

2017 Supplemental Budget Decision Package

PLACEHOLDER

Agency: **490 Department of Natural Resources**

Decision Package Code/Title: FS Emergency Fire Suppression

Budget Period: 2015-17

Budget Level: **PL – Performance Level**

Agency Recommendation Summary Text:

One-time funding is requested for the costs of fire response activity incurred and anticipated during fiscal year (FY) 2017. These costs are projected to be in excess of the Department of Natural Resources (DNR) existing fire suppression appropriation.

Fiscal Summary:

Expenditure estimates are for FY 2017 and are one-time.

Operating Expenditures	FY 2017
Fund 001-1 General Fund State	\$22,980,000
Fund 001-2 General Fund Federal	552,000
Fund 030-6 Landowner Contingency	318,000
Total Cost	\$23,850,000
Staffing	FY 2017
FTEs	
Revenue	FY 2017
Object of Expenditure	FY 2017
Obj. A	\$9,025,000
Obj. B	2,221,000
Obj. E	12,348,000
Obj. G	256,000
Total Cost	\$23,850,000

Package Description

This request seeks to fund incurred and anticipated costs associated with emergency fire suppression activities in FY 2017 that exceed DNR’s fire suppression appropriation. Firefighting expenses paid by other state agencies are excluded from this request.

At the beginning of each biennium, DNR is appropriated funds for emergency fire suppression. DNR's fire suppression appropriation for FY17 is \$15,530,000 General Fund-State (GF-S), \$2,868,000 Disaster Response Account (Fund 05H), \$1,448,000 General Fund-Federal (GF-F), and \$400,000 Landowner Contingency Account (LOC) for a total \$20,246,000.

As with other accounts covering disasters, the legislature funds a baseline appropriation for emergency fire suppression in DNR's biennial budget, and any actual costs exceeding that amount are covered with supplemental funding.

DNR's anticipated FY 2017 GF-S/Disaster/GF-F/LOC emergency fire suppression costs, compared to the existing FY 2017 appropriations, indicate a projected need for supplemental funding in the amount of \$23,850,000 (See Attachment A). DNR expects to have more precise expenditure figures prior to the start of the legislative session and will provide them to OFM and legislative staff.

Base Budget:

	GF-S	Disaster	GF-F	LOC	Total
FY17 Fire Incident Cost Estimate	\$38,510,000	\$2,868,000	\$2,000,000	\$717,000	\$44,095,000
FY17 Allotment Authority	15,530,000	2,868,000	1,448,000	400,000	20,246,000
FY17 Supplemental Request	\$22,980,000	-0-	\$552,000	\$318,000	\$23,850,000

Fires that have already occurred in FY 2017 top \$41.2 million.

Six significant and costly (\$1 million plus) large fires in FY 2017 have impacted DNR's current FY 2017 funding. DNR estimates \$2.5 million for Kewa, \$4.0 million for Deep North, \$2.9 million for the Spokane Complex (which included Yale and Wellesley), \$1.2 million for Hart, \$2.0 million for Cayuse, and \$1.2 million for Suncrest.

There were also several type 3 fires that exceed \$500,000 each. DNR estimates \$800,000 for North Touchet, \$600,000 for Eloika, and \$600,000 for Pickens North.

DNR's total FY 2017 estimated costs are reflected in the Fiscal Detail section and include the above listed fires, numerous smaller fires that occurred in the first quarter of FY 2017, and projections for future fires that are likely to occur next spring. These fire details are reflected on the attached spreadsheet.

Firefighting expenses paid by other state agencies (Washington Department of Fish and Wildlife and Washington State Patrol for state mobilization fires) are excluded from this request.

FEMA Disaster Funds reduce net GF-State costs

For Federal Emergency Management Agency (FEMA)-eligible fires, DNR processes the requests for FEMA assistance and diligently pursues reimbursement to the state. Although receipts

typically lag beyond the current state fiscal year, these FEMA reimbursements result in reduced net fire costs to the General Fund as follows:

Fiscal Year	Fire Suppression GF-S	Fire Suppression Disaster	FEMA Reimbursement Received *	Net Suppression Costs to State
FY08	15,541,789	5,000,000	882,965	19,658,824
FY09	25,490,000		900,482	24,590,384
FY10	22,670,000	1,560,869	1,413,960	22,817,189
FY11	11,447,289	3,439,131	289,667	14,596,753
FY12	8,030,000	3,813,160	1,480,499	10,362,661
FY13	41,838,749	1,186,840	7,504,585	35,521,004
FY14	25,271,000	1,073,920	7,881,589	18,463,331
FY15	73,610,547*	3,926,080	25,827,311*	51,709,316
FY16	156,666,371	2,500,000	22,555,125*	136,611,246
FY17	38,510,000	2,868,000	2,214,620*	39,163,380

*Reimbursements are usually not received in the same fiscal year as filed.

