

Wildfire's Impact on State Budgets



The impact of wildfires is growing

Fires are getting bigger: From 2017 to 2021, the average annual acreage burned was 68% higher than 1983 to 2016.

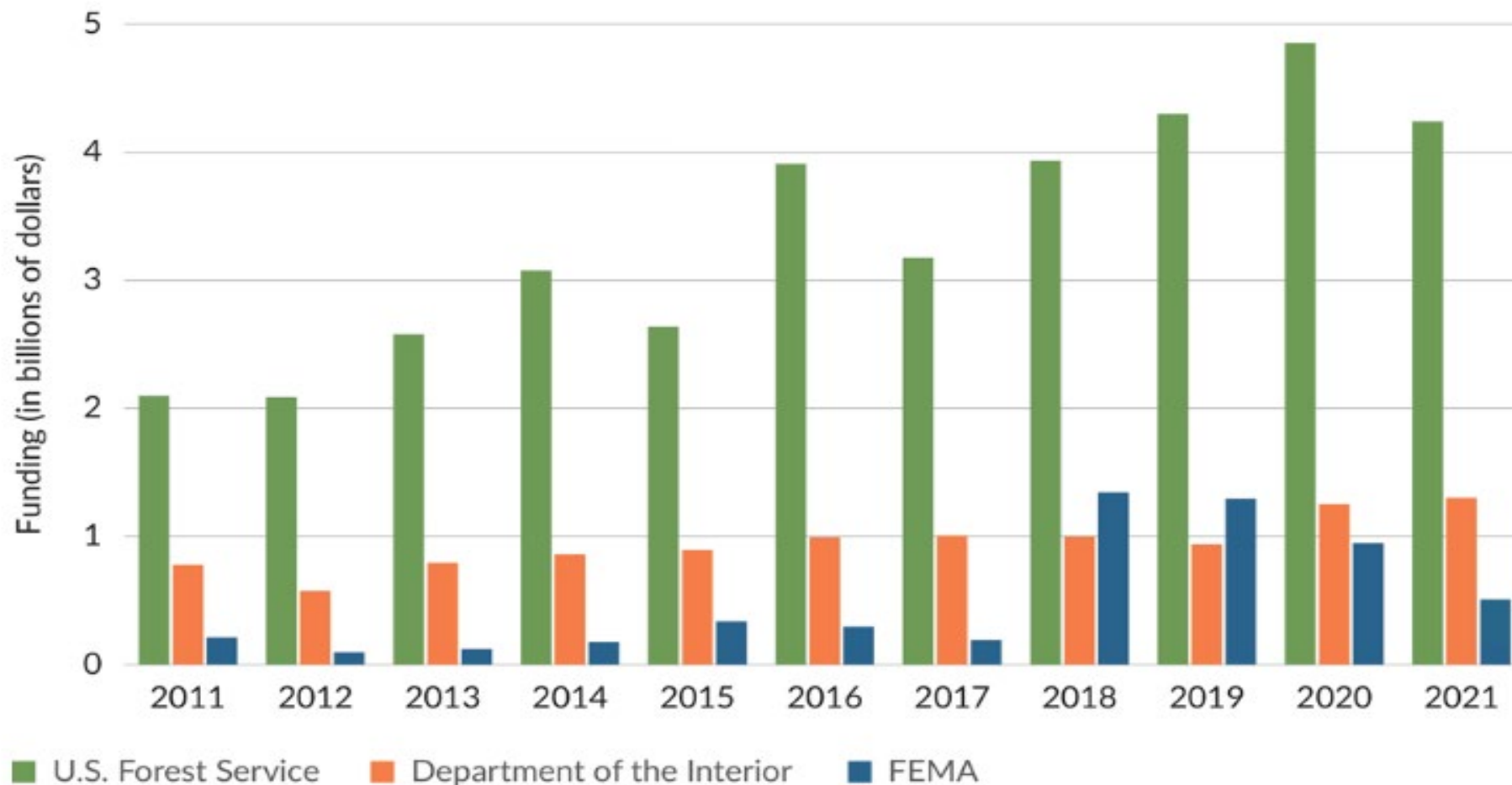
Federal spending is on the rise: The Department of Interior (DOI) and the U.S. Fire Service (USFS) doubled their combined spending between 2011 and 2020.

State spending is on the rise as well: Washington state spent an annual average of \$24 million in state funds on wildfire suppression between 2010 and 2014. For the period of 2015 to 2019, that average more than tripled to \$83 million.



Federal spending on wildfire management has grown significantly since FY 2011

Funding over time for wildfire management by the USFS, DOI, and FEMA





Pew's recent study examined the fiscal impact of wildfires on states

Study details

Key takeaway: Increasing spending on wildfire management is creating budget stress at all levels of government.

