

Allocation of Wildfire Special Session Funding

Arizona Department of Forestry and Fire Management

Program Summary

Program Overview

The Department of Forestry and Fire Management (DFFM) was appropriated \$75,000,000 from the General Fund in FY 2021 pursuant to Section 1 of Laws 2021, 1st Special Session, Chapter 1. The FY 2023 budget appropriated another \$65,000,000 from the General Fund for the same purposes as the FY 2021 appropriation. As a condition of these appropriations, the department is required to limit their spending of these monies to 6 purposes related to ongoing efforts to mitigate wildfires. Another condition of this appropriation requires that the department submit a monthly report detailing its expenditures in each of the 6 spending categories permitted by the statute.

The 6 categories of spending to which the department is permitted to allocate funds are as follows:

- Fire suppression and pre-positioning of fire suppression equipment and staff
- Capital expenditures and equipment associated with fire suppression and pre-positioning activities for fire suppression
- Mitigation projects to address post-fire flooding and other damage that may occur as a result of fires or fire suppression activities
- A state or local government agency's emergency liabilities related to emergency sheltering, wraparound services and support activities
- Financial assistance to public and private landowners for emergency repairs for infrastructure damage resulting from fires or fire suppression activities
- Reimbursement to a state agency or political subdivision for the state agency's or political subdivision's cost-share of eligible claims arising from an emergency declared pursuant to A.R.S. § 35-192, or a federal declaration of emergency or major disaster

In addition to limiting the spending of the appropriated monies to these 6 categories of spending, 2 constraints were imposed on individual categories. The department may not spend more than \$10,000,000 for capital expenditures and \$10,000,000 for financial assistance to landowners from each of the 2 appropriations. The FY 2023 appropriation also specified that \$3,000,000 of that appropriation had to be used for purposes related to the Woodbury Fire.

Expenditures

DFFM submitted its latest report on January 16, 2024, reporting the following expenditures by category through December 2024 as shown in *Table 1* on the following page.

Through December 2024, total expenditures have reached \$105,346,826, an increase of \$588,493 over the previous report. The remaining balance of funds from both appropriations is \$34,653,174. These expenditures do not reflect all commitments made by DFFM, which reports additional encumbrances of \$30,468,783 to date, an increase of \$3,709,120 over the previous report. After adjusting for total encumbrances, the remaining balance of funds would be \$4,184,391.

Prior reports from DFFM included expenditure data only for the FY 2021 appropriation of \$75 million, with a portion of the encumbrances from the \$65 million FY 2023 appropriation also included. The latest reports include total expenditures and encumbrances from both the FY 2021 and FY 2023 appropriations. As a result, total expenditures and encumbrances have significantly increased compared to our previous reports.

Table 1			
Wildfire Expenditures			
	FY 2021	FY 2023	
	<u>Appropriation</u>	<u>Appropriation</u>	<u>Total</u>
Total Appropriation	\$75,000,000	\$65,000,000	\$140,000,000
Expenditures by Category			
Fire Suppression	\$19,000,000	\$20,000,000	\$39,000,000
Capital	6,909,901	6,056,030	12,965,931
Wildfire Mitigation	19,610,872	26,475,221	46,086,093
Emergency Liabilities	0	0	0
Landowner Assistance	7,294,802	0	7,294,802
Cost Share	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$52,815,575	\$52,531,251	\$105,346,826
Encumbrances	\$18,000,034	\$12,468,749	\$30,468,783
Unencumbered	\$4,184,391	\$0	\$4,184,391

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