

REPORT TO STATE FORESTER

June 30, 2016

Prepared by the Oregon
Department of Forestry



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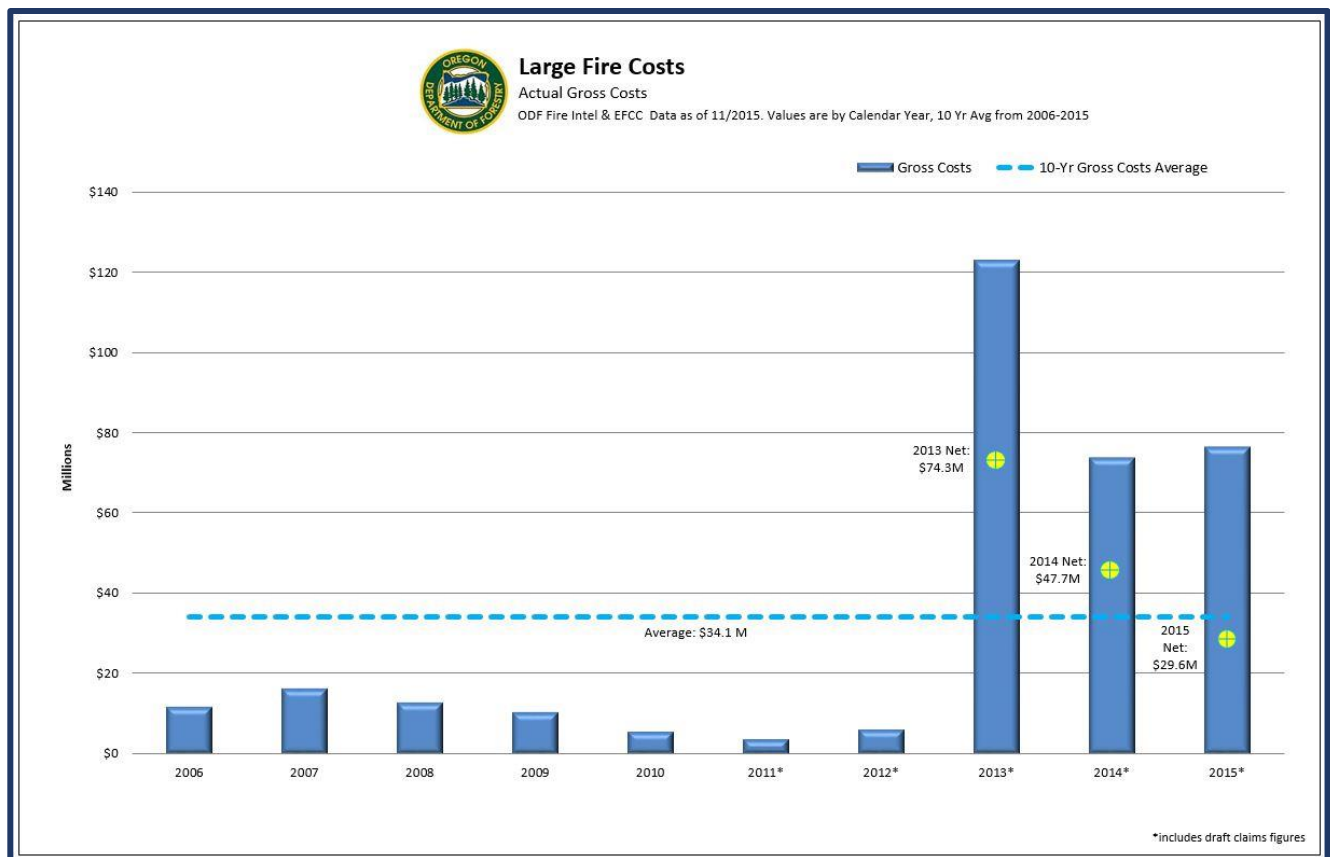
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Introduction

During the 2013, 2014 and 2015 fire seasons, Oregon experienced a significant increase in wildland fires across all ownerships, and related damages and costs. Contributing to the increasing duration and intensity of high fire danger periods have been long-term drought conditions, limited snow pack, significant lightning events, and record-breaking high temperatures.

Ten-year averages for suppression costs and acres burned, along with loss of resources and structures, have significantly increased and a trend toward more complex fire conditions in Oregon is anticipated in the future. The amount of firefighting resources required has, at times, taxed the Oregon Department of Forestry's protection system, both financially and operationally. This increased need for agency resources also coincided with periods of high workloads in the Department's other programs, including State Forests, Private Forests, and Administrative Services, delaying critical work in these program areas.

