

## Arizona Department of Forestry and Fire Management

	FY 2023 ACTUAL	FY 2024 ESTIMATE	FY 2025 APPROVED
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	235.5	235.5	235.5 <sup>1/</sup>
Personal Services	2,150,200	2,500,000	2,500,000
Employee Related Expenditures	822,000	940,000	969,600
Professional and Outside Services	119,800	120,000	120,000
Travel - In State	6,800	2,594,700	2,594,700
Travel - Out of State	4,700	5,000	5,000
Other Operating Expenditures	694,400	1,025,900	(20,500)
Equipment	18,300	18,300	18,300
<b>OPERATING SUBTOTAL</b>	<b>3,816,200</b>	<b>7,203,900</b>	<b>6,187,100</b>
<b>SPECIAL LINE ITEMS</b>			
Operating Budget Lump Sum Reduction	0	0	(248,600)
Environmental County Grants	250,000	250,000	250,000
Fire District Grants	0	5,000,000	0
Fire Suppression	200,000	3,200,000	8,200,000 <sup>2/</sup>
Gila River Nonnative Species Eradication	24,000 <sup>3/A/</sup>	0	0
Hazardous Vegetation Removal	22,900	3,039,300	3,039,300 <sup>5/</sup>
Inmate Firefighting Crews	819,900	867,700	876,600
Post-Release Firefighting Crews	1,098,800	1,278,900	1,292,700
Mount Lemmon Fire District Renovation	2,230,900	0	0
Nonnative Vegetation Species Eradication	1,000,000	1,000,000	1,000,000 <sup>6/</sup>
State Fire Marshal	1,705,100	1,792,000	1,805,300
State Fire School	286,800	289,000	289,600
US Forest Service Land Thinning	521,400	1,657,700	1,669,300
Wildfire Emergency Response	16,509,600	0	0
Wildfire Mitigation	15,142,200	32,026,700	27,110,300 <sup>7/</sup>
<b>AGENCY TOTAL</b>	<b>43,627,800</b>	<b>57,605,200</b>	<b>51,471,600 <sup>8/</sup></b>
<b>FUND SOURCES</b>			
General Fund	43,627,800	57,605,200	51,471,600
<b>SUBTOTAL - Appropriated Funds</b>	<b>43,627,800</b>	<b>57,605,200</b>	<b>51,471,600</b>
Other Non-Appropriated Funds	61,869,800	69,253,500	69,253,500
<b>TOTAL - ALL SOURCES</b>	<b>105,497,600</b>	<b>126,858,700</b>	<b>120,725,100</b>

**AGENCY DESCRIPTION** — The Arizona Department of Forestry and Fire Management (DFFM) is responsible for the prevention and suppression of forest fires on State Trust Land and private land outside incorporated municipalities (22 million acres total). The department 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.

### FOOTNOTES

- <sup>1/</sup> Includes 192.5 GF FTE Positions funded from Special Line Items in FY 2025.
- <sup>2/</sup> A.R.S. § 37-1305 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 appropriated amount is not included in the General Appropriation Act.
- <sup>3/</sup> On or before September 1 of each year until all monies in the Gila River nonnative species eradication line item are spent, the department shall report to the director of the joint legislative budget committee on the expected amount and purpose of expenditures from the Gila River nonnative species eradication line item. The report shall include projected line item detail. The reports shall also provide follow-up on areas previously treated with funding from the line item and whether the nonnative species have returned. (FY 2023 General Appropriation Act footnote, as amended by Section 2 of the FY 2025 General Appropriation Act)

- 4/ The appropriation made in the Gila River nonnative species eradication line item is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, except all monies remaining unencumbered or unexpended for the purposes of this section on June 30, 2029 revert to the state general fund. (FY 2023 General Appropriation Act footnote, as amended by Section 2 of the FY 2025 General Appropriation Act)
- 5/ The appropriation for the hazardous vegetation removal line item is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, through June 30, 2026. (General Appropriation Act footnote)
- 6/ The sum of \$1,000,000 is appropriated from the state General Fund in each of FY 2021, FY 2022, FY 2023, FY 2024, FY 2025, FY 2026, FY 2027, FY 2028, and FY 2029 to the Arizona Department of Forestry and Fire Management for deposit in the Nonnative Vegetation Species Eradication Fund established by A.R.S. § 37-1309 to assist in preventing wildland fire and flooding. (FY 2020 General Appropriation Act footnote)
- 7/ The appropriation for the wildfire mitigation line item is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2027. (General Appropriation Act footnote)
- 8/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

**Operating Budget**

The budget includes \$6,187,100 and 43 FTE Positions from the General Fund in FY 2025 for the operating budget. Adjustments are as follows:

**Statewide Adjustments**

The budget includes a decrease of \$(1,016,800) from the General Fund in FY 2025 for statewide adjustments. *(Please see the Agency Detail and Allocations section.)*

**Operating Budget Lump Sum Reduction**

The budget includes a decrease of \$(248,600) from the General Fund in FY 2025 for a lump sum reduction. Agencies receiving a lump sum reduction will apply the reduction to the operating lump sum appropriation in the FY 2026 budget request submittal. Agencies have discretion in how the reduction in spending is achieved. The FY 2026 Baseline Book will incorporate the agency's planned reduction into the operating budget display.