Expertise included: Pew spoke to state and federal forestry, emergency management, budget, and wildfire experts for this study. Pew spoke with officials from **Alaska, California, Florida, Nevada, Texas, and Washington.**



Wildfire management activities

These activities happen, before, during and after fires

Before



Prevention
Mitigation
Preparedness

During



Suppression

After

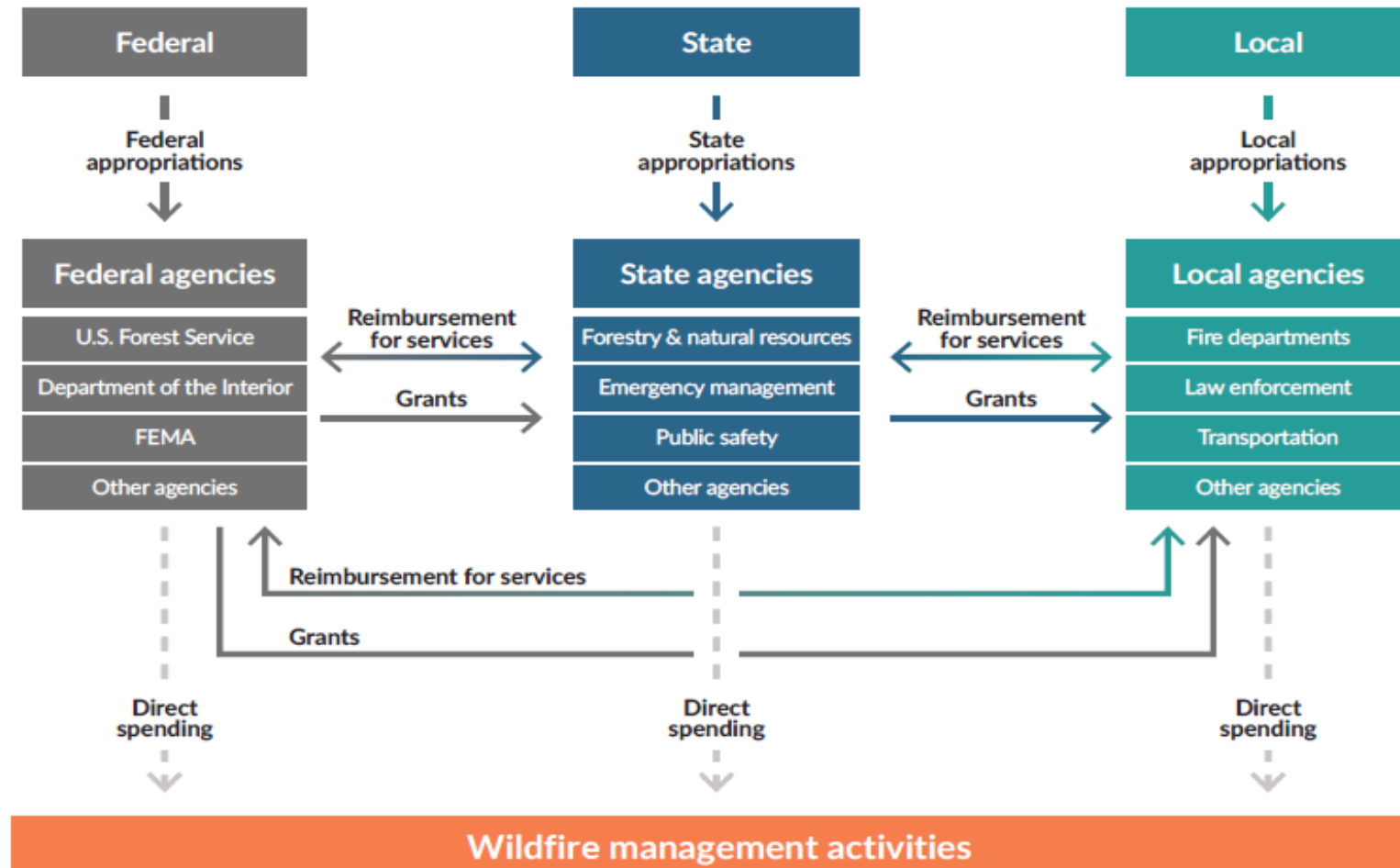


Post-fire mitigation
Recovery



Wildfire management spending is highly intertwined

Flow of funding for reimbursements, grants, and direct spending among federal, state, and local agencies





Key themes from Pew's study

Measure

States lack comprehensive wildfire spending data

Manage

Growing costs are disrupting state budgets

Mitigate

Barriers exist to implement wildfire mitigation



Measure Spending

Tracking and sharing wildfire spending data

Better data on the cost of wildfires is essential to:

- Allow for budget planning and stability
- Inform investments in mitigation

Challenges to understanding the full budget impact of wildfire:

- Spending happens before, during, and after fires
- Tracking spending across agencies is difficult
- Funding comes from multiple revenue sources



Measure Spending

Tracking spending beyond suppression

California

- California has a public facing dashboard that shows their mitigation investments. Metrics tracked include location and type of project.



