

FEBRUARY 4, 2021

# **The 2021-22 Budget: Department of Forestry and Fire Protection**

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LEGISLATIVE ANALYST'S OFFICE

## Department Overview

<b>CalFire Budget Summary</b>					
<i>(Dollars in Millions)</i>					
	2019-20 Actual	2020-21 Estimated	2021-22 Proposed	Change	
				Amount	Percent
<b>By Program</b>					
Fire protection	\$2,160.1	\$2,595.7	\$2,344.5	-\$251.2	-10%
Resource management	306.4	340.0	458.1	118.1	35
State Fire Marshall	51.1	49.5	54.9	5.4	11
Capital outlay	104.3	135.6	54.2	-81.4	-60
Board of Forestry and Fire Protection	4.5	3.6	6.9	3.3	91
DOJ legal services	6.6	6.8	6.8	—	—
<b>Totals</b>	<b>\$2,633.0</b>	<b>\$3,131.2</b>	<b>\$2,925.5</b>	<b>-\$205.7</b>	<b>-7%</b>
<b>By Fund Source</b>					
General Fund	\$1,531.7	\$2,070.8	\$1,964.1	-\$106.7	-5%
Special funds and reimbursements	980.8	910.2	938.9	28.7	3
Federal funds	20.4	20.5	22.2	1.7	8
Bond funds	100.1	129.7	0.3	-129.4	-100
<b>Totals</b>	<b>\$2,633.0</b>	<b>\$3,131.2</b>	<b>\$2,925.5</b>	<b>-\$205.7</b>	<b>-7%</b>
CalFire = California Department of Forestry and Fire Protection and DOJ = Department of Justice.					

- **Total Proposed Spending of \$2.9 Billion.** The Governor’s budget provides \$2.9 billion for the California Department of Forestry and Fire Protection (CalFire) in 2021-22. Roughly two-thirds of the department’s budget is supported by the General Fund.
- **Current Year Includes Large Expenditures for Emergency Response.** General Fund spending is proposed to decrease by \$107 million (5 percent) compared to current-year estimated expenditures. This net decrease reflects roughly \$1 billion in current-year augmentations to fight the severe 2020 wildfires, partially offset by federal reimbursements, the expiration of one-time costs, and proposals to increase budget year spending.



## Department Overview

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- **Governor’s Budget Includes Several Significant Funding Proposals.** These proposals include:
  - **Wildfire Resilience Package (\$576 Million).** The Governor’s budget plan includes funding in 2020-21 and 2021-22 from the General Fund and the Greenhouse Gas Reduction Fund for various programs designed to improve forest health and reduce wildfire risk. (Our office will discuss these proposals in a separate analysis on the administration’s wildfire resilience package.)
  - **Emergency Response and Preparedness: Fire Crews (\$143 Million).** The Governor’s 2021-22 budget includes ongoing General Fund resources to establish 16 CalFire hand crews, as well as expand the capacity of the California Conservation Corps (CCC) hand crews.
  - **Capital Outlay Projects and Deferred Maintenance (\$64 Million).** The proposed budget includes General Fund support for 20 capital outlay proposals for CalFire, including relocation or replacement of fire stations, air attack bases, and helitack bases. In addition to this amount, the budget proposes a one-time \$10 million augmentation for deferred maintenance projects at CalFire facilities.
  - **Other Proposals.** Other notable General Fund proposals are (1) \$9.7 million for increased costs for aviation-related contracts, (2) \$8.3 million for the defensible space inspection program in accordance with Chapter 391 of 2019 (AB 38, Wood), (3) \$5 million to enter into a research agreement regarding fire fighter health and safety with California State University San Marcos, and (4) \$3.2 million for the Board of Forestry and Fire Protection related to updating defensible space regulations consistent with Chapter 259 of 2020 (AB 3074, Friedman).