**Environmental County Grants**

The budget includes \$250,000 from the General Fund in FY 2025 for Environmental County Grants. This amount is unchanged from FY 2024.

Monies in this line item have been used by Greenlee, Graham, Gila, Navajo, Cochise and Apache Counties for environmental projects that impact economic development in those counties. Previously funded projects include forest restoration, endangered species habitat protection, watershed restoration, and natural resource planning. DFFM must approve any project prior to expenditure of the monies.

**Fire District Grants**

The budget includes no funding in FY 2025 for the Fire District Grants line item. Adjustments are as follows:

**Remove One-Time Funding**

The budget includes a decrease of \$(5,000,000) from the General Fund in FY 2025 for removal of one-time funding to establish a grant program to assist fire districts.

Monies in this line item are non-lapsing and are for a grant program designed to help fire districts pay for emergency equipment, fire station construction/repair, or mobile services.

**Fire Suppression**

The budget includes \$8,200,000 from the General Fund in FY 2025 for Fire Suppression. Adjustments are as follows:

**One-Time Funding**

The budget includes a one-time increase of \$5,000,000 from the General Fund in FY 2025 to increase fire suppression funding.

Monies in this line item are used for fire suppression on state trust land and rural private land. A.R.S. § 37-1305 provides an annual appropriation of up to \$3,000,000 from the General Fund for fire suppression. Because this authorization is in permanent statute, only \$5,200,000 of the appropriated amount is included in the General Appropriation Act. *(See Wildfire Mitigation line item for additional monies supporting fire suppression in Arizona.)*

### **Hazardous Vegetation Removal**

The budget includes \$3,039,300 from the General Fund in FY 2025 for a Hazardous Vegetation Removal program. This amount is unchanged from FY 2024.

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

### **Inmate Firefighting Crews**

The budget includes \$876,600 and 13 FTE Positions from the General Fund in FY 2025 for Inmate Firefighting Crews. Adjustments are as follows:

#### **Statewide Adjustments**

The budget includes an increase of \$8,900 from the General Fund in FY 2025 for statewide adjustments.

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

### **Post-Release Firefighting Crews**

The budget includes \$1,292,700 and 20 FTE Positions from the General Fund in FY 2025 for Post-Release Firefighting Crews. Adjustments are as follows:

#### **Statewide Adjustments**

The budget includes an increase of \$13,800 from the General Fund in FY 2025 for statewide adjustments.

Monies in this line item provide firefighting training for recently released inmates who previously participated in Inmate Firefighting Crews (*see Inmate Firefighting Crews line item*). The Post-Release Firefighting Program allows program participants to work towards completing their wildland firefighting certification following release from Department of Corrections custody.

### **Nonnative Vegetation Species Eradication**

The budget includes \$1,000,000 from the General Fund in FY 2025 for the Nonnative Vegetation Species Eradication line item. This amount is unchanged from FY 2024.

The FY 2020 General Appropriation Act appropriated \$1,000,000 from the General Fund to DFFM to deposit in the Nonnative Vegetation Species Eradication Fund in each fiscal year of FY 2021 through FY 2029. Because

these monies were advanced appropriated in the FY 2020 General Appropriation Act, these appropriations will not appear in subsequent General Appropriation Acts.

Monies in this line item are used to provide grants to other state agencies, cities, towns, counties, Indian tribes, and other political subdivisions and nonprofit organizations to fund projects that will assist in the prevention of wildfires and flooding and promote restoration of wildlife habitats by removing nonnative vegetation and replacing it with native vegetation. Saltcedar plants are an example of a nonnative vegetation species.

### **State Fire Marshal**

The budget includes \$1,805,300 and 19.5 FTE Positions from the General Fund in FY 2025 for the State Fire Marshal. Adjustments are as follows:

#### **Statewide Adjustments**

The budget includes an increase of \$13,300 from the General Fund in FY 2025 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 \$289,600 and 1 FTE Position from the General Fund in FY 2025 for the State Fire School. Adjustments are as follows:

#### **Statewide Adjustments**

The budget includes an increase of \$600 from the General Fund in FY 2025 for statewide adjustments.

Monies in this line item primarily subsidize smaller rural volunteer fire departments attending Arizona State Fire School workshops which provide firefighting education. Besides \$200,000 for subsidizing these costs, the remaining \$89,000 and 1 FTE Position is used for liaison work with the Arizona State Fire Training Committee and other firefighter training activities.

### **US Forest Service Land Thinning**

The budget includes \$1,669,300 and 17 FTE Positions from the General Fund in FY 2025 for the US Forest Service Land Thinning line item. Adjustments are as follows:

### Statewide Adjustments

The budget includes an increase of \$11,600 from the General Fund in FY 2025 for statewide adjustments.

