



# MONTANA LEGISLATIVE BRANCH

## Legislative Fiscal Division

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Director  
AMY CARLSON

DATE: November 13, 2012  
TO: Members of the Legislative Finance Committee  
FROM: Christina Allen, Fiscal Analyst  
RE: Update on Fire Suppression Costs

### FY 2012 SUPPRESSION SUMMARY

For FY 2012 the state has incurred \$20.0 million in fire suppression costs, of which \$3.5 million is reimbursable by other parties, creating a net cost to the state of \$16.5 million. The FY 2012 beginning fire suppression fund balance is \$20.6 million, leaving an estimated balance of \$4.1 million for FY 2013.

### FY 2013 SUPPRESSION STATUS

As of October 17, 2012, the FY 2013 estimated expenses are \$55.2 million, of which \$7.7 million is reimbursable by other parties. The current estimated net cost to the state is \$47.4 million. Figure 1 shows the amount that will need to be appropriated by the 2013 legislature to fully fund fire costs for FY 2013.

Item	Amount
Current Fire Costs	\$55,200,000
Reimbursements	(\$7,700,000)
FY 2013 Fire Suppression Fund Balance	(\$4,100,000)
Governor's Emergency Fund (estimated)	<u>(\$12,000,000)</u>
<b>Total Supplemental Appropriation</b>	<b><u>\$31,400,000</u></b>

Figure 2 lists the available funding options for fire suppression for the remainder of FY 2013. The agency anticipates beginning to receive invoices in March 2013. Therefore, the agency has resources available until the legislature can act.

Department of Natural Resources and Conservation Available Funding Sources for Fire Suppression	
FY 2013 Fire Suppression Fund Balance	\$4,100,000
Governor's Emergency Fund	\$12,000,000
General Fund (DNRC Appropriation)	<u>\$10,000,000</u>
<b>Total</b>	<b><u>\$26,100,000</u></b>

## AVERAGE COST OF FIRE SUPPRESSION

The average cost of fire suppression has risen from \$11.2 million in FY 2011 to \$23.2 million FY 2013. The Legislative Fiscal Division calculates the average by utilizing the previous seven years of data, removing the high and low seasons, and dividing by five. The average increased significantly due to the extreme increase in FY 2013 dropping lower costing. Figure 3 demonstrates the calculation.

Average Cost of Fire Suppression			
Fiscal Year	Total Costs	Reimbursements	State Costs
2007	\$61,000,318	(\$21,290,928)	\$39,709,390
2008	108,152,537	(56,757,219)	51,395,318
2009	10,082,885	(3,211,351)	6,871,534
2010	6,695,714	(1,047,748)	5,647,966
2011	3,293,346	(807,571)	2,485,775
2012 Estimate	20,015,142	(3,520,822)	16,494,320
2013 Estimate	<u>55,168,398</u>	<u>(7,731,084)</u>	<u>47,437,314</u>
7 Year Total	<u>\$264,408,340</u>	<u>(\$94,366,723)</u>	<u>\$122,604,303</u>
7 Year Average	\$37,772,620	(\$13,480,960)	\$17,514,900
5 Year Adj. Average	\$30,592,491	(\$7,360,387)	\$23,232,105