

Arizona Department of Forestry and Fire Management

	FY 2015 ACTUAL	FY 2016 ESTIMATE	FY 2017 APPROVED
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	55.0	55.0	67.0 ^{1/}
Personal Services	1,541,100	1,568,000	1,568,000
Employee Related Expenditures	657,800	643,500	625,800
Professional and Outside Services	143,600	143,600	143,600
Travel - In State	42,800	94,900	94,900
Other Operating Expenditures	271,300	418,000	422,100
Equipment	52,100	0	0
OPERATING SUBTOTAL	2,708,700	2,868,000	2,854,400
SPECIAL LINE ITEMS			
Environmental County Grants	275,000	250,000	250,000
Fire Suppression	4,000,000	4,000,000	4,085,000 ^{2/}
Hazardous Vegetation Removal	996,600	1,350,000	1,350,000
Inmate Fire Crews	683,200	691,000	686,200
One-time Equipment	0	0	302,500
State Fire Marshal	0	0	742,600
State Fire School	0	0	172,100
AGENCY TOTAL	8,663,500	9,159,000	10,442,800 ^{3/}
FUND SOURCES			
General Fund	8,663,500	9,159,000	10,442,800
SUBTOTAL - Appropriated Funds	8,663,500	9,159,000	10,442,800
Other Non-Appropriated Funds	25,655,900	25,270,500	25,577,400
TOTAL - ALL SOURCES	34,319,400	34,429,500	36,020,200

AGENCY DESCRIPTION — The Arizona Department of Forestry and Fire Management is responsible for the prevention and suppression of forest fires on State Trust Land and private land outside incorporated municipalities (about 22 million acres total). Beginning in FY 2017, the department also includes the Office of the State Fire Marshal, which enforces the state fire codes and provides training and education for fire personnel and the general public. All training provided by the department must comply with safety standards prescribed by the National Fire Protection Association and the Occupational Safety and Health Administration of Arizona.

Operating Budget

The budget includes \$2,854,400 and 42 FTE Positions from the General Fund in FY 2017 for the operating budget. These amounts fund the following adjustments:

Risk Management Premium

The budget continues funding for the increased Risk Management premium as a result of the Yarnell Hill Fire lawsuit settlements. The budget includes an FY 2016 supplemental of \$146,700 from the General Fund. This

same funding is continued in FY 2017. (Please see the *Other Issues* section.)

Statewide Adjustments

The budget includes a decrease of \$(13,600) from the General Fund in FY 2017 for statewide adjustments. (Please see the *Agency Detail and Allocations* section.)

^{1/} Includes 25 GF FTE Positions funded from Special Line Items in FY 2017.

^{2/} A.R.S. § 37-623.02 annually appropriates \$3,000,000 from the General Fund to the Fire Suppression Revolving Fund. Because this authorization is in permanent statute, \$3,000,000 of the \$4,085,000 appropriation is not included in the General Appropriation Act.

^{3/} General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

Environmental County Grants

The budget includes \$250,000 from the General Fund in FY 2017 for Environmental County Grants. This amount is unchanged from FY 2016.

Monies in this line item have been used by Greenlee, Graham, Gila, Navajo, and Apache Counties for environmental projects that impact economic development in those counties. The Arizona Department of Forestry and Fire Management must approve any project prior to expenditure of the monies.

In FY 2015, this funding supported the following 9 projects:

