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2018-19 Fire Response and Recovery

LEGISLATIVE ANALYST'S OFFICE

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Hon. Holly J. Mitchell, Chair





Key Features of State's Disaster System



Standardized Emergency Management System (SEMS) Provides Emergency Response Framework

- ***Designates Responsibilities.*** Provides an organizational structure that is consistent across state and local governments using SEMS. Provides a process for designating who is in charge in the field (“incident commander”) and allocating responsibilities, such as for management, operations, planning, logistics, and finance.
- ***Takes Bottoms-Up, Scalable Approach.*** Framework can be used for small disaster events, and scaled up as necessary for large disaster events. As needed, local, regional, state, and federal assistance is requested.
- ***Uses Mutual Aid System.*** Communities can request assistance from other communities directly, through regions, or through the state.



Various Types of Disaster Declarations, Which Affect Funding

- ***Disaster Declarations Depend on Type and Severity of Disaster.*** For example, the Governor can proclaim a State of Emergency when local resources have been exceeded. Additionally, the President can declare an Emergency or Major Disaster for certain types of disaster events beyond the state's capacity.
- ***Disaster Assistance Typically Varies Depending on Type of Declaration.*** There are various disaster assistance programs offered by the state and federal government. Some are available without a disaster declaration (such as mutual aid for fires), but many are only available if a state or federal disaster declaration is made.



Various State Agencies Involved in Fire Response and Recovery



Coordination

- **Office of Emergency Services (OES).** Monitors and coordinates disaster response and recovery activities, including tasking other agencies with carrying out specific activities and coordinating mutual aid. Also administers the California Disaster Assistance Act (CDAA) program, which funds the repair of local infrastructure.



Fire Response

- **Department of Forestry and Fire Protection (CalFire).** Main state entity involved in fire response. (Local and federal fire agencies also assist in fire response.) Primarily responsible for protecting state responsibility areas (SRAs), which cover about one-third of the state's acreage and include primarily privately owned timberlands, rangelands, and watersheds.
- **California Military Department.** Provides support—such as additional firefighting aircraft—to assist with combatting large fires.



Fire Recovery Assistance

- **Department of Toxic Substances Control (DTSC).** Cleans up hazardous waste, such as paint, heavy metals, and asbestos.
- **California Department of Resources Recycling and Recovery (CalRecycle).** Cleans up other types of debris, such as ash.
- **California Department of Social Services (DSS).** Administers a program that provides temporary shelter to victims of disasters and the State Supplemental Grant Program (SSGP), which provides up to \$10,000 to individuals that have experienced disaster losses beyond those covered by other sources such as the federal government or private insurance.



State Funding for Fire Response and Recovery

- Budget Provides Base Funding for Fires and Other Disasters.*** Most notably, the Governor proposes close to \$1 billion from the General Fund for CalFire's base budget in 2018-19 for state fire control-related activities. (This base funding has increased significantly in recent years.) CalFire's budget also includes over \$400 million for the Emergency Fund (E-Fund), which is used when incidents have surpassed the initial 24 hours of response and require additional resources beyond CalFire's base budget. Additionally, the Governor's budget proposes \$72 million in 2018-19 to OES for the CDAA program.
- Statute Allows Midyear Augmentations for Fires.*** Statute provides mechanisms for the administration to access additional funding during a given fiscal year for fires and other unanticipated disasters. Two main ways the administration can make midyear adjustments include:

 - ***CalFire's E-Fund.*** The Director of the Department of Finance (DOF) can augment the level of the E-Fund from the General Fund, as needed.
 - ***Disaster Response-Emergency Operations Account.*** Statute allows DOF to allocate state agencies funding from the budget reserve—known as the Special Fund for Economic Uncertainties—to pay for unanticipated costs that occur associated with state-declared emergencies.



Federal Funding for Fire Response and Recovery



Federal Government Often Pays for Large Share of State and Local Government Costs. The federal government provides various types of assistance to state and local governments in the event of a large-scale disaster, such as a fire that triggers a federal disaster declaration. This assistance includes reimbursements for a variety of activities such as fire response, debris removal, rebuilding of public infrastructure, and activities to reduce the likelihood and severity of future disasters. (The federal government also has various programs that assist individuals and businesses.) In general, the following cost shares apply when an event is declared a federal disaster:

- ***Typically Federal Government Covers 75 Percent of Costs.*** The state and local governments pay the remaining 25 percent. When related to state costs, the state pays the remaining 25 percent. In the case of local government-related costs, the remaining costs are typically shared between the state (19 percent) and the local government (6 percent).
- ***But Federal Cost Share Can Be Higher or Lower.*** Sometimes the federal government provides a greater cost share, such as for initial response activities. Not all activities are eligible for federal reimbursement. For example, not all debris cleanup activities are eligible.
- ***Timing of Reimbursements Can Vary.*** Some reimbursements may come in the current year, while others may not come until the budget year or a few years later because it takes time to complete projects.



