

EMERGENCY FIRE COST COMMITTEE

March 3, 2026

In accordance with the provisions of ORS 477.455, a meeting of the Emergency Fire Cost Committee (EFCC) was held in the Tillamook Room of the Oregon Department of Forestry (ODF) Headquarters and virtually via TEAMS video conferencing on Tuesday, March 3, 2026.

Committee Members Present

Brennan Garrelts (via TEAMS)
Kathryn VanNatta (via TEAMS)
Bobby Corey
Eric Kranzush (via TEAMS)
John Davis (via TEAMS)
Heath Curtiss, non-voting BOF representative (via TEAMS)

Others Present (in person)

Nancy Hirsch, EFCC Administrator
Lorna Hobbs, EFCC Finance Coordinator
Jenn Kroon, Administrative Specialist, ODF
Kyle Williams, Deputy Director of Fire Operations, ODF
Chad Washington, OFIC

Others Present (via TEAMS)

Michael Curran, Protection Division Chief, ODF
Blake Ellis, Fire Operations Manager, ODF
TzA (Teresa Alcock), Fire Program Analyst, ODF
Shelby Berry, Administrative Support, ODF
Tracy Wrolson, Protection Finance Unit Manager, ODF
Ryan Miller, Sr. Policy Analyst, ODF
Jamie Paul, Sr. Policy Analyst, ODF
Derek Gasperini, Public Affairs Officer, ODF
Gina Miner, Assistant to the Area Director (EOA), ODF
Robert Lefebvre, Assistant Area Director (NWOA), ODF
Tyler Ramos, Assistant to the Area Director (SOA), ODF
Rob Pentzer, District Forester (COD), ODF
Justin Lauer, District Forester (NEO), ODF
Tyler McCarty, District Manager, CFPA
Nils Storksen, Deputy District Manager, CFPA
Dominique Ray, Business Manager, CFPA
Pat Skrip, District Manager, DFPA
Jerilee Johnson, Area Accountant, ODF
Kelsey Ramos, Direct Bill Coordinator, ODF
Deanna Drinkwater, Incident Business Advisor, ODF
Suzanne Como, District Business Manager, ODF
Megan Frizzell, Administrative Specialist, ODF
Kiel Nairns, Cost Recovery Specialist, ODF
Aaron Whiteley, Central Unit Forester, DFPA
Sione Filimoehala, Policy & Budget Analyst, DAS
Mike Cafferata
Randy Hereford, Starker Forests
Peggy Lynch, Oregon League of Women Voters

ITEM 1: Call to Order

Chair Garrelts called the meeting to order at 10:00 a.m. Chair Garrelts verified that all committee members were present and all attendees identified. Committee members received meeting materials in advance and are available on the Department of Forestry's website. He added that any additional documents provided at the meeting will be posted to the website as soon as possible following the meeting.

ITEM 2: Approval of the Minutes of January 6, 2026, Meeting

Chair Garrelts asked for a motion to approve the minutes of the January 6, 2026, EFCC meeting. Committee member Bobby Corey made a motion to approve the minutes of the January 6, 2026, EFCC meeting. Committee member John Davis seconded the motion. The minutes were approved unanimously.

ITEM 3: Harvest Tax Allocation for FY27 District Budgets

Chair Garrelts explained that the committee made several important decisions at its January meeting related to the allocation of Oregon Forestland Protection Fund (OFLPF) dollars to fiscal year 2027 (FY27) district budgets but deferred its decision on the allocation methodology for calendar year 2025 harvest tax revenue to be distributed for FY27 district budgets to today's meeting. Chair Garrelts said this decision was deferred because committee members had several questions and more information was needed on other options for allocating these funds. He noted that this decision is for the interim and is limited to FY27 budgets only. He said the OFLPF disbursements workgroup will be developing longer term concepts for the committee's consideration that will help determine what is and is not an appropriate proxy for distributing the harvest tax.

Chair Garrelts said that, after researching the option of using harvest volumes by district, the data is not readily available but may be an option in the future. He said using protected acres by district is, in his opinion, the best option for the interim. Committee member Eric Kranzush agreed with Chair Garrelts and stated that without viable, defensible data it is difficult to make a recommendation on alternative options.