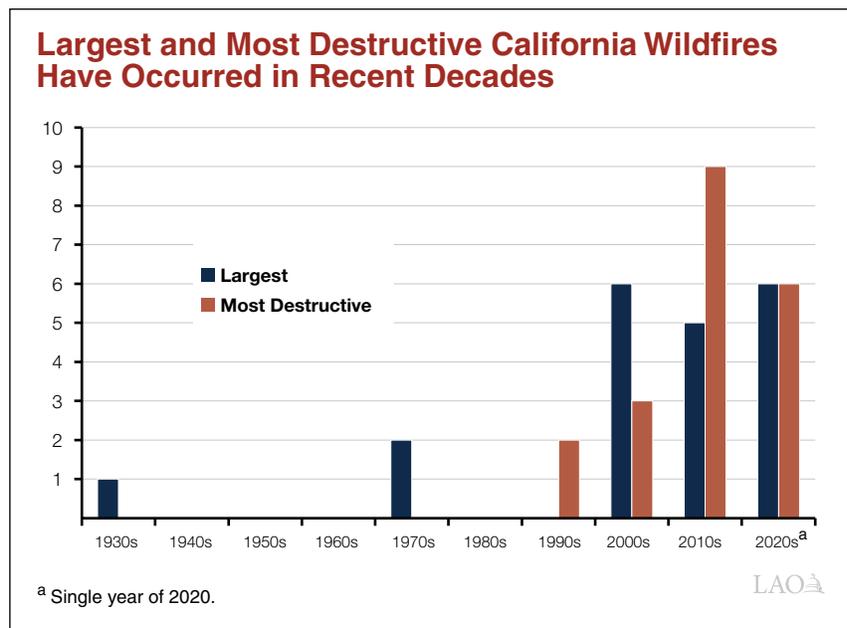


# Emergency Response and Preparedness: Fire Crews

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## Background

**Recent Years Have Seen Some of Largest and Most Destructive Wildfires.** Nearly 10,000 wildfires burned over 4.2 million acres in 2020. Importantly, several of the 2020 wildfires were among the largest and most damaging since California has begun consistently tracking these statistics in the 1930s. The figure below shows that 6 of the 20 largest and 6 of the 20 most destructive wildfires in the state’s recorded history occurred in 2020.



**Declining Inmate Population Has Reduced Hand Crews Available to CalFire.** State and federal agencies commonly use “hand crews” as part of their mix of strategies—including air support and fire engine crews—to battle wildfires. Historically, the majority of the hand crews utilized by CalFire have been operated through agreements with the California Department of Corrections and Rehabilitation for use of state prison inmates.



## Emergency Response and Preparedness: Fire Crews

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- **Hand Crews Do Wildfire Response and Mitigation Work.** Hand crews support fire response by constructing fire lines, assisting fire engine crews with deployment of fire hoses over long distances, providing logistical operational support, and extinguishing hotspots to help contain fires. Hand crews also do fire mitigation work, such as hazardous fuels reduction and vegetation management projects.
- **Inmate Population Has Decreased in Recent Years.** In the past decade, the state has enacted various changes to sentencing laws that have significantly reduced the inmate population. As a result, between January 2010 and January 2020, the inmate population declined from about 167,600 to 123,600 (26 percent).
- **Fewer Inmates Housed in Conservation Camps Than in 2010.** Inmate fire crews are housed at conservation camps located in or near forests throughout the state. Due to the declining inmate population—particularly inmates classified into lower security levels—the number of inmates housed at conservation camps has declined from 3,980 in January 2010 to 2,989 in January 2020 (25 percent).
- **Has Resulted in Closure of Eight Conservation Camps.** The decline in the conservation camp population has led to the closure of eight conservation camps, and the remaining inmate crews have been consolidated into the remaining 35 conservation camps.
- **Some Steps Taken to Offset Loss of Hand Crews.** To address the decline of inmates available to staff these hand crews, CalFire has partnered with CCC to add 12 year-round hand crews in recent years. In addition, the administration contracted with the California National Guard (CNG) to hire ten additional seasonal hand crews in 2020-21. Lastly, four parolee crews are stationed out of the recently established Ventura Training Center and available for hand crew work.