- \$31,500 for the Four Forest Restoration Initiative, which is a plan to implement effective large scale forest restoration, and for the development and implementation of a successor strategy to the White Mountain Stewardship Contract, which allowed for restoration treatments and round wood and residual biomass supply projects in the White Mountains.
- \$46,500 to address threatened and endangered species issues, with a focus on the Mexican Gray Wolf recovery and experimental population programs and to conduct a National Environmental Policy Act analyses of other species listing, habitat designation, or recovery programs in eastern Arizona.
- \$56,500 to address watershed restoration issues, with a particular focus on the development and implementation of the Black River Stewardship Agreement project and the restoration of the C.C. Craigin reservoir watershed.
- \$21,000 for the protection, development, and management of Eastern Arizona electrical generation, water collection, and transportation infrastructures.
- \$21,000 to support the retention of existing motorized recreation; the development of an Arizona back county off-highway vehicle connected trails system along the Mogollon Rim; and new recreation opportunities, facilities and recreation-based economic development.
- \$21,000 to support development and implementation of renewable energy production facilities, convert eastern Arizona coal power plants at end of life to natural gas, and other energy-based economic retention and development projects.
- \$21,000 for participation in the development and implementation of comprehensive Natural Resources Management Plans.
- \$46,000 for participation in the development and implementation of an ecologically and economically sustainable management plan for public lands in Arizona and the West.

- \$10,500 for the development and implementation of an effective planning and execution strategy for emerging issues.

In FY 2016, this funding continued support for the 9 programs from FY 2015 and added an additional program:

- \$25,000 for participation in the development and implementation of long term, sustainable overall Arizona water balance, conservation and augmentation measures, and the preservation of rural and agricultural Arizona interests and economies in the implementation of water rights, conservation measures, and potential shortages.

Fire Suppression

The budget includes \$4,085,000 from the General Fund in FY 2017 for Fire Suppression. This amount funds the following adjustments:

Fire Management Software

The budget includes an increase of \$85,000 from the General Fund in FY 2017 for the purchase of Fire Management software. Of this amount, \$65,000 is ongoing and \$20,000 is one-time. The software will allow the department to better manage fires, reduce the risk to firefighters, and enhance wildfire response statewide, especially with early stage fires and small fires with limited command staff available to respond.

This line item funds fire suppression on state trust land and rural private land. A.R.S. § 37-623.02 provides an annual appropriation of up to \$3,000,000 from the General Fund for fire suppression. Because this authorization is in permanent statute, \$3,000,000 of the \$4,085,000 is not included in the General Appropriation Act.

Hazardous Vegetation Removal

The budget includes \$1,350,000 from the General Fund in FY 2017 for a Hazardous Vegetation Removal Program. This amount is unchanged from FY 2016.

This line item funds hazardous material removal programs that treat state and private lands through prescribed burning or thinning of flammable vegetation. This work can be conducted by Arizona Department of Forestry and Fire Management crews or through fuel reduction grants to contractors.

Inmate Fire Crews

The budget includes \$686,200 and 13 FTE Positions from the General Fund in FY 2017 for Inmate Fire Crews. These amounts fund the following adjustments:

Statewide Adjustments

The budget includes a decrease of \$(4,800) from the General Fund in FY 2017 for statewide adjustments.

These monies provide fire-fighting training for 12 inmate fire crews. The crews act as first responders and are used for fuel treatment and fire suppression.

One-time Equipment

The budget includes \$302,500 from the General Fund in FY 2017 for one-time equipment purchases. This amount funds the following adjustments:

Wildland Fire Engine

The budget includes an increase of \$112,500 from the General Fund in FY 2017 for the one-time purchase of a new wildland fire engine. Wildland fire engines are capable of traveling over more rugged terrain than other fire suppression vehicles and are used to patrol for fires and perform initial attacks when a fire is reported.

Inmate Crew Carrier

The budget includes an increase of \$190,000 from the General Fund in FY 2017 for the one-time purchase of a new inmate fire crew carrier vehicle to replace an existing vehicle.

State Fire Marshal

The budget includes \$742,600 and 11 FTE Positions from the General Fund in FY 2017 for the State Fire Marshal. These amounts fund the following adjustments:

Transfer to the Department of Forestry and Fire Management

The budget includes an increase of \$747,300 and 11 FTE Positions from the General Fund in FY 2017 for the Fire Marshal. The FY 2017 Agency Consolidation Budget Reconciliation Bill (BRB) (Laws 2016, Chapter 128) transfers the State Fire Marshal's Office from the Department of Fire, Building and Life Safety operating budget to the Arizona Department of Forestry and Fire Safety. *(Please see the Fire, Building and Life Safety narrative for additional information.)*

Statewide Adjustments

The budget includes a decrease of \$(4,700) from the General Fund in FY 2017 for statewide adjustments. The Office of the State Fire Marshal enforces the state fire codes and provides training and education for fire personnel and the general public.