CALIFORNIA REPUBLIC



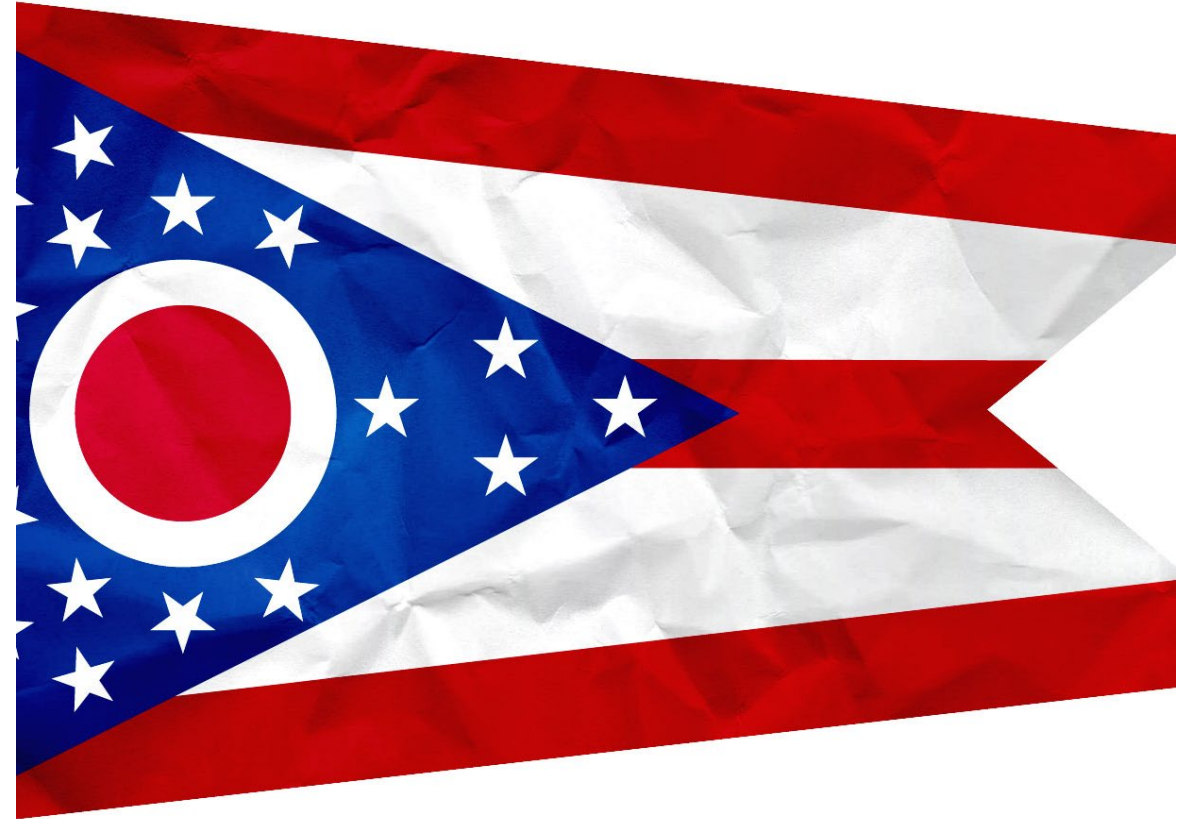


Measure Spending

Cross-agency disaster spending reporting

Ohio

- Shortly before COVID, when a disaster was declared, impacted agencies were required to report their disaster spending to their Office of Management and Budget.





Measure Spending

Reporting suppression funding

Washington

- Washington, in response to a legislative audit, the Forestry agent reported detailed information of the previous decade's suppression costs. They also differentiated between state and federal sources.





Manage Rising Costs

Evaluating current budget processes

Many states have implemented backwards-looking estimates to plan initial wildfire appropriations that fall short. However, backwards-looking estimates create challenges such as:

- As fires get larger, it will be harder to find resources for after the fact budgeting.
- It removes the cost of wildfire from the regular budget process.

Managing federal reimbursement timelines creates challenges.