Committee member Kranzush made a motion to approve, for fiscal year 2027 district budgets only, the distribution of available harvest tax revenue from calendar year 2025 consistent with the protected forested acres within each district. Committee member Bobby Corey seconded the motion. The motion was approved unanimously.

ITEM 4: Weather Update

Teresa Alcock (TzA) provided an update on current and projected weather conditions for the state. She noted that the past November through January had some of the warmest temperatures ever experienced in the West with temperatures around seven degrees above average and, despite atmospheric river activity, precipitation has been below normal for the winter. In addition, she said the snowpack is far below what it should be, but noted that in 2025, the state received more snow during the later part of winter, which is encouraging.

TzA stated that predicted drought conditions have also changed, over the next couple of months, showing drought is likely to persist for much of the West. TzA said El Nino conditions are expected throughout the summer, which can mean warmer and drier weather.

ITEM 5: Oregon Forest Land Protection Fund (OFLPF) FY25 Ending Balance

Lorna Hobbs, EFCC Finance Coordinator, provided a report on the OFLPF ending balance for fiscal year 2025 (FY25):

The beginning balance on July 1, 2024 was \$10,811,138.

Revenues for FY25 included:

- Total assessment revenue received totaled \$9,212,781.
- Harvest tax revenues totaled \$1,885,682.
- Interest received totaled \$308,742.
- \$1,125,225 was transferred in for monies owed back to the fund as a result of reconciliations for previous fiscal years.

Total revenue received for FY25 was \$11,407,205 and adding in the money from the reconciliations, total revenue was \$12,532,430.

Expenditures for FY25 included:

- Monies owed back to the large fire fund as a result of previous fiscal year reconciliations, which totaled \$593,992.
- FY25 payroll and operating expenses equaled \$167,032. \$165,000 was transferred out of the fund, but wasn't processed until after July 1, 2025, the start of the 2026 fiscal year, and is reflected on the report for fiscal year 2026. An additional transfer for the remaining \$2,032 still needs to be made.
- \$3,000,000 was transferred for fire season 2024 severity costs.

2024 fire season draft district claims have an estimated net claim total of \$134,759,308 dollars and \$10 million was transferred for fire season 2024 emergency fire costs.

FY25 expenditures totaled \$13 million, which doesn't include the \$167,032.00 for the payroll and operating costs. Expenditures, including the previous fiscal year, reconciliations totaled \$13,593,992.00, leaving an ending fund balance of \$9,749,577.

ITEM 6: Current Financial Status of the OFLPP

Lorna Hobbs, EFCC Finance Coordinator, provided a report on the status of the OFLPP for fiscal year 2026 (FY26), including actual revenues and expenditures through January 31, 2026, and projected revenues and expenditures through the end of the fiscal year. She noted that the format of the report was updated to reflect the changes resulting from HB 3940.

The beginning balance on July 1, 2025 was \$9,749,577.

Revenues for FY26 include:

- Estimated assessment revenue for FY26 is \$13,632,512. These assessments reflect a 97% collection rate. Actual assessment revenues received as of January 31st, equal \$12,302,418. This includes some acreage assessment revenue that was received before November 1, 2025, which was the effective date when those revenues no longer flowed into the fund.
- Harvest tax revenues for FY26 are estimated at \$2,328,079, with \$965,491.00 received as of January 31st. This includes the first two of four quarterly payments for the fiscal year.
- \$36,737 in interest for FY25 was received after July 1, 2025. Total revenue from interest on the account for FY26 is estimated at \$786,762.00 and \$302,226 was received as of January 31st. The interest rate at the beginning of the fiscal year was 4.6% and has since decreased to the current rate of 4.0%.

Total estimated revenues for FY26 are \$16,747,353, with \$13,570,135 received as of January 31st. Total actual revenues received, including the interest from FY25 equals \$13,606,872.

Expenditures for FY26 include:

- \$167,032 for FY25 payroll and operating expenses.
- \$185,000 estimated for FY26 payroll and operating costs.
- \$13,632,512.00 of minimum and improved lot assessment revenue, calculated at the 97% collection rate, available for transfer for FY27 district budgets that the committee approved at its January 6th meeting.
- \$1,164,015.00 of harvest tax revenue that is available for transfer for FY27 district budgets. This is the \$332,968 remaining from the \$13.5 million cap from FY25, plus \$830,047 in revenue for quarters three and four of calendar year 2025. The fourth quarter payment of \$350,713 was received in February. However, it was \$130,600 less than the estimated amount presented to the committee in January.
- Adding the assessment revenue and harvest text revenue brings the amount for transfer for FY27 district budgets to \$14,796,527.

