



2015 Fire Program Review, Sustainable Large Wildfire Funding Work Group

January 7, 2016

Oregon Department of Forestry
Santiam Room – State Forester’s Office Operations Bldg. D
2600 State St., Salem, OR

Meeting Objectives:

1. Introduction of committee members and review of committee objectives and charter
2. Present and discuss background information and relevant information from historical and recent fire seasons
3. Organize committee issues and brainstorm and identify key topics

Welcome and Introduction of Committee Members and Staff..... All

- *Committee members introduced themselves and their representation.*

Opening remarks and Fire Program Review charter..... Tim Keith and Dave Lorenz

- *Opening statements were made by Co-Chairs, Tim Keith and Dave Lorenz. Dave shared thoughts on the importance of this committee’s work, that this project is the top priority for the agency and how they look forward to hearing from the collective expertise of this diverse group. He emphasized that today’s meeting is with the intention of solidifying issue priority and identifying how to maximize this committee’s efforts. Co-Chair Tim Keith provided a review of the Committee Objectives and Charter, including a background on how the strategic initiative sponsored by the agency was formulated and the organization of the workgroups under the Committee, State Forester and Board of Forestry. The deadline of June 6 for final product was emphasized. Additionally, a December 15, 2015 charter update was noted (membership).*

Role of Sustainable Large Wildfire Funding Work Group Ross Holloway

- *ODF staff and committee members provided a background presentation, handouts and information illustrating funding and fire protection history, Oregon fire season trends and costs, landowner roles/involvement, the respective roles of the OFLPF and the General Fund and the Oregon catastrophic fire insurance policy.*

Identification of Funding Alternatives All

- *Co-chair Dave Lorenz introduced a key topic prioritization list. Ross Holloway led a discussion on appropriate prioritization of issues/topics list, and if additional issues or topics need to be added to the list.*

Identification of Key Concepts for Committee..... All

- *Ross Holloway facilitated a conversation to identify key issues, concerns and ideas on sustainable large fire funding. Discussion was organized around the issue priority list and included base level funding, including strategic investments, the ‘layer cake’ funding model and how/if it could be streamlined, the roles of the general fund and the OFLPF, equity on who pays, the Oregon catastrophic wildland fire insurance policy and alternatives, severity funding and alternatives such as enhanced derivatives, parametric and/or self-funding, and assessment criteria. The key concept priority list was added to and is attached.*

Primary concepts discussed:

1. *A Trust Fund concept was discussed that might allow for increased flexibility, a certainty of funding, reduced volatility and that may have the potential to improve the ability to acquire, or reduce the need for insurance. Legislative involvement would be required to forward movement to acquire funds (constitutional amendment). The trust fund could be applied at the \$20 million shared layer of funding, or potentially above it. If implemented, it could result in more certainty for the state through a dedicated fund. Would require a governance structure*
2. *OFLPF was discussed in conjunction with and standalone from the trust fund concept. Adjustments to revenue triggers in conjunction with the trust fund concept were discussed. If the OFLPF cap was raised, excess OFLPF revenues could be utilized as a revenue source for the trust fund (revenue above \$22.5 or \$30 million). Excess OFLPF revenues might alternately flow to base or severity levels or to strategic investments. The OFLPF \$10 million per year could move to the trust fund*
3. *Insurance - Insurance options, including use of the trust fund/OFLPF and other sources were discussed with an emphasis on exploring 'self-funded' or 'self-insurance'. Other factors that could influence funding structure and alter/eliminate insurance costs were the use of enhanced derivatives and parametrics at varying levels within the 'layer cake'.*
4. *Revenue alternatives –*
 - *Assessments – Apply minimum assessment to all lands, not just private or in ODF Protection Districts. Explore mechanisms for increasing or implementing 'assessments' on other lands.*
 - *Transfer of risk from other lands - Monetize increased risks. Limitations may exist on BLM lands or contractual issues (limited to base level of protection) and other Federal contracts. Need to explore current statutory authority for assessing additional hazard on Federal lands and other public lands.*
 - *Constitutional approach to dedicating fire funds from alternate sources*
 - *Bringing unprotected lands into the system of funding*
 - *Sliding scale for assessments based on fuel loading.*
5. *Equity - It is clearly recognized that the equity of funding and revenue sources will be a significant topic to work through. No specific issue or concept was produced for forwarding to the Committee at this time.*

Wrap-up and Next Meeting

- *Feedback from committee members indicated that the meeting was good progress in working towards identifying key concepts to present to the full Committee. Co-chairs Tim Keith and Dave Lorenz expressed gratitude to each committee member for their participation and invited continued communication, collaboration and outreach as these concepts mature.*
- *The next meeting of the Fire Program Review Committee is scheduled for Thursday, January 21, 2016.*

Attendees

- Tim Keith, Co-Chair
- Dave Lorenz, Co-Chair
- Nancy Hirsch, Assistant State Forester
- Ross Holloway, Executive Support
- Pete Sikora, EFCC Representative
- Cathleen Connolly, Chief Financial Office
- Matt Stayner, Legislative Fiscal Office
- James Short, Administrative Services
- Dave Jacobs, Unit Forester
- Mike Cafferata, District Forester
- Kate Skinner, District Forester
- Todd Scharff, DAS Risk Management
- Tracey Wrolson, Area Admin Representative
- Toni Chambers, Salem Protection Staff
- Phil Adams, Land Owner
- Roger Beyer, Oregon Small Woodlands Assoc.
- Rex Storm, Association of Oregon Loggers
- Heath Curtiss, Oregon Forest & Industries Council
- Jeff Friesen, Willis Representative
- Jamie Paul, Project Manager FPRC
- Jeff Ennenga, Project Manager FPRC
- Jim Walker, OSFM (By Phone)
- Amanda Rich, The Nature Conservancy (By Phone)
- Greg Miller, Weyerhaeuser (By Phone)