# Emergency Response and Preparedness: Fire Crews

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## Governor's Proposal

### ***Proposes to Expand Availability of Hand Crews (\$143 Million).***

The administration proposes to add a total of 617 positions and funding (\$124.5 million upon full implementation) from the General Fund to support (1) the creation of 16 CalFire hand crews and (2) the expansion of CCC hand crews.

<b>Governor's Proposal to Expand Fire Crews</b>		
<i>General Fund (In Millions)</i>		
<b>Proposal</b>	<b>2021-22</b>	<b>Future Years<sup>a</sup></b>
<b>CalFire</b>	<b>\$137.3</b>	<b>\$116.4</b>
Creation of 16 seasonal fire fighter hand crews	\$93.2	\$97.2
Facility repairs <sup>b</sup>	21.2	—
Vehicles and equipment	6.2	1.4
Supervision of 14 year-round CCC crews	5.0	4.8
Maintenance, cooking, and administrative support	4.9	6.2
Temporary lease and maintenance	3.8	3.8
CCC contract for six seasonal crews	2.5	2.5
Classification study	0.5	0.5
<b>CCC</b>	<b>\$5.9</b>	<b>\$8.1</b>
Addition of two year-round crews	\$3.2	\$3.6
Conversion of six crews to year round	2.4	4.3
Staffing for six seasonal crews	0.4	0.3
<b>Totals</b>	<b>\$143.2</b>	<b>\$124.5</b>
<sup>a</sup> Most costs fully implemented in 2022-23, but some CCC costs ramp up over a few years.		
<sup>b</sup> Includes \$3.3 million for repairs at CCC facilities.		
CalFire = California Department of Forestry and Fire Protection and CCC = California Conservation Corps.		

- ***CalFire Costs (\$137 Million).*** The proposal includes 591 ongoing positions to establish 16 seasonal fire fighter hand crews at seven of the closed conservation camps, as well as other support of the CCC crews and other ancillary costs.



# Emergency Response and Preparedness: Fire Crews

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- **Fire Fighter Hand Crews.** Each crew would be staffed with 13 Fire Fighters I's—the typical seasonal fire fighter classification—for nine months of the year. In order to provide 24-hour coverage, the department would hire a total of 640 fire fighters (equivalent to 480 positions on a year-round basis). The new crews would be phased in over two years.
- **Funding to Reactivate Camps.** Each conservation camp is proposed to be staffed with maintenance, cooking, and administrative support positions. In addition, the proposal includes \$21 million in one-time funds for facility repairs (including some funding for CCC facilities) and \$3.8 million on an ongoing basis for (1) the cost of leasing temporary facilities while repairs are being undertaken and (2) facility maintenance costs for after the camps have been reactivated.
- **Supervision of and Reimbursements for CCC Crews.** CalFire's budget request includes funding for supervisory staff to oversee the expansion of corpsmember hand crews, as well as funding to reimburse CCC for its seasonal crews.
- **Other Ancillary Costs.** The administration proposes additional funding for vehicles, equipment, and an agreement with the California Department of Human Resources (CalHR) to conduct a study related to how the fire fighter hand crew positions are classified.
- **CCC Costs (\$6 Million).** The budget proposes to add a total of 26 positions and funding (\$8 million upon full implementation) to (1) convert six existing reimbursement crews—which can be used for a variety of projects not necessarily related to wildfires—to year-round hand crews, (2) add two new year-round hand crews, and (3) transition six existing reimbursement crews to seasonal hand crews. In total, the administration proposes to add 14 CCC hand crews for fire response and mitigation. Each hand crew will be made up of 15 corpsmembers.



# Emergency Response and Preparedness: Fire Crews

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## Assessment

**Would Add Valuable Fire Response and Mitigation Capacity.** Hand crews play an important role in the state’s overall approach to mitigating the risk of wildfire damage. The additional hand crew capacity proposed would provide a significant expansion of the resources available to assist in response to active wildfires, as well as conduct hazardous fuel removal projects at other times.

**Most Time Likely Would Be Spent on Wildfire Response.** We anticipate that most of the additional resources requested would be used for wildfire response, though this could vary each year based on the severity of the fire season. Most of the new resources requested are for seasonal fire crews—including all 16 CalFire crews and 6 of the CCC crews—which largely operate during California’s wildfire season.

