Sustainable Large Wildfire Funding Work Group
April 5, 2016

1. **Create a Trust Fund:**
   - The Trust Fund would be constitutionally protected in order to prevent use of funds for other purposes.
   - For the purpose of paying for the General Fund portion of emergency fire suppression cost:
     - 50 percent of the statutorily defined $20 million, and
     - the portion between $20 million and the point at which insurance begins paying out (currently at $50 million)
   - The Trust Fund balance would be limited to the greater of 150 percent of the total annual exposure of General Fund expenditures on emergency fire suppression costs or $60 million.
   - Payments/revenues to the fund could include:
     - General Fund, as well as the General Fund portion of:
       - fire cost recovery on emergency fires – exclusive of receipts payable to FEMA and/or insurance underwriters
       - severity funds authorized but not expended in a fire season
     - Lottery Funds

   **Other Considerations for the Trust Fund**
   - Are there other funding sources to consider?
   - How do we build in flexibility to make changes to the system in the future if needed, especially if it is constitutionally established? Should the cap be determined by a Board of Trustees or the State Forester?
   - Should the Trust Fund be used for the unfunded portion above the insurance policy (above $75 million)?
   - Should the Trust Fund be utilized to pay large fire suppression costs for other state agencies?

2. **Insurance:**
   - Continue purchase of catastrophic firefighting funding policy and each year review the optimum amount of insurance, the level of deductible and the cost of premiums.
   - Consider parametric coverage:
     - Help fund the gap between $20 million and the point at which the insurance policy begins to pay with a parametric product.

   **Other Considerations for Insurance:**
   - How would a parametric policy be funded?
Work in Progress

1. Participation of west side BLM lands in the OFLPF:
   - The working group identified several concerns with participation of the BLM in the OFLPF. These included large blocks of unmanaged land, increasing fuel loading, and limited access that are increasing the potential for fire spread, and larger, more expensive fires. There is also concern that reduced harvest levels on west side BLM lands has decreased their financial contribution to the OFLPF. Finally, BLM lands do not contribute to the General Fund and its portion of the contribution to fire suppression in Oregon. This issue requires additional study and conversation with BLM executives. The implications need to be broadly considered.

2. Increase assessments on unmanaged lands:
   - Lands that are unmanaged typically have higher fuel loadings which complicate fire control efforts and can be a factor in having larger, more expensive fires. Issues exist with this concept including establishing fair and easily implementable criteria by which to delineate different assessments across the landscape.

Future Considerations

1. OFLPF:
   - Adjustments to the OFLPF were considered. Since these adjustments do not directly address the principles of the workgroup they are not moving forward. The adjustments considered were:
     - **Annual Expenditure Limit**:
       - Remove insurance premium, strategic investments and administrative costs from the $13.5 million annual expenditure limit
       - Limit annual expenditure limit to $13 million: $10 million for suppression, $3 million for severity
     - **Fund Limits**:
       - Recommend eliminating 50 percent/$22.5 million threshold on the balance of the OFLPF