A long-term goal for future biennial budget development:

Consider a range of options for large fire funding, including a self-insurance model and/or an alternate structure to the current private insurance.
Assumption and Principles

10-year average – $20 million in suppression costs – will continue, with a slight trend to more severe seasons

Principle #1: Maintain equity at the 10-year average of net large fire cost ($20M)

Principle #2: Provide certainty of public funds (General Fund, Lottery, etc.) for large fire suppression costs

Principle #3: Share the risk with an insurance policy to minimize significant fluctuations in net large fire costs to Oregon
Create a Trust Tund

- Established constitutionally
- Pays the 50% public share of the first $20 million of large fire costs
- Builds certainty of funding when large fire costs exceed $20 million
- Max limit of 150% of total annual public share exposure with a cap of $60 million
- Funding Sources – General Fund, Lottery, General Fund share of fire cost collections, possibly others such as parametric coverage
**Work Group Recommendations**

**Insurance**

- Continue purchase of catastrophic firefighting policy
- Continually evaluate:
  - Value/applicability of insurance
  - Coverage, deductibles
  - Rates
Work in Progress

• Evaluate BLM contributions to the OFLPF
• Increase assessments on unmanaged Lands

Future Considerations

• OFLPF – adjustments to annual spending and fund limits
Is there support for the recommendations?

Seek additional guidance regarding:

- Should the Trust Fund have a cap?
- Should the Trust Fund be used for reimbursing firefighting costs of other state agencies (OSFM, National Guard, others?)?
- Input on the governance model of a Trust Fund
- Should the Trust Fund be utilized for the unfunded portion above the insurance policy (in excess of $75 million)?
Thank You