Manage Rising Costs

Backward looking estimates underfund suppression needs

Alaska

- Alaska bases their wildfire suppression amount on the least expensive year of the past ten years.
- Supplemental funding is made available when additional costs need to be covered.



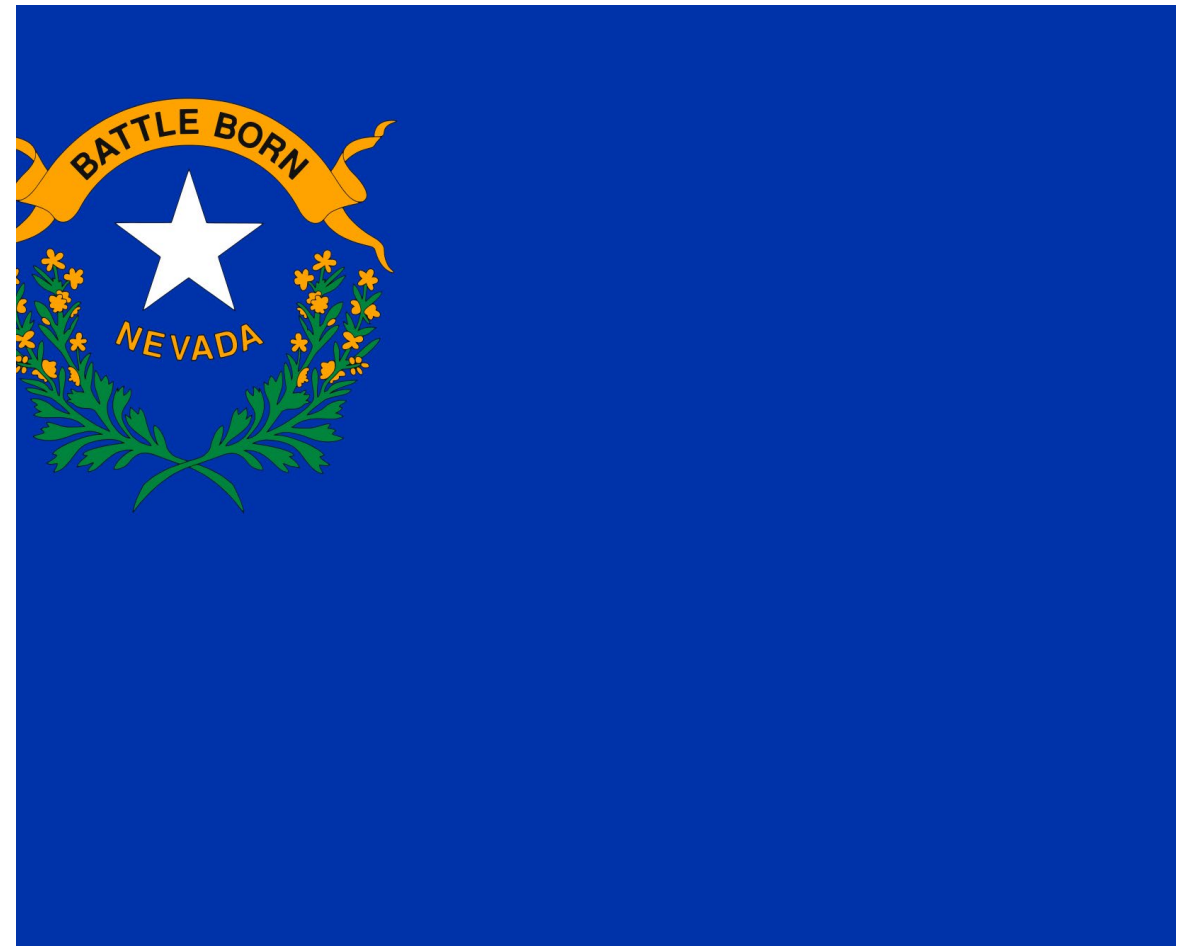


Manage Rising Costs

Federal reimbursement delays stress suppression forecasts

Nevada

- An upfront appropriation of \$4.5 million based on the average of the previous five years (minus average funding reimbursed through cost shares and FEMA)





Mitigate Risk

Federal and state mitigation investments are growing. The Infrastructure Investment and Jobs Act and Inflation Reduction Act include over **\$4 billion** combined for wildfire mitigation. Multiple states have recently funded mitigation programs with state dollars as well.

Fire resistant construction
& landscaping



Land use planning



Prescribed burns



Mechanical thinning





Mitigate Risk

Barriers to mitigation persist

Challenges Include:

- Suppression crowds out mitigation
- Workforce capacity
- Technical capacity needed to utilize Federal funds
- Funding timelines



Recommendations

MEASURE

MANAGE

MITIGATE

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