In response to these challenges, the Department, legislative leadership and the Governor's office partnered to initiate a comprehensive review of Oregon's complete and coordinated wildfire protection system. To facilitate this effort, and incorporate the broad perspectives necessary to be successful, the Department convened a Fire Program Review Committee comprised of key landowners, stakeholders, agency cooperators, legislative leadership and the Governor's office.



Fire Program Review Committee Purpose and Scope

The committee was created for the purpose of: “advising the State Forester in an effort to develop and implement agency initiatives that build toward a more sustainable fire organization, including large fire funding viability.”

The committee’s recommendations, as summarized in this report, will be thoughtfully reviewed by the Board of Forestry and the Department. Recommendations may be incorporated into the Board of Forestry’s work plan as well as the Department’s operating plans for future implementation. The Board is the decision-making forum for implementing committee recommendations that require the Department to take legislative action (enacting or amending Oregon statutes or changes to the agency budget).

Fire Program Review Committee Goal

“To provide recommendations on continuous improvement strategies for Oregon’s highly functioning complete and coordinated wildland fire protection system.”

Committee Objectives

In its deliberations, the Fire Program Review Committee pursued three objectives:

1. Sustainable Large Wildfire Funding: To explore long-term solutions to Oregon’s large wildfire funding challenges by:
 - Considering a range of options to improve Oregon’s existing large wildfire funding system, including a self-insurance model and/or an alternate structure to the current private insurance.
2. Sustainable Wildfire Organization: To explore long-term solutions to the challenges inherent in supporting all Department programs in the context of more challenging fire seasons by:
 - Conducting a broad review of the current agency organizational challenges inherent in supporting all agency programs, in the context of more challenging fire seasons. Identifying critical shortages and future protection system investment opportunities for the Department’s biennial budget development process.
3. Wildfire Policy: To explore policy options to help mitigate the increasingly complex wildfire conditions in Oregon by:
 - Considering initiatives and making recommendations towards an implementation plan that aligns local, private, state and federal partners towards a cohesive wildland fire management strategy in Oregon that achieves the objective to mitigate Oregon’s increasingly complex wildfire conditions.

2015-16 Fire Program Review Committee Development and Process

During the fall of 2015, the State Forester, Governor's office and legislative leadership coordinated to identify the purpose, scope and membership for the Fire Program Review Committee. The committee's full roster is detailed on page nine of this report and includes seven legislators, the Governor's office, forest landowners, key partners and stakeholders.

The Fire Program Review Committee began its work with a formative meeting on December 1, 2015, when committee members shared thoughts on desired future 'headlines' that might result from the committee's efforts. The committee reviewed its purpose and objectives detailed in the committee charter and was presented with relevant information from recent fire seasons to assist in the identification of key challenges to be addressed by the committee.

The committee formed two work groups to begin deliberations on the first two committee objectives: 1. "Sustainable Large Wildfire Funding Work Group" and 2. "Sustainable Wildfire Organization Work Group."

At the second committee meeting on January 21, 2016, the final work group was formed to deliberate on the third committee objective, "Wildfire Policy Work Group". Both the committee and the work groups operated with inclusiveness and transparency, maintaining a public comment period at each meeting. In addition to committee member participation on each of the three work groups, each work group broadened its rosters by including additional stakeholders, key partners, subject matter experts and other interested parties to provide more diverse perspectives commensurate with the challenges assigned to each work group. The three work groups were directed by the committee to produce a set of recommendations for consideration by the full committee at subsequent meetings.

At the third committee meeting on April 5, 2016, each work group presented its initial set of recommendations to the committee. The committee offered a robust deliberation on the presented topics and provided final direction to the work groups to further refine their recommendations.

At the final committee meeting on June 6, 2016, final work group recommendations were presented. The committee deliberated, adjusted and reached consensus on the following set of recommendations to the State Forester.

Fire Program Review Committee Recommendations

► Sustainable Large Wildfire Funding

Recommendation #1: Trust Fund

- Recommend a legislative ballot referral to amend the Constitution and dedicate 2 percent of Oregon Lottery funds towards the creation of a trust fund for the public share of large wildfire suppression costs on Department of Forestry jurisdictional fires and for reducing wildland fire risk.
- Recommend continuation of the Sustainable Large Wildfire Funding Work Group, including existing members, along with legislator(s) from the Fire Program Review Committee and other interested parties to further develop the referral language and the implementation framework for the trust fund concept, and present the results to the State Forester, Board of Forestry Chair and Governor's office for possible consideration by the 2017 Legislative Assembly.