Monies in this line item fund administrative costs for partnerships with the U.S. Forest Service to thin forests on federal land. DFFM anticipates clearing about 4,500 acres with this funding.

### Wildfire Emergency Response

The budget includes no funding in FY 2025 for Wildfire Emergency Response. This amount is unchanged from FY 2024.

The FY 2023 appropriation of \$65,000,000 is in addition to, and for the same purposes as, Laws 2021, 1<sup>st</sup> Special Session, Chapter 1, which appropriated \$75,000,000 from the General Fund in FY 2021 for the Wildfire Emergency Response line item. Monies in this line item are to be used for 6 purposes with restrictions as outlined below:

1. Fire suppression and pre-positioning of equipment staff, mitigation of wildfire related flooding.
2. Capital expenditures and equipment associated with fire suppression and pre-positioning activities for fire suppression. State capital expenditure for these purposes limited to \$10,000,000.
3. Mitigation projects to address postfire flooding and other damage occurring as a result of fire or fire suppression activities.
4. A state or local government agency's emergency liabilities related to emergency sheltering, wraparound services and support activities.
5. Financial assistance to public and private landowners for emergency repairs for infrastructure damage resulting from fires or fire suppression activities. The state is to be the payor of last resort for assistance to private landowners, and total assistance for private landowners is limited to \$10,000,000.
6. Reimbursement to a state agency or political subdivision for the state agency's or political subdivision's cost-share of eligible claims arising from a declared emergency.

The FY 2023 appropriation is exempt from lapsing through June 30, 2025. In addition to the above specifications, \$3,000,000 of the monies in the FY 2023 appropriation shall be used for purposes related to the Woodbury Fire.

Each month the department shall report to the Senate President, Speaker of the House of Representatives and the Joint Legislative Budget Committee on the expenditures, reimbursements, and the balance of the monies in the appropriation. The expenditures and

reimbursements are to be delineated for each type of expenditure.

With the FY 2021 supplemental of \$75,000,000 and the FY 2023 appropriation of \$65,000,000, DFFM had \$140,000,000 available to expend. Through May 2024, DFFM reported spending \$43,704,676 of the appropriation, of which \$11,265,612 was expended in the fire suppression category. Capital, flooding mitigation projects, and financial assistance to landowners make up the other 3 expenditure categories, with \$6,915,316, \$19,610,873, and \$5,912,875 in expenditures, respectively. Through May 2024, DFFM reported total encumbrances of \$95,836,879. Most of the monies reported as encumbered but not yet expended are in the mitigation projects to address postfire flooding category.

### Wildfire Mitigation

The budget includes \$27,110,300 and 122 FTE Positions from the General Fund in FY 2025 for the Wildfire Mitigation line item. Adjustments are as follows:

#### Funding Reduction

The budget includes a decrease of \$(5,000,000) from the General Fund in FY 2025 to remove unused wildfire mitigation monies.

#### Statewide Adjustments

The budget includes an increase of \$83,600 from the General Fund in FY 2025 for statewide adjustments.

Monies in this line item are to be used for personnel, operating costs, equipment, and contracted services to mitigate future fires. In FY 2025, DFFM expects to allocate the funding as follows:

- \$8,766,200 for 122 DFFM staff to oversee the work of 10 crews of 72 inmates working to remove hazardous vegetation.
- \$5,504,500 for inmate crews and corrections staff.
- \$2,839,600 for Department of Transportation program costs, general operating costs, and other equipment and maintenance.
- \$7,000,000 for contracted personnel to support wildfire mitigation efforts.
- \$3,000,000 for external project grants.

*(See the Wildfire Mitigation section of the DFFM narrative in the FY 2023 Appropriations Report for more information on prior appropriations to this line item.)*

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***Other Issues***

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***Auditor General Report***

In September 2023, the Auditor General published a sunset review for the Arizona Department of Forestry and Fire Management covering its performance in areas including the Fire Marshal, program staffing, wildfire planning, and other department functions. The Auditor General made the following recommendations:

- The Fire Marshal's Office should establish a program to perform regular fire safety inspections on all state and county public buildings and schools as required by statute.
- The department should implement recommendations as outlined by the Ecological Restoration Institute at Northern Arizona University to help communities develop Community Wildfire Protection Plans.

***Budget Stabilization Fund Use for Processing Wildland Fire Claims***

A.R.S. § 35-144 authorizes DFFM to use up to \$20,000,000 in Budget Stabilization Fund (BSF) monies to pay wildland fire suppression claims.

DFFM coordinates the dispatch of local fire districts in response to wildland fires occurring on federal land. Expenditures incurred by local districts are paid for by DFFM using monies from the BSF. DFFM then requests reimbursement from its cooperating federal partners. Federal reimbursements are provided to the State Treasurer to be deposited into the BSF.

As of July 2024, DFFM reports using roughly \$7,700,000 in BSF capacity for claims awaiting federal reimbursement. *(See the Budget Stabilization Fund Use for Processing Wildland Fire Claims section of the DFFM narrative in the FY 2021 Appropriations Report for more information on DFFM's use of the BSF.)*