



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

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Director
AMY CARLSON

DATE: September 19, 2011

TO: Members of the Legislative Finance Division

FROM: Barbara Smith, Fiscal Specialist

RE: Fire Suppression Costs

The Department of Natural Resources and Conservation (DNRC) provided initial attack on 232 fires, holding 224 (or 96.5 percent) to ten acres or less. Total acreage burned under DNRC direct protection was 8,651. In the county assistance program, DNRC provided assistance on an additional 57 fires. Total acreage burned under the county assist program was approximately 55,940. The program will continue to pick up some initial attack activities if the weather continues to be warm.

The state has incurred \$14.9 million in fire suppression costs as of September 7, 2011, of which \$1.1 million is the reimbursable by other parties, creating a net cost to the state of \$13.8 million. Figure 1 illustrates the impact of state costs to the fire suppression fund balance. The FY 2012 beginning fund balance is \$20.6 million, leaving an estimated balance of \$6.8 million

Department of Natural Resources and Conservation Fire Suppression Fund Projected Balance	
FY 2012 Beginning Fund Balance	\$20,611,944
Estimated State Fire Costs	<u>(\$13,802,928)</u>
Estimated Fund Balance	\$6,809,016

FY 2012 SUPPRESSION COSTS

Department of Natural Resources and Conservation Fire Costs as of September 7, 2011	
<u>PART 1: FY2012 Actual & Estimated Costs</u>	
Paid State Protection Costs (YTD)	\$3,196,672
Estimated Remaining Protection Costs	<u>11,732,091</u>
Paid and Current Obligations	<u>\$14,928,763</u>
<u>PART 2: Reimbursements</u>	
Reimbursement Available	
Billable Support	(\$1,125,835)
	(1,125,835)
Estimated State FY 2011 Fire Costs	<u>13,802,928</u>

Figure 2 depicts the financial state of the FY 2012 fire season as of September 7, 2011. Part one illustrates the status of paid and unpaid obligations. To date, the state has paid \$3.2 million of the estimated \$14.9 million, leaving an unpaid balance of \$11.7 million.

Part two addresses the anticipated reimbursements. Federal reimbursement is anticipated at \$1.2 million from cost

share negotiations on the South Fork Lost Creek, Diamond Complex, and Elk Park fires. The state did qualify for any emergency assistance through the Federal Emergency Management Agency (FEMA) for the Canyon Creek fire. As of the writing of this report, the declaration period has not yet been set.

AVERAGE COST OF FIRE SUPPRESSION

The average cost of fire suppression has risen from \$11.2 million in FY 2011 to \$14.1 million FY 2012 year to date. 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 slightly because of the elimination of FY 2005, a very low cost season. Figure 3 below demonstrates the calculation.

Average Cost of Fire Suppression			
Fiscal Year	Total Costs	Reimbursements	State Costs
2006	8,302,312	3,240,042	5,062,270
2007	61,000,318	21,290,928	39,709,390
2008	81,544,805	31,544,805	50,000,000
2009	10,082,885	3,085,409	6,997,476
2010	5,811,539	849,640	4,961,898
2011	2,297,285	357,399	1,939,886
2012	<u>14,928,763</u>	<u>1,125,835</u>	<u>13,802,928</u>
7 year total	<u>\$183,967,907</u>	<u>\$61,494,058</u>	<u>\$122,473,848</u>
7 year average	\$26,281,130	\$8,784,865	\$17,496,264
5 year adj. average	<i>\$100,125,817</i>	<i>\$29,591,854</i>	<i>\$70,533,962</i>
	<i>\$20,025,163.32</i>	<i>\$5,918,370.87</i>	<i>\$14,106,792.45</i>

FUTURE COSTS

As with any fire season, suppression costs are not certified complete until long after the last flame is put out. Since this fire season is running longer than normal, the LFC can anticipate final fire costs higher than currently being reported. The LFD staff will continue to monitor the estimates.