Recommendation #2: Catastrophic Fire Insurance Policy

- Recommend ODF and the Emergency Fire Cost Committee (EFCC) regularly perform due diligence on the value, retention and policy limits of the existing catastrophic fire insurance policy and, when appropriate, purchase the catastrophic fire insurance policy.
- Recommend ODF and EFCC refine the proposed parametric insurance concept and its role in the public share of large fire costs, and present their findings to the Board of Forestry for consideration. The intent is for it to be funded by the state General Fund.

Recommendation #3: Bureau of Land Management Protection Study

- Recommend ODF, EFCC and the BLM initiate a study examining the equity of BLM contributions to large fire funding compared to large fire costs expended on BLM lands, and present alternatives for reconciling any identified issues to agency leaders.
 - EFCC and ODF will initiate this work on June 7, 2016 by developing a draft charter to define the scope and intent of the study
 - EFCC and ODF are to include BLM leadership early and throughout the process
 - EFCC will provide study results and alternatives to the State Forester and to the Board of Forestry by June 1, 2017
 - The Department will utilize the results to inform the 2018 BLM suppression contract process.

► Sustainable Wildfire Organization

Recommendation #1: Severity

- The committee recommends the additional severity investments, up to \$1.5 million, be pursued through the Department budget process. The intent is for it to be funded by the General Fund. The Department will develop metrics that allow for analysis of the effectiveness of severity investments.

Recommendation #2: Improvements to the Complete and Coordinated Wildfire Protection System

- The committee recommends that the agency (Salem Protection Division as well as local ODF Fire Protection Districts and Forest Protective Associations), coordinate and collaborate with landowners, cooperating agencies and stakeholders to establish priorities on the additional themes identified by the Sustainable Fire Organization work group as future focus areas and recommends that the Department embrace them and work to implement specific options, over time, through budget and legislative processes.

► **Wildfire Policy**

Recommendation #1: Landscape Resiliency and Fuels Management

- Request that ODF Resource Planning staff work to conduct a Wildfire Risk Analysis to quantify the potential of wildfire to move across ownership boundaries and to prioritize landscape level treatments. This research work should be conducted collaboratively with stakeholders, partners and cooperators. ODF should use the information from the analysis to support agency input to Bureau of Land Management (BLM) and U.S. Forest Service (USFS) planning efforts, especially regarding boundary issues along private-public ownership boundaries.
- Encourage the Oregon Legislature to support the state's financial interest to simultaneously continue the pace, scale and quality of federal forest restoration, reduce the risk of transferring wildfire to private lands, and enhance economic opportunity in rural communities. This includes federal funds spending limitation to implement Good Neighbor Authority projects. Encourage the State Forester to enter into a Good Neighbor Authority agreement with the BLM.
- Request that the Board of Forestry maintain its Federal Forest Subcommittee and elevate its voice on the importance of active management to increase fire resiliency on lands managed by the USFS and BLM.
- Request that the ODF Protection Division work with the ODF Partnership and Planning Program to pursue alternative funding sources available through grants and partnerships to increase fuels management work and landscape resiliency (e.g., USDA Natural Resources Conservation Service Regional Conservation Partnership Program, USFS Community Assistance Grants, Joint Chiefs Designations, and Cohesive Strategy)

Recommendation #2: Smoke Management and Prescribed Burning

- Request that ODF Protection Division work with the Smoke Management Advisory Committee to engage the USFS, BLM, Department of Environmental Quality, Oregon Health Authority, landowners and other partners to initiate a study to identify the factors which limit land managers from meeting their prescribed fire burning objectives.
- Request that ODF Protection Division and ODF Public Affairs work with partners (USFS, BLM, tribes, private landowners, cities, Oregon Health Authority, DEQ, Oregon Forest Resources Institute, Oregon State University Extension Service, rural fire departments and collaborative groups) to conduct a proactive public outreach campaign to increase awareness of the need

for and understanding of the use of prescribed fire and to generate social support for the activity.

Recommendation #3: Rangelands

- Continue to enhance coordination between Rangeland Fire Protection Associations (RPAs), the BLM and other collaborative partners to increase fire suppression capability and capacity on rangeland fires (such as the Harney County Wildfire Collaborative). Continue to incorporate unprotected rangelands into existing or new RPAs.
- Request the ODF Protection Division support innovations and research in rangeland landscape management by RPAs and their partners, in coordination with the U.S. Department of Agriculture (Agricultural Research Service) and the U.S. Department of the Interior to build capacity to mitigate the risk of wildfire on Oregon's rangeland (e.g. precision restoration project being implemented in sage grouse country). Encourage the Oregon Legislature to continue to strategically invest in restoration projects that meet sage grouse habitat and fuel mitigation objectives.