**Expanded CalFire Capacity Is Particularly Expensive.** While valuable, the budget request reflects a significant ongoing General Fund commitment, particularly for the CalFire components. The ongoing nature of the request is particularly notable given the ongoing structural challenges projected for the General Fund.

- **Utilizes Fire Fighters for Hand Crews.** In part, CalFire’s portion of costs is particularly expensive because it proposes to utilize professional fire fighters, which are considerably more expensive than other types of fire crew members, including inmates or corpsmembers.
- **Provides 24-Hour Coverage.** CalFire hand crew members will work 72-hour shifts. This allows for round-the-clock availability, but necessitates hiring multiple people to fill each position throughout the week (as well as provide relief when crew members take leave, such as for injury or illness).



## Emergency Response and Preparedness: Fire Crews

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- **Reactivates Camps.** The conservation camps are aging and designed for inmates, rather than state fire fighters. Consequently, CalFire has identified one-time facility repair costs of \$18 million in 2021-22, as well as future capital outlay costs of \$38 million. The projects would involve various renovations and upgrades, such as repair of cracked paving, utility upgrades, and remodeling of the dormitories.

**Creation of New Classification Could Reduce Costs, but Little Information Available.** The department reports that it would like to work with CalHR to study whether it would make sense to create a new classification that could be used to staff hand crews instead of Fire Fighter I's because members of hand crews do not have all of the same responsibilities, such as staffing fire engines.

- **Unclear What Potential Savings Would Be.** If the Legislature approves the creation of CalFire hand crews, an evaluation of a new classification could make sense if it expands the pool of potential applicants and/or if a lower salary range could reduce the impact of the proposal on the General Fund in the future. Any such benefits, however, would depend on final decisions regarding eligibility requirements and salary scales for the new classification.
- **Unclear if Augmentation Needed to Begin Review Process.** The budget includes funding over a couple of years to support this classification analysis with CalHR. To our knowledge, departments and CalHR do not typically receive budget augmentations for these types of analyses, instead relying on CalHR's existing staff to support such efforts.



# Emergency Response and Preparedness: Fire Crews

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## Recommendations

**Consider Proposal in Context of Other Budget Requests and General Fund Condition.** The expansion of the state’s hand crew capacity could add significant value for both wildfire response and mitigation. In reviewing this proposal, the Legislature will want to consider these merits in the context of other current and recent funding proposals related to wildfires, as well as the state’s overall fiscal condition.

- **Governor’s \$1 Billion Wildfire Resilience Package.** As discussed in greater detail in a separate analysis, the Governor’s 2021-22 budget plan includes a total of \$1 billion for various wildfire prevention and mitigation efforts, including for multiple programs that support hazardous fuels reduction. To the extent that the Legislature is primarily interested in the potential of fire crews to increase prevention and mitigation work, it could choose to target resources into programs already included in that package—such as various forest health and fire prevention grants—rather than create a new CalFire program.
- **Proposed Fire Fighters Would Add to Positions Provided in Recent Budgets.** Notably, recent state budgets have provided ongoing funding to increase the number of CalFire fire fighters, including (1) \$86 million in 2020-21 for 172 permanent and 378 seasonal fire fighter positions and (2) \$33 million in 2019-20 to add 131 permanent fire fighters to staff 13 new year-round fire engines.
- **General Fund Faces Multiyear Challenges.** The administration anticipates the state would have operating deficits if the Legislature adopted the Governor’s budget proposals, reaching \$11.3 billion in 2024-25.



## Emergency Response and Preparedness: Fire Crews

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***Could Explore Other Options to Expand State’s Hand Crew Capacity.*** Historically, the state could rely primarily on state inmates to staff hand crews. However, the decline in the prison population—coupled with more intense wildfires—has forced the state to explore other options, including the use of CCC corpsmembers, creation of a parolee training center, and contracting with CNG. While this request to expand the use of CCC and CalFire hand crews has merit, there may be value in investigating additional options, such as expanding parolee crews or creating partnerships with local governments, which also might be interested in supporting regional hazardous fuels reduction work. The Legislature could explore such options in the course of budget hearings or direct the administration to investigate certain options and report back in the future.

