



AFTERNOON SESSION 2

Funding Strategy

Purpose

In January 2019, Governor Kate Brown tasked to the Council on Wildfire Response to review Oregon's current model for wildfire prevention, preparedness and response, analyzing whether or not the current model is sustainable given our increasing wildfire risks.

Goal 1: Create Fire-Adapted Communities

Strategy 3: Invest to Limit Loss When Wildfire Does Occur

Element	Course of Action	Prioritization
Health – air filtration systems	Moderate Correction	VERY HIGH
Health – air quality monitors	Moderate Correction	VERY HIGH
Disaster Recovery – regional staffing	Moderate Correction	VERY HIGH
Disaster Recovery – Stafford Act Reform	Moderate Correction	HIGH
Disaster Recovery – Economic Opportunity Fund	Moderate Correction	HIGH
Property Insurance – Monitor Access and Affordability	Moderate Correction	MODERATE

Goal 1: Create Fire-Adapted Communities

Strategy 3: Invest to Limit Loss When Wildfire Does Occur

Element 1. Health Systems

Recommendation Legislature authorize funding to install air filtration systems for low-income residences.

Legislation New funding program

State Investment: 2 FTE @\$250,000 = \$500,000

Personnel

State Investment: \$4,500,000 grants

Equipment

Governance Overseen by Oregon Department of Health

Reference Health Subcommittee Report

Prioritization **VERY HIGH**

Recommendation Oregon Health Authority facilitate multi-stakeholder discussion to (a) identify and remove barriers to residential air filtration systems; and (b) discern degree to which renters are protected from wildfire impacts.

Legislation None

State Investment: Part-time of existing staff

Personnel

State Investment: Minor

Equipment

Governance Overseen by Oregon Department of Health

Reference Health Subcommittee Report

Prioritization **HIGH**

Recommendation Legislature authorize Department of Environmental Quality to install and maintain additional air quality monitoring systems

Legislation New funding program

State Investment: 4 FTE @\$250,000 = \$1 million

Personnel

State Investment: \$275,000

Equipment

Governance Overseen by Oregon Department of Health

Reference Health Subcommittee Report

Prioritization **VERY HIGH**

Goal 1: Create Fire-Adapted Communities

Strategy 3: Invest to Limit Loss When Wildfire Does Occur

Element 2. Disaster Recovery

Recommendation	Add Regional EMS Staff
Legislation	Governor proposes and the legislature approves the addition of 6 regional positions
State Investment: Personnel	Six positions @ approximately \$250,000 per biennium = \$1.5MM
State Investment: Equipment	Increase use of existing facilities
Governance	Office of Emergency Management
Reference	Community and Economic Recovery Report
Prioritization	HIGH

Summary

At the state level, OEM has a very limited staff to support community recovery efforts. Much of the current capacity—all Salem-based—is devoted to providing support to communities with declared federal disasters as they seek reimbursement from the Federal Emergency Management Agency (FEMA). At the same time, while each county has an emergency manager, in many rural counties this person has no staff and is responsible for a wide range of planning and response activities. The system as a whole lacks much capacity to “surge”—particularly in the absence of federal disaster declaration. The nature of the wildfire disaster threat described in the foundational statement above is stretching the capacity of the system in new ways that it is not well equipped to handle. Working with Regional Solutions teams, the regional staff would engage in ongoing work to help communities prepare for wildfires and other natural hazards, as well as coordinating economic and community recovery efforts in the aftermath of wildfires and other hazards.

Recommendation **Federal Stafford Act Reform**

Legislation Stafford Act: Public Law 93-288, as amended; 42 U.S.C. 5121
Small Business Wildfire Disaster Recovery would require new legislation

Reference Community and Economic Recovery Report

Prioritization **HIGH**

Summary

Recent fire seasons in Oregon—and in neighboring states—have shown we are vulnerable as individuals and communities to the impacts of wildfire, both in terms of physical infrastructure but also in terms of economic disruption. The State has a very limited “toolkit” to support community preparedness, adaptation and recovery. While more federal tools are available for both preparedness and recovery, due to the specific nature of wildfire disasters and limitations in local capacity, significant gaps remain.