State Fire School

The budget includes \$172,100 and 1 FTE Position from the General Fund in FY 2017 for the State Fire School. These amounts fund the following adjustments:

Transfer to the Department of Forestry and Fire Management

The budget includes an increase of \$172,700 and 1 FTE Position from the General Fund in FY 2017 for the State Fire School. The FY 2017 Agency Consolidation BRB transfers this line item from the Department of Fire, Building and Life Safety to the Arizona Department of Forestry and Fire Safety. *(Please see the Fire, Building and Life Safety narrative for additional information.)*

Statewide Adjustments

The budget includes a decrease of \$(600) from the General Fund in FY 2017 for statewide adjustments.

Monies in this line item mainly go to help subsidize smaller rural volunteer fire departments attending Arizona State Fire School workshops which provide firefighting education. Generally, fire departments pay for tuition, but the firefighters pay for their room and board to attend the 4-day Fire School. The Arizona State Fire Training Committee, a non-profit organization, coordinates and manages the Fire School. The majority of Fire School workshops take place at the Mesa Convention Center in downtown Mesa with the exception of a few workshops that must be held at designated off-site locations.

Besides \$100,000 for subsidizing these costs, the remaining \$72,100 and 1 FTE Position is used for liaison work with the Arizona State Fire Training Committee and other firefighter training activities.

Other Issues

FY 2016 Supplemental

The budget includes an FY 2016 supplemental appropriation of \$146,700 from the General Fund for the increased Risk Management premium as a result of the Yarnell Hill Fire lawsuit settlements.

Additional Legislation

Agency Name Change

Laws 2016, Chapter 145 renames the State Forester to the Arizona Department of Forestry and Fire Management and modifies the duties of the State Forester. The duties of the State Forester include performing all management and administrative functions assigned or delegated to Arizona by the federal government relating to forestry; monitoring information related to forest management, forestry projects and wildfire activities; and conducting education and outreach in forest communities about the wildfire threat to private property, among other duties.

Chapter 145 also makes the State Forester the head of the Arizona Department of Forestry and Fire Management and allows the State Forester to provide technical advice on land management matters, adopt rules necessary to discharge duties, and to assist in the development of the forestry products industry.

BSF Wildland Fire Reimbursement

Laws 2016, Chapter 219 authorizes Budget Stabilization Fund (BSF) monies to be used to pay for valid claims for federal reimbursement by the State Forester and states that those monies are to be continuously appropriated. Chapter 219 also includes claims for personnel hours, used supplies and reasonable and negotiated costs of damage to equipment that exceeds normal wear and tear to items that must be paid for by the State Forester if a claim for reimbursement is processed. The State Forester is required to certify that a claim is not yet reimbursed by a federal agency; the State Treasurer must then pay the claim from the fund. The State Forester must reimburse the Treasurer within 45 days if a federal agency makes payment on a claim. The Treasurer will deposit reimbursed monies back into the BSF. Chapter 219 caps the amount permitted to be outstanding from the BSF at any time for the purposes of reimbursing valid claims related to wildland fire suppression services at \$10 million.

Public Building Fire Codes

Laws 2016, Chapter 234 allows the Arizona State Fire Marshal to authorize Intergovernmental Agreements (IGAs) for cities to allow a local fire code to apply to public buildings. Chapter 234 could reduce the department's deposits to the General Fund by \$(100,000) to \$(150,000) beginning in FY 2017 assuming only the City of Phoenix enters into an IGA with the State Fire Marshal. Such IGAs could also reduce the department's General Fund expenditures. The General Fund revenue and expenditure impact could be greater if additional cities enter into an IGA.