Total expenditures for FY26 are estimated at \$14,981,527. Actual expenditures, including the transfer of FY25 operating expenses as of January 31st total \$165,000.

The current fund balance as of January 31, 2026, is \$23,191,448 with an estimated ending balance on June 30, 2026, of \$11,515,403.

Chair Garrelts asked what the primary driver was for the difference between the estimated and actual assessment amounts. Committee Administrator Nancy Hirsch explained that the actual revenues on the report are through January 31st and that, while about 90% of the revenue are received between November and February, there will be more revenue received before the end of the fiscal year, which will bring the actual amount closer to the estimated amount.

Committee member John Davis asked if the harvest tax revenue estimates were based on a long-term average. Ms. Hobbs responded that the data is projected by ODF staff.

ITEM 7: Status Reports on EFCC Work Groups

Chair Garrelts explained that the implementation of House Bill 3940 (HB 3940) created a fair amount of work for the committee and, to help develop the rules and policies that are directed in statute, several work groups were created. He stated that to date, two work groups have begun meeting and working in partnership with ODF to develop some proposals that will be brought back to the committee for discussion and eventually make some decisions. The two work groups that have met are the Unencumbered Balance Workgroup and the OFLPF Disbursements Work Group. Chair Garrelts asked for updates from representatives of the two workgroups.

Committee member Eric Kranzush, representing the OFLPF Disbursements Work Group, reported that they have met twice and have had very productive meetings with a lot of material to unpack. He thanked Michael Curran, Levi Hopkins and Ryan Miller for their support to the work group. He added that the framework that was established for these meetings set a good trajectory for where the committee wants to go. He noted that the group is making good progress but there wasn't anymore to report on at this time.

Committee member John Davis provided the update for the Unencumbered Balance Work Group. He said they had their first meeting in February and made good progress given the prior history of the topic. He added that there has been good discussion and there is alignment with ODF leaders and subject matter experts. Committee member Davis added that the work group is focused on determining the unencumbered balance at a time when accounting reports on actual revenues and expenditures are available to eliminate the use of estimates. He said the group will have more to report to the committee in the future.

ITEM 8: Fiscal Year 2025 Audit Report

Nancy Hirsch, EFCC Committee Administrator, provided the FY25 Audit Report. She noted that the report was slightly delayed from January because of work priorities associated with HB 3940.

Administrator Hirsch said the report summarizes the findings of the EFCC's FY25 audits, essentially the 2024 fire season, and provided a brief overview of the report. She said EFCC staff conducted FY25 audits in coordination with Department of Forestry Area Accountants and Protection Finance Unit staff. Additional assistance was also provided from one district business manager. Additional attendees at the audits included EFCC members, district foresters and managers, office and business managers, as well as various unit foresters and other district staff employees. The audits were a hybrid of in-person and virtual attendance.

During FY25, total extra costs were estimated at \$309,664,207. After reductions were made for district deductibles and fire cost recoveries, the total estimated claim to the Oregon Forest Land Protection Fund and General Fund is \$129,013,931.

The focus of each audit can be separated into two parts:

- First, all equipment and aircraft charges are reviewed for conformity to preset schedules and appropriateness.
- Second, fire line payroll records are reviewed and compared to the Oregon State Payroll System (OSPS) records and fire line equipment records are reviewed and compared to ODF billing for equipment rentals for accuracy.

All costs are reviewed for conformity to FEMA eligibility when applicable, and fire costs recovery responsibilities.

Audit results for FY25 included:

The statewide total for reversals of charges from emergency fire cost eligibility back to the district was \$378,318. Recurring issues related to ineligible employees, unpaid helicopter deductibles and missing documentation. An additional \$382,272 in severity costs was also corrected from emergency fire to FEMA eligible costs.