The disaster preparedness and response system is intended to address “all hazards.” However, wildfires pose challenges that have revealed several weaknesses and gaps in the system. Wildfires challenge the system in unusual ways:

- **The acute period** of wildfire events can last for months, during which County emergency managers are inevitably focused on response activities. This contrasts with a flood event, for instance, that may last for a few days, after which the emergency response personnel can shift to supporting recovery.
- **The frequency and scale** of wildfire, which are clearly increasing, are stressing the emergency response system as a whole, in a similar way that this changing wildfire environment is pushing against the limits of the ODF’s traditional method of suppression.
- **The increasing frequency and intensity** of wildfire threatens to create a “new normal” that may require more fundamental changes to communities. A clear example is the threat to the visitation economy of Southern Oregon posed by repeated smoky summers.
- **Wildfires rarely trigger a major disaster declaration under the “Stafford Act”** beyond the Fire Management Assistance Grant Program (FMAGP). While wildfires can cause major economic disruptions, they very rarely create the kind of public infrastructure impacts that trigger a Presidential disaster declaration that makes a higher level of federal disaster aid available.

Recommendation **Funding for the Local Economic Opportunity Fund**

Legislation	2017 ORS285B.260
State Investment:	\$1,000,000
Personnel	1 FTE @ \$250,00 per biennium
State Investment:	n/a
Equipment	
Governance	Business Oregon, Office of Business Development Department
Reference	Community and Economic Recovery Report
Prioritization	HIGH

Summary

The Oregon legislature has previously recognized the need for the State to provide critical matching funds for federal hazard mitigation grants and efforts to adapt to regional economic challenges. The legislature previously established funds to provide matching funds for disaster response and pre-disaster mitigation. They have also established a Local Economic Opportunity Fund (LEOF), historically funded with a focus on supporting resilience work. Supporting communities as they mitigate for wildfire will accelerate the evolution

Monitor Property Insurance Access & Affordability

- Summary -

Recommendation #	Oregon Insurance Commission monitor property insurance market to ensure continued access to affordable insurance.
Legislation	Direct Division of Financial Regulation to contract regular, independent analysis of property insurance rates and availability in fire-prone areas of the State
State Investment: Personnel	One FTE @ \$250,000 per biennium; estimated \$100,000 to contact a third party to conduct the study
State Investment: Equipment	None
Governance	Division of Financial Regulation
Reference	No committee report
Prioritization	MODERATE

Summary

At present Oregon’s property insurance markets remain robust and competitive, providing Oregonians access to affordable property insurance. Insurance carriers are paying increased attention to wildfire risk, particularly in light of recent events in California. The Division of Financial Regulation should initiate an ongoing monitoring of insurance markets here in Oregon and across the West to ensure access and affordability remain in place.

Monitor Property Insurance Access & Affordability

- Detailed Analysis -

Defining the Issue

Problem Statement

- With increases in the frequency and severity of wildfire expected, will property insurance remain available and affordable?

Current Situation

- Currently there are 149 licensed insurance providers in Oregon.
- Unlike California, there does not appear to be a negative reaction to recent wildfire activity.

Recent Trends

- Recent wildfire events have not resulted in an increase in customer complaints regarding property insurance rates or product availability in fire-prone regions in Oregon.
- Anecdotal evidence does not indicate an increase in premiums associated with wildfire.
 - There is no evidence that the number of insurance policies in fire prone regions have dropped.
 - Oregon's FAIR program – designed to make sure that hard-to-insure customers have access to insurance – shows no evidence of an increase in customers based on a lack of insurance offered to cover property in fire-prone regions of Oregon.

Business-As-Usual Forecast

- A healthy market in insurance suggests that Oregonians continue to have access to affordable insurance --- wherever they live.

Policy Options Available to State

- Continue current practice (no ongoing monitoring)
- Initiate periodic monitoring (recommended option)

Overview of Policy Under Consideration

- State actions: Provide funding for the Director of Financial Regulation to contract a third-party review of insurance premiums and insurance availability in fire-prone regions in Oregon.

Anticipated Uplift

- Continuation of current access and affordability.

Anticipated Costs

- Third-party contract estimated at \$100,000 per biennium. One FTE @ \$250,000/biennium = \$250,000 in personnel costs

Timeline

- Time to implement: immediate

Implementation Certainty

- Low implementation risks.

Overall Priority

MODERATE