

**SB 5999 BUDGET REPORT and MEASURE SUMMARY**

**Joint Committee On Ways and Means - TEST**

**Prepared By:** h

**Reviewed By:** h

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PRELIMINARY

## Budget Summary

### Emergency Board

General Fund - General Purpose	107,928,325	-	(107,928,325)	-100%
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### NATURAL RESOURCES PROGRAM AREA

#### Department of Forestry

General Fund	237,452,974	428,952,974	191,500,000	81%
Other Funds	569,955,565	696,323,751	126,368,186	22%
Total	807,408,539	1,125,276,725	317,868,186	39%

### PUBLIC SAFETY PROGRAM AREA

#### Department of the State Fire Marshal

General Fund	66,648,738	93,244,943	26,596,205	40%
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### 2023-25 Budget Summary

General Fund Total	412,030,037	522,197,917	110,167,880	27%
Other Funds Total	569,955,565	696,323,751	126,368,186	22%

## Summary of Revenue Changes

SB 5801 disappropriates \$107.9 million from the Emergency Fund and provides one-time General Fund appropriations of \$191.5 million to the Oregon Department of Forestry (ODF) and \$26.6 million to the Department of the State Fire Marshal (DSFM) to address costs and cash flow issues following the 2024 fire season. In addition, Other Funds expenditure limitation is increased for ODF by \$126.4 million.

## **Summary of Joint Special Session Committee on Wildfire Funding Action**

SB 5801 is an omnibus budget bill that includes budgetary actions associated with the 2024 fire season and disappropriates the remaining balance in the Emergency Fund for the 2023-25 biennium.

Oregon's 2024 fire season set historic records in terms of acres burned and total cost of suppression. In July 2024, Oregon became the top firefighting priority in the United States, with nearly 13,000 firefighters assigned to state and federal incidents throughout Oregon. Approximately 1.9 million acres burned across the state, which is more than three times the ten-year average, and a 71% increase over the total acres burned during the 2020 fire season. Considering total costs accrued by both ODF and DSFM, the estimated gross emergency fire cost to the state for 2024 totals \$352 million, roughly \$212 million higher than the previous record set in 2020. SB 5801 provides resources to ODF and DSFM to cover fire costs and ensure the agencies remain solvent while processing payments and awaiting receipt of federal funds and cost recoveries.

### **Emergency Board**

The Committee approved the disappropriation of \$107.9 million from the Emergency Fund to be made available for general purposes. This amount includes the remaining balance of the general-purpose Emergency Fund, totaling \$18.7 million, and \$89.2 million of remaining balances in special purpose appropriations (SPA) made to the Emergency Board. All SPA's were transferred to the general-purpose Emergency Fund by the Emergency Board in December 2024, with the exception of the Roseburg Veterans' Home and the Disaster Preparedness Stockpile. The \$35 million SPA for construction of a veterans' home in Roseburg was maintained to support the state match requirement for a potential federal award, and the \$5 million SPA for a disaster preparedness stockpile was maintained to support consideration of this investment in the 2025 session.

### **Department of Forestry**

The Department of Forestry's gross emergency fire costs, often referred to as "large fire" costs for the 2024 fire season totaled \$317.5 million. Of that total, the Department anticipates \$185.4 million in federal reimbursements, grants, and cost recoveries, leaving a net large fire cost to the state of \$122.1 million after accounting for \$10 million from the Oregon Forest Land Protection Fund. In September 2024, the Emergency Board allocated the Department \$40 million General Fund, prior to the close of fire season, anticipating the Department would submit a request for the remaining balance of net large fire costs in December 2024. This remaining balance for net large fire costs totals approximately \$82.1 million. However, ODF needs roughly \$109.4 million General Fund, in addition to net large fire costs, to remain solvent through July 2025. This total of \$191.5 million General Fund will address cash flow concerns while ODF pays gross large fire costs and distributes timber sales revenue to local taxing districts, prior to receipt of any federal reimbursements, grants, and cost recoveries.

The Committee approved, on a one-time basis, an appropriation of \$191.5 million General Fund and increased Other Funds expenditure limitation by \$126.4 million, so that ODF can continue paying obligations and maintain operations. Of the total General Fund, \$82.1 million is

appropriated to the Fire Protection Division for the remaining net large fire costs, and \$109.4 million General Fund is deposited into the State Forestry Department Cash Flow Repayment Fund, established by ORS 526.122. Monies deposited into this fund are continuously appropriated to ODF and are expended as Other Funds. The Fund includes statutory requirements for repayment to the General Fund when the monies available to the Department are greater than necessary to satisfy cash flow needs, and any unspent monies in the fund will revert to the General Fund at the close of the biennium. As per ORS 526.122, the Department is required to report to the Joint Committee on Ways and Means before March 31, 2025, on the Department's cash flow and status of the fund.

#### Department of the State Fire Marshal

The Committee approved a one-time General Fund appropriation of \$26.6 million to the Department of the State Fire Marshal to address cash flow concerns and reconcile the state's obligations for 2024 fire costs. The 2024 gross fire season costs total \$34.6 million, with the remaining state obligation expected to be \$8.4 million after accounting for the \$8 million General Fund provided to the Department in SB 5701 (2024) for immediate response, pre-positioning, and cash flow. The residual balance is projected to be eligible for reimbursement through Federal Emergency Management Agency (FEMA) Fire Management Assistance Grants (FMAG). However, due to the unknown timing of reimbursement payments from FEMA, the Department needs additional funding to address cash flow concerns and continue operations. SB 5801 includes an additional \$18.2 million General Fund for agency cash flow. Once FEMA reimbursement is received, the \$18.2 million is expected to be returned to the General Fund.

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