Recommendation #4: The Wildland/Urban Interface

- Request that ODF Protection Division and ODF Resource Planning collaborate to initiate a study to analyze the suppression costs associated with fighting wildfires in the Wildland/Urban Interface (WUI) and the role of the Department and all its partners for suppression efforts in the WUI.
- Request that ODF Protection Division collaborate with the Department of Land Conservation and Development to optimize and align the current array of regulatory tools associated with wildfire mitigation, and continue to seek potential funding sources necessary to assist property owners with implementing defensible space treatments around residences and structures at the time of construction, and at appropriate intervals thereafter.
- Request that the ODF Protection Division conduct an effectiveness review of Senate Bill 360 policies and implementation procedures, and determine the most effective pathway forward, with a focus on its success in mitigating the risk of wildland fire fuels in the WUI.

Conclusion

This report summarizes the seven-month process of the 2015-2016 Fire Program Review Committee and offers a suite of committee recommendations to the State Forester, informed by efforts of the three committee established work groups: Sustainable Large Wildfire Funding, Sustainable Wildfire Organization and Wildfire Policy.

The Department will strive to implement these recommendations over the next several biennium, through existing processes including: Board of Forestry work planning, biennial budget development and agency annual operating planning. Successful implementation will require continued and enhanced collaboration with forest protective associations, federal and other state wildland fire management agencies, other state agencies, local emergency management organizations, private-sector firefighting contractors, forest landowners/operators, rangeland protection associations, as well as other stakeholders and partners.

These recommendations will guide the agency in its effort to achieve a more sustainable large wildfire funding model, work towards achieving a more sustainable wildland fire organization and in developing policies and programs to mitigate the increasingly more complex wildland fire condition in Oregon.

The Fire Program Review Committee's effort represents the most comprehensive review of Oregon's complete and coordinated wildfire protection system since the 2004 program review. Oregon's wildfire protection system remains strong in the face of challenging conditions, and it is the broad participation and leadership expressed through this committee's work that will help to maintain the Oregon Department of Forestry's tradition of excellence, now and into the future.

Fire Program Review Committee Members

2015/2016 Fire Program Review

Committee Chair and Co-Chairs:

- **Doug Grafe**, FPRC Chair,
Fire Protection Division Chief
- **Ken Cummings**, FPRC Vice-Chair,
Emergency Fire Cost Committee
- **Nancy Hirsch**, FPRC Vice-Chair,
Deputy State Forester

Board of Forestry:

- **Tom Imeson**, Board of Forestry Chair
- **Nils Christoffersen**, Board of Forestry
Liaison

Landowners, Stakeholders and

Agency Partners:

- **Phil Adams**, Forest Landowner
- **Roger Beyer**, Oregon Small Woodlands
Association
- **Mike Haske**, Bureau of Land
Management
- **Joe Justice**, Forest Landowner
- **Kristina McNitt**, Oregon Forest and
Industries Council
- **Amanda Rich**, The Nature Conservancy
- **Rex Storm**, Associated Oregon Loggers
- **Jim Walker**, Oregon State Fire Marshal

Congressional Delegation:

- U.S. Senator **Jeff Merkley's** office
- U.S. Senator **Ron Wyden's** office

Legislature and Governor's Office:

- Senator **Michael Dembrow**
- Senator **Chris Edwards**
- Senator **Bill Hansell**
- Senator **Betsy Johnson**
- Representative **John Huffman**
- Representative **Kathleen Taylor**
- Representative **Gene Whisnant**
- **Brett Brownscombe**, Governor's Natural
Resource Office
- **Cathleen Connolly**, Chief Financial Office
- **Matt Stayner**, Legislative Fiscal Office

Work Group Co-Chairs:

- **Tim Keith**, Sustainable Large Wildfire
Funding Work Group Co-Chair, EFCC
Administrator
- **Dave Lorenz**, Sustainable Large Wildfire
Funding Work Group Co-Chair, Southern
Oregon Area Director
- **Travis Medema**, Sustainable Wildfire
Organization Work Group Co-Chair,
Eastern Oregon Area Director
- **Brian Pew**, Sustainable Wildfire
Organization Working Group Co-Chair,
State Forests Division Deputy Chief
- **Chad Davis**, Wildfire Policy Work Group
Co-Chair, Partnership and Planning
Program Director
- **Bob Young**, Wildfire Policy Working
Group Co-Chair, Protection Division
Policy and Prevention Manager

Complete background information on the **2015/2016 Fire Program Review Committee** as well as the **Sustainable Large Wildfire Funding**, **Sustainable Wildfire Organization** and the **Wildfire Policy** work groups can be found at: <http://www.oregon.gov/ODF/Board/Pages/FireProgramReview.aspx>

The web site includes the FPRC charter, agendas, meeting notes, handouts, issue papers, posters, presentations and reference documents utilized during the committee process.