***If Legislature Approves Proposal, Consider Reducing Amount for Classification Review.*** If the Legislature approves the proposed expansion of CalFire fire crews staffed by Fire Fighter I’s, an assessment evaluating an alternative classification would have merit. However, it currently is unclear whether CalFire and CalHR require additional funding to undertake such an assessment. The Legislature could direct the administration to provide additional information on the expected workload, existing staff available, and implementation plan before determining whether to provide the requested augmentation.

- ***Could Require Review With Existing Resources.*** If the administration is unable to justify the additional costs, the Legislature could approve a lesser amount or direct CalFire and CalHR to undertake the study with existing resources.
- ***Require Report Back on Outcome of Review.*** If the administration is directed to undertake this assessment, we would recommend adopting supplemental language directing CalFire to report back on its findings, including the potential effects on recruitment and retention, operations, and costs.



# Defensible Space Inspections (AB 38)

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## Background

***Certain Property Owners Required to Maintain Defensible Space Around Structures.*** Current law requires the Board of Forestry to establish defensible space requirements for structures in the state responsibility area (SRA) and Very High Fire Hazard Severity Zones in California. These regulations include requirements related to (1) how live vegetation—trees, shrubs, and grasses—should be maintained, (2) clearance of dead vegetation, and (3) the location of wood piles and other flammable items near the structures. Noncompliance with these requirements is punishable by a fine.

***CalFire Responsible for Defensible Space Inspections in SRA.*** CalFire is responsible for enforcing defensible space requirements in the SRA. (In six “contract counties”—Kern, Los Angeles, Marin, Orange, Santa Barbara, and Ventura—CalFire delegates responsibility for defensible space inspections in the SRA to the county fire agency.)

- ***CalFire Utilizes Seasonal Inspectors.*** CalFire’s base staffing level for its defensible space program is the equivalent of one staff at each of its 21 units. (CalFire is organized into 27 units with each comprised of the SRA within one or more counties.) Units have flexibility in how they utilize this position authority, and most units break up the position authority into multiple seasonal positions. CalFire also deploys firefighters to conduct defensible space inspections as time permits. In 2019-20, 69 percent of inspections conducted by CalFire was performed by the inspectors and 31 percent was performed by firefighters.
- ***Over 200,000 Inspections Annually.*** Statewide, CalFire has identified about 768,000 parcels within the SRA subject to defensible space inspections. The department’s goal is to inspect one-third of these parcels each year. In total, CalFire (including contract counties) has come close to this target, inspecting just under 30 percent each of the past couple years.



## Defensible Space Inspections (AB 38)

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**Recent Law Requires Disclosure of Compliance Upon Sale of Property.** Chapter 391 of 2019 (AB 38, Wood) requires that property sellers in areas rated as being at high or very high risk of wildfire—referred to as “fire hazard severity zones”—disclose to buyers that the home is compliant with defensible space requirements. The large majority of the SRA is rated as high or very high risk of wildfire.

### Governor’s Proposal

**Funding for Increased Inspection Workload (\$8.3 Million).** The budget includes General Fund support in 2021-22 (\$6.1 million upon full implementation) for 26 new positions, as well as funding for vehicles and equipment. This includes the addition of 21 year-round defensible space inspectors, including vehicles for these staff, to conduct defensible space inspections upon request by property sellers in the SRA throughout the year. The total funding request also includes resources related to equipment procurement and the training academy.

- **Inspection Workload Estimate Based on Two Main Assumptions.** Without data on the number of annual home sales in the SRA, the department based its estimate of the number of inspections it would need to do by extrapolating from the total number of home sales in the state. The department assumes that it will take an average of 1.5 hours per inspection. This is significantly higher than current average inspection times, but it is assumed that there will be substantially greater travel time required for these inspections.
- **Procurement and Academy Augmentations.** The budget request includes three positions to train defensible space inspectors, two mobile equipment program positions, and the purchase of a new fire engine to replace one on loan to the southern training academy.