All districts except for North Cascade and West Oregon had claims for FY25. Audits were held during the spring of April and May of 2025. There were eleven (11) FEMA eligible fires during fire season 2024 occurring in four (4) districts. These fires were audited separately, led by ODF's FEMA coordinator, in which every file is audited. Payroll and contracted resources were audited separately and EFCC staff participated in the payroll audits and performed separate audits of contracted resources.

Administrator Hirsch provided an excerpt from the Department of Forestry's Protection Division annual report:

"With an early start to the peak season, multiple communities impacted, and 1.9 million acres burned across the state, the 2024 Fire Season will go down as a record-breaking and memorable year.

There were 1,003 fires on ODF-protected lands resulting in 314,181 acres burned. ODF Type 1 Incident Management Teams (IMT) were mobilized eleven (11) times to wildfires this year. The assignments were to the following incidents:

- Salt Creek Fire
- Larch Creek Fire
- Dixon Fire
- Boneyard & Court Rock Fires
- Battle Mountain Complex
- Lane 1 Fire
- Shoe Fly Fire
- Fossil Complex (two deployments)
- Winding Water Complex

Statewide, regardless of jurisdiction, there were 1,956 fires that burned 1,937,512 acres. Due to the agency's aggressive approach to initial attack to preserve natural resources, protect communities, and increase firefighter safety, many fire starts that happened this year were never heard about. Overall, the department put out 93 percent of fires on ODF-protected land at 10 acres or fewer this year."

Administrator Hirsch stated that, while obviously a costly fire season, the adherence to fiscal responsibility was proven by all those involved with tracking the finances. She congratulated all staff involved with the finances from stem to stern for a very successful audit. She added that EFCC members that were able to attend the audits saw the due diligence and professionalism from staff across all districts and the associations.

Administrator Hirsch discussed the operational breakout discussions, that were part of the audits, to talk about successful fire stops, status of strategic investment projects and human caused fires. She said there are several fires highlighted in the report and encouraged everyone to take the time to review them.

Lastly, Administrator Hirsch recommended that, pursuant to Oregon Administrative Rule 629-165-0310, which was in effect during FY25, the EFCC approve the audits of fires that burned in FY25.

Committee member Kathryn VanNatta made a motion to approve the FY25 audit report as presented. Committee member John Davis seconded the motion. The FY25 audit report was approved unanimously.

Chair Garrelts expressed his gratitude to staff for completing these important audits and the value they have to ensure that public dollars are used for good outcomes. He said he also appreciates the

great effort by ODF and Association staff in keeping so many fires small despite a very challenging season.

ITEM 9: Agency | Administrative Branch Report

Protection Finance Unit Manager Tracy Wrolson provided the Administrative Branch report on behalf of James Short, Chief Financial Officer for ODF:

1. Cash Position Stabilized Post-Fire Season

As of late February, the Forestry Cash Account balance is approximately \$41.6 million, with \$8.9 million remaining in the Protection General Fund appropriation. With fire season costs paid and county revenues received, cash flow has stabilized as the agency transitions from winter to spring operations and prepares for the 2026 season.

2. Accounts Payable Trending Down; Vendor Aging Steady

Department-wide expenditures have decreased following peak fire activity. Vendor accounts are averaging close to 45 days, reflecting continued prioritization of timely payments while managing post-season reconciliation.

3. Strong Invoicing Activity; Fire Cost Reconciliation Ongoing

In Q3 FY26, ODF invoiced \$31.2 million and collected \$38.2 million. Outstanding fire-related estimated assets total roughly \$129 million, with liabilities of about \$35 million, reflecting ongoing cost-share reconciliation with federal partners and cooperative agreements.

4. FEMA Reimbursements Continue; Multi-Year Timeline

Outstanding FEMA FMAG/PA balances total approximately \$92.4 million. The agency is on pace to submit remaining 2024 fire season claims by the end of February 2026. Reimbursements continue to be a multi-year process, requiring audit and compliance review before final payment.

5. 2025 Fire Season Financial Impact Managed Through Legislative Action – HB 5204

The 2025 fire season generated \$129.9 million in gross suppression costs.

- \$57.3 million General Fund (GF) for large fire costs
- \$12.2 million GF for severity resources
- \$73.6 million Other Funds spending limitation
- And \$11.6 million GF for centralized administration costs, which is needed after HB 3940 removed those costs from being eligible for reimbursement from the Large Wildfire Fund.