Response and Recovery Funding Assumed in 2017-18

Estimated 2017-18 Expenditures on Major Fires and Associated Reimbursements		
<i>(In Millions)</i>		
Department	Purpose	Estimated Expenditures in 2017-18
State Expenditures		
Northern California Wildfires		
Office of Emergency Services	Fire response, debris removal, field operations, infrastructure repair	\$1,144.6
Forestry and Fire Protection	Fire response	238.6
Resources Recycling and Recovery	Debris removal	35.0
General Services	Field operation support	13.0
Social Services	Transitional shelters, individual assistance	11.6
Backfill of Local Property Tax (Proposition 98)	Backfill of school property tax losses	11.4
Military Department	Fire response	5.0
Toxic Substances Control	Debris removal	1.5
Public Health	Field operations	1.4
Housing and Community Development	Local recovery plans and housing assistance identification	0.7
Emergency Medical Services Authority	Field operations	0.3
Subtotal Northern California Wildfires		<u>(\$1,463.1)</u>
Southern California Wildfires		
Forestry and Fire Protection	Fire response	\$300.0
Toxic Substances Control	Debris removal	1.9
Subtotal, Southern California Wildfires		<u>(\$301.9)</u>
Total, State Expenditures		(\$1,765.0)
Offsets and Reimbursements in 2017-18		
Federal Reimbursements		-\$931.5
Base E-Fund Budget Expenditures		-69.3
Local Cost Share		-4.3
Subtotal, Offsets and Reimbursements in 2017-18		<u>(-\$1,005.1)</u>
Total, General Fund Budget Augmentation in 2017-18		(\$759.9)
Federal Reimbursements in 2018-19		<u>-\$388.5</u>
Total, Net General Fund Augmentation for Activities in 2017-18		(\$371.4)



Estimated \$1.8 Billion in State Costs for Northern and Southern California Fires in 2017-18, Mostly Offset by Reimbursements.



Recovery Funding Proposed in 2018-19



Governor's Budget Proposes \$35 Million (General Fund) in 2018-19 for Northern California Fires

- **Backfill for Lost Taxes (\$23.7 Million).** The administration estimates that local communities in Northern California will experience lower property taxes totaling \$23.7 million in 2017-18 and 2018-19 as a result of the fires, and proposes to backfill these losses from the state General Fund. (Additionally, the budget assumes \$13 million in Proposition 98 General Fund to backfill schools in Northern California for lower local property tax revenues.)
- **State and Local Infrastructure (\$10.7 Million).** OES estimates it will incur \$50 million in costs related to repairing state and local infrastructure. Of this amount, \$37.5 million will be reimbursed by the federal government, and \$1.8 million will be covered by local governments, leaving \$10.7 million in net state costs.
- **Housing Assistance (\$212,000).** The Department of Housing and Community Development (HCD) requests \$212,000 in 2018-19 to assist local communities in identifying housing-related grants and develop local recovery plans.
- **SSGP (\$130,000).** DSS requests \$130,000 in 2018-19 for the SSGP.



Cost Estimates Are Preliminary

- Fires occurred recently and it takes time for a full evaluation of disaster costs to be compiled. Notably, there are several categories of expenditures that are not currently included for the Southern California fires due to timing, but will likely be included in May.



Other Fire-Related Proposals in 2018-19



The Governor's budget proposes over \$350 million in 2018-19—funded from the Greenhouse Gas Reduction Fund (GGRF) and General Fund—for other fire and disaster-related proposals, including:

- **CalFire Forest Health (\$160 Million).** CalFire requests \$160 million from the GGRF to support forest improvement, fire prevention, and fuel reduction projects.
- **Helicopters (\$98 Million).** CalFire requests \$98 million from the General Fund for CalFire to purchase 4 helicopters as part of replacing of its 12-helicopter fleet.
- **CDAA (\$33 Million).** OES requests an additional \$33 million from the General Fund in 2018-19 and \$24 million ongoing for CDAA.
- **Ventura Training Center (\$27 Million).** CalFire, California Department of Corrections and Rehabilitation, and the California Conservation Corps request \$9 million from the General Fund in 2018-19 and \$6 million ongoing for a Firefighter Training and Certification Program for parolees at the Ventura Conservation Camp. The budget also proposes \$18 million in capital outlay funding for the proposed center.
- **Local Fire Engines (\$25 Million).** OES requests \$25 million from the GGRF in 2018-19 and \$1 million ongoing to provide local fire agencies with 110 additional fire engines that could be used in the statewide mutual aid system.
- **Conservation Corps Crews (\$10 Million).** CalFire requests \$10 million from the General Fund in 2018-19 and \$7 million ongoing to make temporarily funded Conservation Corps fire crews permanent and increase access to several crews that previously split their time between CalFire and other state departments. These crews would be available for fire activities as well as fire prevention and resource management work.



Other Fire-Related Proposals in 2018-19

(Continued)

- ***McClellan Reload Base (\$4 Million)***. CalFire requests \$4 million from the General Fund to staff and operate the McClellan Reload Base over an extended fire season for the rapid deployment of firefighting tankers.
- ***Disaster Planning and Shelters (\$428,000)***. DSS requests \$428,000 from the General Fund in 2018-19 and \$397,000 ongoing for emergency shelter-related staff.



Key Issues for Legislative Consideration



Proposals Focus Mostly on Short Term, but State Will Also Want to Tackle Longer-Term Issues. One key area to consider is improving the health of the state's forests.

- ***State's Forests Are in Poor Health.*** The state's forests are very dense, which increases the risk and severity of wildfires and makes forests less resilient to other stressors, such as disease and drought.
- ***Consensus That Various Activities Are Needed to Improve Forest Health.*** There is broad agreement that the health of the state's forests would be improved through increased application of forest management practices such as mechanical thinning and prescribed fires.
- ***Barriers Exist to Improving Forest Health.*** Addressing forest health is difficult due to various barriers, including the significant costs involved, the patchwork of ownership of wildland areas, and regulatory requirements.