## Defensible Space Inspections (AB 38)

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### Assessment

**Consistent With New Law, and No Alternative Fund Source Available.** We find that the proposal generally is reasonable as it supports implementation of AB 38. Moreover, the General Fund appears to be the most appropriate fund source because there is not existing fee revenue associated with this workload, and the department currently is not authorized to charge a fee.

**Workload Is Uncertain Because Is New Responsibility.** The administration took a reasonable approach to estimating its future workload associated with disclosures given the uncertainty associated with implementing a new program. However, the actual workload could be substantially higher or lower than assumed.

- **Uncertainty Around Number of and Time Per Inspection.** The actual number of home sales in the SRA could be significantly higher or lower than estimated. Similarly, the average time per inspection could be substantially different than estimated by the department.
- **Could Impact Existing Defensible Space Inspection Program.** To the extent that actual disclosure-related workload turns out to be higher than estimated, the department might need to divert other staff to complete disclosure inspections. This could negatively impact outcomes for other programs, such as CalFire's existing defensible space inspection program or hazardous fuels reduction projects. Alternatively, if workload is actually lower than estimated, the additional inspectors provided in this proposal could be used to increase the total number of defensible space inspections completed by the department's existing program.



## Defensible Space Inspections (AB 38)

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(Continued)

***Insufficient Justification for Academy and Mobile Equipment Components.*** The three training positions are being requested as ongoing despite the fact that the training workload will occur on a one-time basis when the new defensible space inspectors are hired. Similarly, the mobile equipment program positions are related to the one-time procurement of vehicles for the inspectors. The purchase of the fire engine is not warranted because (1) its procurement likely would not be completed in time to be used for the training of these inspectors and (2) the department has historically had several fire engines in its inventory that have been replaced in the field with newer fire engines but remain usable.

### Recommendations

***Approve Most of Proposal, but With Modifications.*** We recommend the Legislature approve most of the funding as proposed. The request for additional defensible space inspectors is consistent with recent statutory changes, and the workload estimates are reasonable based on current information. However, we would recommend two modifications.

- ***Provide Funding for Training and Mobile Equipment Staff on One-Time Basis.*** We find that it is reasonable to add some additional staff in support of the initial training of the new inspectors and procurement of their vehicles. However, there will not be the same level of workload on an ongoing basis.
- ***Reduce by \$400,000 to Eliminate Fire Engine.*** We find that the costs to procure a new fire engine are not justified based on the workload demands associated with the new disclosure requirements, nor would it be procured in time to assist in the training of these inspectors.



## Defensible Space Inspections (AB 38)

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***Adopt Reporting Requirement.*** We recommend the Legislature approve supplemental reporting language directing the department to report in each of the next two years on (1) the number of inspections completed to meet the disclosure requirements, (2) the average time (including for travel) to complete these inspections, and (3) how these new requirements and staffing have impacted the department's existing defensible space inspection program. This information would help inform future legislative funding decisions, as well as determine whether the new workload is inadvertently affecting the existing program, which is important for ensuring community safety.

***Consider Options to Make Disclosure Inspection Program Fee Based.*** In the longer term, the Legislature may want to consider whether it would make sense to charge home owners a fee when they request these defensible space inspections. The arguments for such a fee are that (1) the program provides a direct service to property owners, and it is reasonable for them to reimburse the state; (2) the costs per property would be relatively modest—perhaps between \$100 and \$200 per inspection based on current workload estimates; and (3) it would offset ongoing General Fund costs. Notably, any such requirement would require statutory authority and additional administrative support to collect the fee.



# CalFire Capital Outlay Projects

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## Background

**CalFire Operates Numerous Facilities.** CalFire operates about 530 facilities statewide, including fire stations, telecommunication facilities, conservation camps, air attack and helitack bases, administrative buildings, training centers, and a forestry nursery.

## Governor's Proposal

**Includes \$54 Million for Capital Outlay Projects.** As shown in the figure, the administration's budget includes 20 capital outlay proposals totaling \$54 million. The projects are in various phases of planning and construction. All projects are proposed to be supported by the General Fund in the budget year.