ITEM 10: Protection Division Report

Michael Curran, Protection Division Chief, provided information on the legislative session. He discussed the state's revenue shortfall, which has decreased slightly due to agency reductions identified by all state agencies and by disconnecting some of the state's tax policy from new federal policies. He noted the agency identified two (2) items for reductions: 1) \$2 million of \$4 million available for installation of new detection cameras; and 2) \$6 million of Landscape Resiliency Program (LRP) funds. Chief Curran also discussed HB 5204 and the importance of obtaining the funding for large fire costs, severity resources and centralized services.

Ryan Miller, Senior Policy Analyst, provided an overview of two (2) bills, SB 1540 and HB 4121. He said the agency is closely tracking SB 1540 which would require the Oregon State Fire Marshall, in coordination with ODF, to establish a public facing database to collect mitigation efforts by the public. He said the intent of the bill is to provide a platform for landowners to submit information on mitigation work they complete that could be considered by the Department of Consumer and Business Services (DCBS), and potentially insurers, to provide rate reductions on insurance policies for homeowners. Mr. Miller said there are several concerns related to the bill and there seems to be agreement that more work is needed before moving the concept forward.

The other bill Mr. Miller discussed was HB 4121, also known as the Spartacus Bill. He said an amendment was dropped that removed most of the language related to emergency preparedness functions and a work session was held in the Ways and Means Subcommittee. He added that it does not appear to have the support it needs to move forward.

Chief Curran continued with the Protection Division report. He discussed the status of strategic investment projects and noted that updates are needed on some of the progress reports. He said they will be reaching out to get those updates and will send the information out to the committee once received.

Chief Curran discussed the new Large Wildfire Fund (LWFF) eligibility requirements that were finalized at the beginning of the year. He said the requirements are based on the previously updated EFCC eligibility requirements and were expanded to include all costs related to suppression to keep readiness costs and suppression costs separate for more accurate budgeting. He noted that the Department will review the eligibility requirements annually and will look for opportunities to engage the EFCC in that review.

Chief Curran reported on the status of the Western Oregon Operating Plan (WOOP) agreement with the Bureau of Land Management (BLM). He said the agreement is a 2-year agreement with the option to extend annually for up to five years. The second year of the agreement will end on June 30, 2026, and there is preliminary agreement to extend it for one more year. He said a decision is still needed on whether the BLM or the new US Wildland Fire Service will be party to the agreement.

Chief Curran's last report was an update on the Geoboard. He said it was currently in transition. He said the group created a succession management plan for ODF's incident management teams, as well as an IMT policy and manual. With that work now complete, the Geoboard will be identifying its next area(s) to focus on.

Chair Garrelts commented on the importance of ODF's incident management teams and said he appreciated the work done to implement a plan for succession management.

Chief Curran also announced that Kacey KC, ODF's new State Forester, started at the beginning of the month. Chief Curran said he will be working with her staff to have her attend a future EFCC meeting.

ITEM 11: Administrator Report

Committee Administrator Nancy Hirsch provided an update on the remaining three EFCC workgroups that have not met yet: 1) Reviewing Large Fire Costs, 2) Reviewing District Budgets and 3) Administration of the OFLPF. She said she will be reaching out to committee members and ODF staff to get the first meetings of the Reviewing Large Fire Costs and Reviewing District Budgets workgroups scheduled and will hold off scheduling a meeting for the Administration of the OFLPF workgroup for now. Administrator Hirsch noted that these are collaborative workgroups with ODF, leadership and staff subject matter experts and that the first meetings provide foundational background information needed to get started. She said the workgroups will be meeting throughout the summer.

Kyle Williams, Deputy Director of Fire Operations, provided some comments to the committee. First, he thanked the members, as volunteers, for their continued work on new rules and engagement. He said he appreciated the thoughtful work being done on behalf of Oregonians in the system.

He also noted that the reconciliation bill pending in the legislature that addresses the shortfall of funds for centralized administrative costs that resulted from HB 3940 is still working its way through the process.

ITEM: 12 Public Comment / Good of the Order

There was no public comment provided at the meeting. Chair Garrelts adjourned the meeting at 11:18 a.m.

*Minutes drafted by: Lorna Hobbs
Minutes reviewed by: Nancy Hirsch*