



FY 2018 / FY 2019 BUSINESS CASE

Agency: Department of Natural Resources

Request Title: 2018 Wildfire Suppression and Post-Fire Rehabilitation

Amount Requested: \$19,400,000 General Fund

Duration of Funding: FY 2018 one-time FY 2019 one-time FY 2019 ongoing
(check all that apply)

Cabinet Agencies: In order to continue with this request, you must provide the name and contact information of your agency's designated performance improvement specialist below (this is the person within your agency who is responsible for tracking agency performance data, overseeing SUCCESS+ implementation, responding to performance-related questions relevant to this request, etc.)

Performance Improvement Specialist: Wade Kloos

1. What system or program is the focus of this request?

The focus of this request is paying for wildland fire suppression costs on state and private lands, including the catastrophic Brian Head Fire, and post-fire rehabilitation on priority lands for the 2017 fire season.

The Division of Forestry, Fire, and State Lands has the statutory responsibility for managing and suppressing wildfire on state and private lands. The estimated liability to cover outstanding and expected costs to suppress state and local fires is approximately **\$16.7M**, with the Brian Head Fire accounting for approximately \$10M of that total. This request also includes the critical component of post-fire rehabilitation on priority lands burned by these numerous fires, which is an estimated **\$2.7M** to implement.

In total, this one-time, FY 2018 supplemental funding request is **\$19,400,000**.

2. Summarize the current budget for this system or program. If this is a new system or program, summarize the current budget for the line item and appropriation code(s) in which this new system or program will operate.

Wildland fire suppression is funded through the existing Wildland Fire Suppression Fund (2220). The most current estimate for this one-time, supplemental funding request is as follows:

Wildland Fire Suppression Fund History:

\$0 = FY2017 Beginning balance

\$15,898,143 = Plus all FY2017 revenues (appropriations, transfer from prior Fund, interest, etc.)

(\$10,859,732) = Less all FY2017 expenses

\$5,038,411 = FY2017 Ending Balance

\$2,304,695 = Plus additional FY2018 revenues (GF surplus, Mineral Bonus Account, etc.)

\$7,343,106 = Current FY2018 Fund Balance

Fire Suppression Costs (estimated costs *yet to be paid*):

\$7M = Brian Head Fire suppression yet to be paid (total cost to state=\$10M)

\$15M = other fire suppression yet to be paid

\$22M = estimated fire suppression costs yet to be paid

FY2018 Supplemental Request:

\$7,343,106 = Current Suppression Fund Balance

-\$22M = estimated fire suppression costs yet to be paid

-\$14,656,894 = FY18 supplemental fire suppression request as of Oct. 25, 2017

This amount—approximately \$14.7M—does not include any additional suppression costs which may occur for the remainder of FY18 (next May and June for example). We are including an additional \$2M in this supplemental request to account for these probable costs (early fire season 2018), bringing the total FY18 supplemental fire suppression request to **\$16.7M**.

Currently, there is not an on-going funding source for post-fire rehabilitation, which is overseen by DNR's Watershed Restoration Initiative. Supplemental funding needed to rehabilitate the lands burned by CY2017 fires totals \$2,632,220 and is summarized as follows:

Fire Rehabilitation Cost Estimate as of 9/28/2017

Brian Head Fire: 71,673 acres burned:

Private Land Mulch/Triticale and Aerial Application on 1037 acres, Acres @ \$595/acre - \$617,015

Private Lands Seed and Aerial Application 4,753 Acres @ \$70/Acre - \$332,710

USFS Land Secondary Seeding and Aerial Application – 6,281 acres @70/acre - \$439,670

USFS Land Additional Mulch/Triticale and Aerial Application beyond BAER Recommendations – 448 acres @ \$595/acre - \$266,560

USFS Land Secondary Seeding on USFS paid Mulch areas – 5,717 acres @45/acre – \$257,265

-USFS will pay for an additional 3,200 acres of mulch/Triticale seeding on federal lands as recommended by the Burned Area Emergency Response (BAER) Team

-According to BAER report, the mulching treatments are predicted to lower the estimated soil erosion and subsequent sediment delivery to streams by up to 92% on treated slopes

-In order to increase their efficacy, mulching treatments should be completed as early as possible after fire

-Seeding efforts go beyond stabilization plans recommended by the BAER team on federal lands. WRI's overall goal is the long term rehabilitation of critical watersheds as well as an

improvement and increase in forage availability for both wildlife and livestock over pre-fire conditions

-In order to increase their efficacy and to reduce the chance of post-fire invasive plants from establishing, seeding treatments need to be completed before this winter's first snowfall

Brian Head Fire Total: \$1,913,220

Other Fires:

Onaqui Complex Fire - \$70,000; Cherry Creek Fire - \$5,000; Maeser Fire - \$10,000; Nash Wash Fire - \$1,000; Wildcat Fire - \$170,000; Coldwater WMA Fire - \$40,000; Long Ridge Fire - \$170,000; Cottonwood Trail Fire - \$15,000; Etna Fire - \$60,000; Tank Hollow Fire - \$65,000; Uintah Fire - \$25,000; Kelton Complex Fire - \$60,000; Sage Fire - \$23,000; Cobble Complex Fire - \$2,000; Fly Fire - \$3,000