**Most Projects Replace Aging Facilities or Support New Air Resources.** Most proposed projects support the relocation or replacement of fire stations, camps, helitack and air attack bases, and headquarters facilities that are at least 60 years old. The five helitack projects also are designed to better accommodate new, larger helicopters that are currently being acquired by the department.



# CalFire Capital Outlay Projects

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<b>CalFire Capital Outlay Projects</b>			
<i>(In Millions)</i>			
<b>Project</b>	<b>2021-22 Proposal</b>		<b>Total Project Cost</b>
	<b>Phase</b>	<b>Amount<sup>a</sup></b>	
Alhambra Valley FS relocation	A	\$2.5	\$12.4
Alma HB relocation	A	5.0	33.9
Boggs Mountain HB relocation	A	2.0	22.6
Butte Fire Center replacement	W	2.7	59.7
Elsinore FS relocation	A	1.8	15.4
Growlersburg CC replacement	W	3.1	59.3
Hemet Ryan AAB replacement	W	1.9	37.5
Higgins Corner FS replacement	P	0.8	12.0
Hollister AAB/Bear Valley HB relocation	A	12.2	53.6
Howard Forest HB relocation	A	0.6	18.0
Humboldt-Del Norte HQ relocation	A	1.9	57.3
Intermountain CC relocation	A	0.6	73.9
Kneeland HB relocation	A	0.9	18.3
Macdoel FS relocation	A, P	0.8	11.9
Minor projects	Minors	2.0	2.0
Potrero FS replacement	W	1.0	13.3
Prado HB replacement	W	1.5	24.6
Shasta Trinity HQ/Northern Operations relocation	P	4.3	105.8
Temecula FS relocation	P	0.6	12.6
Various projects: AAB: infrastructure improvements	C	8.2	9.6
<b>Totals</b>		<b>\$54.2</b>	<b>\$653.6</b>

<sup>a</sup> General Fund.

CalFire = California Department of Forestry and Fire Protection; FS = Fire Station; A = acquisition; HB = Helitack Base; W = working drawings; CC = Conservation Camp; P = preliminary plans; AAB = Air Attack Base; HQ = Headquarters; and C = construction.



# CalFire Capital Outlay Projects

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## Assessment

**Future Costs for Projects Will Be Substantial.** As shown in the figure, the total costs for these projects will be \$654 million based on current estimates. The department will come back to the Legislature in future years to ask for subsequent phases of project funding, including any revised estimates of project costs.

- **Future Costs Expected to Be Funded from General Fund.** For most of these projects, the administration has not specified out-year fund sources. However, CalFire projects typically are funded directly from the General Fund on a pay-as-you-go basis or with lease revenue bonds, which are repaid from the General Fund over multiple decades.
- **Both Pay-As-You-Go and Bonds Come With Trade-Offs.** Pay-as-you-go will require substantial one-time General Fund expenditures at the time the projects are undertaken. Using bonds, on the other hand, reduces the budgetary costs in the near term, but results in smaller annual costs—including for interest payments—for a much longer period of time. (Currently, interest rates are low compared to historical averages, making borrowing somewhat less expensive than other periods.) In both cases—whether using pay-as-you-go or bonds—funding these projects would result in a reduction of General Fund resources available for other budgetary priorities.



## CalFire Capital Outlay Projects

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### Recommendation

***Consider Future Costs When Crafting Longer-Term Budget Plan.***

We have no concerns with the specific projects proposed by the department. These projects are intended to improve upon aging facilities and address operation needs, such as the accommodation of new helicopters previously authorized by the Legislature. However, the state faces multiyear General Fund deficits, and the Legislature will want to consider these proposals in the context of those longer-term fiscal challenges.

- ***Given Magnitude of Costs, Could Have Department Report at Hearings on Priorities.*** Ultimately, given the total costs of the proposed projects, the Legislature could consider directing CalFire to report at budget hearings on the operational impacts of not approving each project, the alternatives for accommodating new air resources, and how the department would prioritize these projects.