DNR projects that the State Military Department (Agency 245) will receive an estimated \$2.2 million from ten DNR FEMA-declared FY 2017 fires. This money is anticipated to be received in fiscal years 2017-2019. Upon receipt, funds are deposited directly into the Disaster Response Account (05H), thereby ultimately offsetting the state's costs initially paid by DNR with its GF-S appropriation.

Prudent projections for remainder of FY17 fire season:

Fire seasons seldom coincide with fiscal year timeframes. While DNR expects the number of fires to be minimal during the autumn and winter months, it is only prudent to project additional fires in the spring of 2017 during the final months of the fiscal year. DNR is requesting funding adequate to prepare for the expected volume of fire suppression demand for the remainder of FY 2017.

Decision Package expenditure, FTE and revenue assumptions, calculations and details:

This request represents the initial estimate for funds needed to cover actual and projected costs for emergency fire suppression in FY 2017. DNR expects to have more precise expenditure figures prior to the start of the legislative session and will provide them to the Office of Financial Management and Legislative staff.

Submitted figures are from DNR regions based on emergency incident response statistics, adjusted for estimated fire billings, anticipated recoveries, and new fire costs.

Distribution among objects is estimated based on the corresponding proportions of actual costs for FY 2017.

Although FTE's are charged in the total costs of fire suppression, no FTE's are requested.

Decision Package Justification and Impacts

What specific performance outcomes does the program expect?

This request impacts the DNR activity: **A013 Fire Suppression.**

By statute, DNR has a responsibility to suppress wildfires across 13 million acres of forestlands. DNR also provides assistance when needed to local fire districts and federal agencies for wildland fire suppression, and pursues reimbursement for all eligible costs.

DNR's fire suppression program is committed to:

- 1) Preventing losses to life from fire;
- 2) Ensuring property loss is minimized; and
- 3) Protecting natural resources from damage from wildfires on DNR protected lands.

The agency's Fire Suppression performance measure - "Percentage of total wildfires contained at or below 10 acres on DNR protected land" – can be achieved at the 95% level if funding is adequate to provide sufficient resources for prompt and aggressive suppression response as soon as the fire starts.

Performance Measure detail:

This proposal supports the Governor's "Results Washington Priorities" as follows:

- 1) Sustainable Energy and a Clean Environment, and
- 2) Healthy and Safe Communities.

Wildfire response is a high priority activity for public safety. DNR is the largest on-call fire department in the state with more than 1,200 permanent and temporary employees who fight fire on more than 13 million acres of state and private forest land.

This proposal supports the Department of Natural Resources 2014-17 Strategic Plan as follows:

Goal 2A: Protect Washington's Communities and natural resources from wildfire and other natural hazards.

Goal 2A-2: Suppress wildfires safely, efficiently, and cost-effectively.

An effective wildfire suppression program reduces the risk of property damage and economic loss while making the most effective use of available resources, thus supporting Governor Inslee's Economy priority. Wildland fires have the potential to cause substantial loss to property. DNR strives to keep these losses to a minimum.

What are other important connections or impacts related to this proposal?

Impact(s) To:		Identify / Explanation
Regional/County impacts?	Yes	DNR pays fire suppression bills at the state, local, and federal levels as services are rendered. The impacts of not receiving the requested money includes the potential for future suppression services to become degraded. Agency prioritization will likely occur, which could lead to DNR's interagency wildfire suppression obligations being significantly impacted due to funding.
Other local gov't impacts?	Yes	DNR pays fire suppression bills at the state, local, and federal levels as services are rendered. The impacts of not receiving the requested money includes the potential for future suppression services to become degraded. Agency prioritization will likely occur, which could lead to DNR's interagency wildfire suppression obligations being significantly impacted due to funding.
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	Yes	DNR pays fire suppression bills at the state, local, and federal levels as services are rendered. The impacts of not receiving the requested money includes the potential for future suppression services to become degraded. Agency prioritization will likely occur, which could lead to DNR's interagency wildfire suppression obligations being significantly impacted due to funding.
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:

Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions
Identify other important connections		

Please provide a detailed discussion of connections/impacts identified above.

DNR partners with local fire districts, state and county emergency management organizations, and federal firefighting agencies to successfully combat wildfires.

What alternatives were explored by the agency and why was this option chosen?

Rapid initial response to new fires, to contain them before they grow large, greatly reduces wildfire costs and impacts. DNR actively pursued cost management actions in FY 2017 fires. Incident commanders and fire management personnel take costs into consideration as an important factor when selecting options for operational decisions (while maintaining safety and fire containment priorities). DNR pursues FEMA Fire Management Assistance Grant (FMAG) funds for FEMA-eligible fires, and bills federal (and other) agencies for their share of interagency fires in which DNR provided response support. DNR also investigates and pursues recovery of suppression expenses for fires started by human negligence.