Total Estimated Need for Other fires: \$719,000

TOTAL ESTIMATED FY18 SUPPLEMENTAL REQUEST FOR FIRE REHABILITATION: \$2,632,220

To summarize, the total supplemental request is \$16.7 million for fire suppression and \$2.7 million for fire rehabilitation, making **the total supplemental request of \$19,400,000.**

3. What problem would be solved with additional funding? (Show historical data to support problem statement)

As a result of the Brian Head Fire and an abnormally high number of human-caused wildfires statewide, the 2017 fire season has been one of the most difficult and expensive on record, thus necessitating the need for a one-time, supplemental fire suppression funding request. Over the past 10 years, on average, the state has paid approximately \$10 million per year for wildfire suppression on state and private lands. This year's fire season will cost nearly double that amount.

4. What has been done to solve this problem with existing resources? What were the results?

The Division has made extensive statutory, rule, policy, standard operating procedure, programmatic, technological and personnel changes over the past few years to improve our wildland fire management system with a particular emphasis on proactive wildfire risk reduction and, over time, reducing the costs of wildfire suppression. We are dedicated to implementing these new systems to meet the Governor's charge "to reduce the size, intensity and frequency of catastrophic wildland fires in Utah" (from the 2013 Catastrophic Wildfire Reduction Strategy).

5. How will new funding be utilized? What operational changes will be made to maximize new resources? Also, please summarize any legislation needed in conjunction with this incremental budget change request. Note: Agencies must coordinate all legislation through the Governor's general counsel.

The requested funding will be used to pay for wildfire suppression on state and private lands as well as post-fire rehabilitation on priority lands for the 2017 fire season. Post-fire rehab funding will provide for

the purchase of seed and contracts with private companies to provide herbicide and seed application, chaining, and erosion control, etc.

No legislation is needed, though a permanent fix for both fire suppression and post-fire rehab costs on state and private lands in Utah would necessitate statutory and budgetary changes. DNR and FFSL are working with GOMB, LFA, and key legislators to find a more permanent fix for wildfire suppression and post-fire rehab costs.

6. What are the anticipated results or outcomes of how the new funding will be utilized? What measure(s), including quality, throughput, and costs, will be used to track the change over time? Is data currently available to support these measures?

The primary outcome is that 2017 wildfire suppression costs, including the Brian Head Fire, will be paid. Post-fire rehabilitation is measured by the Watershed Restoration Initiative as follows:

OE=admin + base funding

Q=ratio of base funds/partners funds

T=total acres treated

7. What are potential negative effects if the funding is not received?

Costs for 2017 wildfire suppression have already accrued and the Division will must settle these suppression costs with local and federal fire agencies at the conclusion of the fire season through our annual consolidated billing process. As well, the Division must pay the bills of private contractors used on state-managed fires upon receipt of invoice. These are all fire suppression costs that have already been accumulated and are the responsibility of the State.

It is important to note that at the time of this writing, wildfire season has not ended and there may be more fires this fiscal year leading to additional costs (thus the additional \$2 million request made in this supplemental estimate). As well, historically there is a wildfire every month of the year somewhere in Utah, so additional suppression cost will undoubtedly be accrued before the end of State fiscal year 2018.

For post-fire rehabilitation, there has yet to be found a consistent alternative solution to funding these costs. Alternatives, none of which are good, could include simply not doing any rehab and watershed work; solely relying on the federal government to fund stabilization-focused rehab (which would primarily focus efforts on federal land); passing on the responsibility and cost to local government or private landowners (which would almost certainly ensure that very little if any rehab is accomplished); or some combination of these alternatives. In reality, if post-fire rehab is not funded, most of the critical work will not occur, which will lead to higher risk of continued habitat degradation due to invasive plants and erosion or, worse, completely losing habitat.

Finally, burned areas that do not receive post-fire rehabilitation are at a higher risk of burning in the future. Studies have shown that adequate post-fire rehabilitation can lead to quantifiable savings in

future fire suppression costs when compared to lands that are not rehabilitated following fire. This is entirely in line with the Governor’s Catastrophic Wildfire Reduction Strategy and proactively reducing the size, intensity, frequency and cost of wildfire in Utah.

FY2018 Supplemental Request

Financing		FY 2018	Expenditures		FY 2018
General Fund		19,400,000	Personal Services		
School Funds			In-State Travel		
Transportation Fund			Out-of-State Travel		
Federal Funds			Current Expense		19,400,000
Dedicated Credits			DP Current Expense		
Restricted Funds			DP Capital		
Transfers (specify)			Capital Outlay		
Other (specify)			Pass Thru/Other		
Beginning Balance			Total Expenditures		\$19,400,000
Total Financing		\$19,400,000	FTE's:		0

Performance Measures

Performance is measured by the successful payment of suppression costs for wildland fire within the State of Utah.