

STAFF REPORT

Agenda Item No.:	3
Work Plan:	Fire Protection Work Plan
Topic:	Annual Topic: Approval of Forest Protection District Budgets and Rates
Presentation Title:	Approval of the Forest Protection District 2018 Fiscal Budgets and Rates
Date of Presentation:	June 7, 2017
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SUMMARY

ORS 477.265 requires the Board of Forestry to annually review the forest protection district budgets and pass final approval on all district budgets including the prorated acreage assessment rates.

CONTEXT

Oregon's wildfire protection system has historically provided an effective and efficient method of addressing the state's fire protection responsibilities – both in initial attack and large fire management needs. The system uses a “complete and coordinated” methodology and is funded through a complex mix of landowner and state general fund dollars. The system provides policy, prevention and suppression activities at the national, statewide and district levels. The delivery of these services are reviewed annually and predominately funded through the development of fiscal protection budgets in which the costs are proportioned on a legislative determined statutory ratio of landowner and general fund dollars.

Development Process:

Consistent with statutory direction¹, each year in January, the state office and districts begin developing a fire protection budget to fund activities for the upcoming fiscal year (July 1st – June 30th). During the development process, district budget committees analyze and review the draft budget prior to making recommendations to the District Forester. The budget committee then carries the final recommended budget to the Board of Directors of the Forest Protective Association for consideration at the annual spring association meeting. Additionally, each district holds a public budget meeting for any landowners affected by the budget to provide an opportunity for any additional public comments on the budget.

The last step in the district fiscal protection budget process is submittal to the State Forester and then official approval by the Board of Forestry in June. Attachment 1 provides a summary of the fiscal year 2018 recommended budgets.

¹ ORS 477.235 Forester to prepare tentative budget estimates for districts
ORS 477.240 Advisory and guidance committees
ORS 477.255 Holding of budget meeting; revision and submission for final approval
ORS 477.265 Board to deal with budgets annually

BACKGROUND / ANALYSYS

Throughout the development of the fiscal year 2018 budgets and spring association meetings, landowners have expressed appreciation for the level of protection and service they receive from the Associations and Department. Association meetings have been very collaborative and productive with excellent dialog focusing on important fire protection related topics and all recommended approval of the fiscal year 2018 fire protection budgets.

Challenges in Fiscal year 2018 budget development:

Fiscal Budget development begins with Headquarters developing a budget and drafting instructions to the districts. This process starts in early January to allow adequate time for completion and submittal to the Board of Forestry by June. One significant challenge every odd year is the timing of fiscal budget development with the biennial legislative process and any potential outcomes. Changes between different versions of biennial budgets (Agency Request, Governors Recommended and Legislative Adopted) can cause significant changes to the fiscal budget instructions, as seen in the current Governor's Recommended Budget (GRB).

The GRB incorporates a General Fund reduction in the Protection Division of \$437,000, which equates to a \$1,325,554 reduction overall given the matching landowner funds. This funding reduction translates to a loss of 10 FTE's in seasonal positions (33 seasonal fire protection positions in total). Attachment 2 represents the impacts to the Protection FY 2018 budget based on the GRB.

Because of existing laws, uncertainty of the agency's final biennial budget, and uncertainty of legislative outcomes, yet having the need to comply with statutes (ORS 477.265) the Department recommends the Board approve the FY 18 fiscal budgets as submitted.

Depending on the outcome of the 2017-19 legislative session, additional action may be required by the Board, however, until a final biennial budget is approved through the legislative process it is critical we move ahead following existing laws and with the best information possible.

RECOMMENDATION

The Department recommends the Board approve all Fiscal Year 2018 district and association protection budgets as presented in Attachment 1.

ATTACHMENT

- (1) FY 18 Budget Summary, by District and Area
- (2) Governor's Recommended Budget: Fire Protection Reductions