What are the consequences of not funding this request?

When fire suppression expenses exceed the appropriated budget, the overage would be shifted to the Clarke-McNary fund per RCW 43.88.550. The State Treasurer would reimburse the Clarke-McNary fund by transferring sufficient funds from GF-S or other appropriate funds to cover these expenditures plus interest.

How has or can the agency address the issue or need in its current appropriation level?

No

Other supporting materials:

DNR's anticipated FY 2017 GF-S/Disaster/GF-F/LOC emergency fire suppression costs, compared to the existing FY 2017 appropriations, indicate a projected need for supplemental funding in the amount of \$23,850,000 (See Attachment A).

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No 

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

ATTACHMENT A - PROJECTED DNR FY17 FIRE COSTS AS OF SEPTEMBER 30, 2016

Fire name or category	Jurisdictional Agencies	County	Cause	Total Cost of Fire - All Agencies (209 Cost to Date)	DNR General Fund State / Disaster Response Account	General Fund Federal / Local	Landowner Contingency Fund	Projected DNR Fire Cost
Type 2 Fires								
Kewa	BIA/DNR	Ferry	Under Investigation	4,765,376	2,500,000			2,500,000
Deep North	DNR/WFS	Stevens	Under Investigation	5,800,000	4,000,000			4,000,000
Yale	DNR/WFS	Spokane	Under Investigation	4,554,081	2,732,449			2,732,449
Wellesley	DNR/WFS	Spokane	Under Investigation	291,098	174,659			174,659
Hart	DNR/NPS/WFS	Lincoln	Under Investigation	1,890,000	1,200,000			1,200,000
Cayuse	BIA/DNR	Stevens	Under Investigation	3,848,780	2,000,000			2,000,000
Suncrest	DNR/WFS	Chelan	Under Investigation	2,100,000	500,000			500,000
Rock Creek	USFS/DNR	Kittitas	Under Investigation	3,500,000	800,000			800,000
June Est.					1,000,000			1,000,000
								0
								0
Total Type 2 Fires				26,749,335	14,907,107	-	-	14,907,107
Type 3 Fires								
Antilon Lake	DNR/USFS	Chelan	Under Investigation	500,000	400,000			400,000
North Touchet	DNR/ WFS	Columbia	Under Investigation	500,000	400,000			400,000
Foothills	DNR	Douglas	Under Investigation	500,000	500,000			500,000
Lookout Mountain	DNR	Spokane	Under Investigation	120,000	120,000			120,000
Eloika	DNR	Spokane	Under Investigation	60,000	60,000			60,000
Bodie	DNR	Stevens	Under Investigation	617,071	-		617,071	617,071
Pickens North	DNR	Okanogan	Under Investigation	598,720	598,720			598,720
Elmer City	BIA/DNR	Okanogan	Under Investigation	800,000	200,000			200,000
Oct Est					250,000			250,000
June Est.					250,000			250,000
June Est.					250,000			250,000
								0
Total Type 3 Fires				3,695,791	3,028,720	-	617,071	3,645,791
Other Fires								
Type 4 and 5 Fires					7,500,000	500,000	100,000	8,100,000
Other Agency and Unclassified Fires					680,000			680,000
Reacting to Fire Potential (i.e., False Alarms, standby/staging) -PI223					6,400,000			6,400,000
Seasonal Firefighters and Engine Cost - PI 288					6,700,000			6,700,000
Out of State Fire Dispatches					33,000	1,500,000		1,533,000
Total Other Fire					21,313,000	2,000,000	100,000	23,413,000
Other Fire Suppression Costs								
Non-Code Cost - PI 221 no code					2,000,000	-		2,000,000
Other Fire Suppression Costs					2,000,000	-	-	2,000,000
					41,248,827	2,000,000	717,071	43,965,898
Projections to Allotments					GFF/GFL	LOC	Total	
Remaining 15-17 Allotments for 05H/1F0, 001/020, 030/960					2,868,392	1,447,758	399,567	4,715,717
FY 17 Allotment GFS					15,530,000	-	-	15,530,000
Current Allotments TOTAL					18,398,392	1,447,758	399,567	20,245,717
Attorney General projected expenditure					130,000	-	-	130,000
Projected Costs					41,248,827	2,000,000	717,071	43,965,898
Total Projected Costs					41,378,827	2,000,000	717,071	44,095,898
Difference					(22,980,435)	(552,242)	(317,504)	(23,850,181)

Prepared by Helen Fortune
Reviewed by Krissy Mitchell & Jodi Barnes
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