & Pre-Positioning Mobilizations as of 7/27/2026

Immediate Response & Pre-Positioning	Completion	County	Date Began	Estimate	State Costs	FEMA Eligible
Rieth Road	Yes	Umatilla	6/27	$48,460	$48,460	No
Cedar	Yes	Gilliam	6/30	$12,828	$12,828	No
Marks Creek	Yes	Grant	7/2	$87,227	$87,227	No
Greenhorn	Yes	Baker/Grant	7/8	$189,964	$189,964	No
Riley Creek	Yes	Grant	7/13	$12,828	$12,828	No
Lower Dry Creek	Yes	Umatilla	7/15	$48,460	$12,115	$36,345
Rowe Complex	Yes	Wheeler/Wasco/Crook	7/16	$145,458	$145,458	No
Gilliam County	Yes	Gilliam	7/16	$173,162	$173,162	No
California Pre-Po	Yes	Deschutes	7/17	$116,382	$116,382	No
Loveless	Yes	Klamath	7/18	$45,360	$45,360	No
Hagen	No	Umatilla	7/19	$80,204	$80,204	No
Oak Villa	Yes	Polk	7/21	$12,828	$12,828	No
Riverside	Yes	Linn	7/23	$12,828	$12,828	No
Tenmile	Yes	Jefferson	7/23	$52,500	$52,500	No
Shingle	Yes	Wheeler	7/23	$77,221	$77,221	No
Grasshopper	No	Wasco	7/25	$133,376	$33,344	$100,032
2026 Estimated Running Total				$1,249,086	$1,112,709	$136,377

Estimated Mobilization Costs to Date: 7/27/2026

OSFM Mobilizations	Estimate	State Costs	FEMA Costs
IR & Pre-Po	$1,249,086	$1,112,709	$136,377
Conflagration	$23,895,738	$19,720,112	$4,175,626
2026 Estimated Grand Total (to date)	$25,144,824	$20,832,821	$4,312,003