

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 1516 - 3

80th Oregon Legislative Assembly – 2020 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Creates program for periodic review and modernization of State Forestry Department structure and programs to ensure effectiveness and efficiency, including but not limited to department programs relating to wildfire.

Government Unit(s) Affected:

Department of Forestry (ODF)

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Analysis:

SB 1516 - 3 includes a one-time \$6 million General Fund appropriation to the Oregon Department of Forestry (ODF) in 2019-21. At least \$1 million of these funds are to be used for firefighting severity resources, and the remainder must be used to fund two administrative positions and up to 35 permanent full-time positions that fight or prevent wildfire.

Firefighting severity resources

The \$1 million for severity resources is in addition to the \$4 million General Fund and \$6 million Other Funds from the Oregon Forest Land Protection Fund (OFLPF) already allocated for severity resources in the 2019-21 biennium.

New surcharge

In addition to this appropriation, the Department must assess a surcharge of \$10.80 on each tax lot, in addition to any current assessment under ORS 477.205 to 477.281. Moneys from this surcharge are to be paid into the State Forestry Department Account and may be used to fund two administrative position and up to 35 permanent full-time positions with duties that include fighting or preventing wildfires.

ODF estimates that this surcharge would increase Other Funds revenues by approximately \$2,910,536 in 2019-21 and \$5,821,073 in 2021-23.

Modernization program

The remaining \$5 million General Fund and associated positions would support the modernization program outlined in SB 1516 - 3. This measure directs ODF to implement a program to review and modernize the structure and processes of the department in order to better meet wildfire prevention and response needs, and to avoid diverting resources from elsewhere in ODF to deal with wildfires. This includes changing management of staff trained to fight or prevent wildfires, in order to promote better recruitment, retention and use of staff time; ensuring that wildfire programs have modern equipment that is distributed in order to address changing needs and conditions; and working with insurers and other private parties to encourage landowners to reduce wildfire risk. ODF is authorized to retain a third-party evaluator to accomplish these tasks.

There is flexibility in how ODF chooses to use the remaining \$5 million General Fund appropriated by this measure. ODF anticipates that funds would be used to hire two positions to increase financial capacity, which

include a permanent, full-time Principal Executive Manager C and a permanent, full-time Fiscal Analyst 3 (both 0.50 FTE in 2019-21 and 1.00 FTE in 2021-23). If they were to hire these positions in addition to 35 new full-time, permanent firefighting positions (all 0.50 FTE in 2019-21 and 1.00 FTE in 2021-23), the total cost would be \$5,354,195 in 2019-21, and \$8,408,049 in 2021-23, including Services and Supplies costs. It is unclear from the text of the measure if the administrative positions are intended to be temporary or permanent positions.

The Legislative Fiscal Office notes that the current funding mechanism for fire protection in statute relies on a mix of assessments to private and public landowners within the twelve fire protection districts for which ODF has jurisdiction. The assessments on private lands are limited to no more than 50% of the total per-acre costs of providing fire protection within a given district. The additional General Fund appropriated in this measure would have the effect of increasing the per-acre assessment on private lands due to the statutory matching formula. The exact amount would depend on the district in which the lands were situated and the allocation of personnel to that district out of the total number of new personnel authorized.

This measure is referred to the Joint Committee on Ways and Means by prior reference.