



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

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Director
AMY CARLSON

DATE: September 4, 2014
TO: Legislative Finance Committee
FROM: Stephen Forrest, Fiscal Analyst
RE: Fire Suppression Fund and Costs

FIRE SUPPRESSION FUND

At the end of FY 2015, the fire suppression fund had a balance of \$38.7 million. At the beginning of FY 2016, the Department of Administration transferred \$50.3 million into the fund. The transfer included \$15.2 for corporation tax, \$21.6 million for general fund reversions, and \$13.5 million for leftover governor's emergency fund (see chart below).

Fire Suppression Fund Update September 2015			
	FY 2014	FY 2015	FY 2016
Beginning Fund Balance	\$115,155	\$42,502,103	\$38,719,044
Revenue			
Corporation Tax Transfer*	25,497,421	-	15,229,061
General Fund Reversion Transfer	13,338,027	3,653,421	21,596,093
Governor's Emergency Fund Transfer	943,867	-	13,484,448
Supplemental (HB3) Excess Transfer	11,912,088	-	-
Other Income	84,206	147,516	17,859
Total Revenue	51,775,610	3,800,937	50,327,461
Disbursements			
Personal Services	4,209,267	1,884,252	1,717,319
Operating Expenses	5,179,395	2,563,871	817,476
Equipment	-	340,000	-
Grants	-	2,795,873	-
Total Disbursements	9,388,662	7,583,996	2,534,795
Ending Fund Balance (Unaudited)	\$42,502,103	\$38,719,044	\$86,511,709
*Corporation Tax Transfer ends after 2016			

During FY 2016, the Office of Budget and Program Planning authorized a \$2.8 million dollar transfer of statutory appropriations for the fire suppression fund. This moved spending authority from the Department of Natural Resources and Conservation to the Department of Military Affairs in order to cover costs for mobilization of the National Guard.

FY2015 SUPPRESSION COSTS

For FY 2015, the State of Montana incurred \$7.5 in total fire suppression expenses. Of this amount, \$2.8 million is reimbursable by the federal government and \$4.6 million is the state's obligation.

FY2016 SUPPRESSION STATUS

As of September 4, 2015, the FY 2016 estimated fire suppression expenditures are \$11.3 million. Of this amount, \$2.4 are reimbursable by other parties. The total estimated cost to the state is \$8.9 million.

Thus far in FY 2016, 3,409 acres burned under the direct DNRC protection and another 38,866 under cooperative protection with local government. In total DNRC provides direct protection on 5.2 million acres and another 45 million acres, through cooperative agreements with federal and local government. While many large fires catch headlines, the state was able to take care of many fires before they became large problems. To date in FY2016, the state was able to catch 93.81% of fires at 10 acres or under.

AVERAGE COST OF FIRE SUPPRESSION

The average state cost of fire suppression decreased from \$23.2 million per year in 2012 – the last LFD calculation – to \$9.9 million in this report. Lower fire costs in 2015 and 2011 drove this decrease. The Legislative Fiscal Division calculates the average by averaging the previous seven years of data, removing the high and low seasons.

Average Cost of Fire Suppression as of September 4, 2015			
Fiscal Year	State Costs	Federal Costs	Total
2010	\$5,647,966	\$1,047,748	\$6,695,714
2011	2,485,775	807,571	3,293,346
2012	19,039,377	5,490,501	24,529,878
2013	57,546,584	14,000,275	71,546,859
2014	11,619,844	8,038,987	19,658,831
2015	4,638,965	2,785,577	7,424,542
2016 (In Prog)	<u>8,937,219</u>	<u>2,437,846</u>	<u>11,375,065</u>
7 Year Total	109,915,730	34,608,505	144,524,235
7 Year Avg	15,702,247	4,944,072	20,646,319
5 Year Adj Avg	\$9,976,674	\$3,960,132	\$13,936,806