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# Wildfire Spending: Background, Issues, and Legislation in the 114<sup>th</sup> Congress

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## Summary

The federal government is responsible for managing wildfires that begin on federal lands—such as national forests or national parks—while the states are responsible for managing wildfires that originate on all other lands. The federal government’s wildfire management responsibilities—provided primarily through the Forest Service (FS) and Department of the Interior (DOI)—include prevention, detection, response, and recovery. The Federal Emergency Management Agency (FEMA) may also provide disaster relief for certain nonfederal wildfires.

Congress appropriates wildfire management funding to both FS and DOI. Within their overall appropriations for wildfire, suppression operations are appropriated through two accounts for each agency: the Wildland Fire Management (WFM) accounts and the Federal Land Assistance, Management, and Enhancement Act (FLAME) reserve accounts. If the suppression funding in both of these accounts is exhausted during any given fiscal year, FS and DOI are authorized to transfer funds from their other accounts to pay for suppression activities. Congress also may provide additional funds for suppression activities through emergency or supplemental appropriations. Thus, for any given year, total suppression appropriations to FS or DOI may be a combination of three sources: the WFM suppression activity, the FLAME account, and supplemental appropriations, and the agencies also may access additional funding as needed through transfers.

Congress is debating the level and direction of federal spending on wildland fire management. Wildfire spending has more than doubled since the 1990s, going from \$1.6 billion in FY1994 to \$3.9 billion in FY2014. A significant portion of that increase is related to rising suppression costs, even during years of relatively mild wildfire activity, although the costs vary annually and are difficult to predict in advance. Since FY2005, FS and DOI have required more suppression funds than had been appropriated to them seven times, leading the agencies to transfer funds from other accounts and prompting concerns that the increasing suppression spending may be coming at the expense of other agency programs. In response to each of these seven instances, Congress enacted supplemental appropriations to repay the transferred funds or to replenish the agency’s suppression accounts. Further, wildfire spending—as well as all discretionary spending—is currently subject to certain procedural and budgetary controls. In the past, Congress has effectively waived some of these controls for certain wildfire spending, but it has not done so in more recent years. This has prompted some to explore providing certain wildfire spending effectively outside of those constraints.

To date, three bills have been introduced in the 114<sup>th</sup> Congress to address wildfire spending issues: H.R. 167, S. 235, and S. 508. All three bills would allow for some wildfire suppression funds—subject to certain criteria—to be provided outside the statutory limits on discretionary spending, either through the annual appropriations process or through supplemental appropriations. By so doing, these wildfire funds would not need to compete with other programs and activities that are subject to the statutory limits. However, the amounts that could be provided for wildfire suppression operations under these proposals—both within and outside of the spending limits—would be subject to future appropriations decisions that could be made by Congress each fiscal year. These proposals also could affect certain funding mechanisms that have been used to provide additional spending for major disasters (e.g., hurricanes, earthquakes) by having the calculation for that potential additional disaster spending interact with the wildfire spending that was provided pursuant to these new procedures.

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Federal funding for wildfire management—particularly for suppression operations on federal lands—raises several interrelated policy questions for Congress to consider. These questions include how much funding Congress should provide for suppression purposes—an activity whose costs are generally rising but vary annually and are difficult to predict. The federal agencies tasked with suppression activities may deplete their suppression resources rapidly, so Congress also may consider if, and how, to provide these agencies with quick access to additional funds to enable continued federal services in response to wildfires. In addition, Congress may address questions related to the source of the suppression funds, such as if rising suppression costs should be offset by cuts to other agency programs or if those costs should be considered outside of certain budgetary and procedural constraints. Further, Congress may consider options to enact various budgetary controls on suppression spending or other methods to constrain rising federal costs.

This report first provides background information and analysis of funding for federal wildfire suppression operations. The report concludes by summarizing relevant legislative proposals introduced in the 114<sup>th</sup> Congress and discussing their possible implications.

## Wildfire Background

The term *wildfire* is defined as an unplanned, unwanted wildland fire, including lightning-caused fires, unauthorized human-caused fires, and escaped prescribed fire projects.<sup>1</sup> States are responsible for responding to wildfires that begin on nonfederal (state, local, and private) lands, except for lands protected by the federal agencies under cooperative agreements. The federal government is responsible for responding to wildfires that begin on federal lands. The Forest Service (FS)—within the U.S. Department of Agriculture (USDA)—carries out wildfire management and response across the 193 million acres of the national forest system. The Department of the Interior (DOI) manages the wildfire response for more than 400 million acres of national parks, wildlife refuges and preserves, Indian reservations, and other public lands.<sup>2</sup>

The term *wildfire suppression* covers all of the work associated with extinguishing or confining a wildfire. Federal policy is generally to suppress wildfires unless a fire management plan identifies locations and conditions when monitoring or less suppression efforts are appropriate.<sup>3</sup> The primary federal responsibility for wildfire suppression is to protect lives, property, and resources on federal lands. The federal government has other wildland fire management responsibilities that include programs to prevent the future risk of catastrophic fires, such as by reducing the accumulation of hazardous fuels. The federal government also provides technical and financial assistance to states, local governments, and communities to protect nonfederal (both government and private) lands from wildfire damages. The federal government—primarily through the Federal Emergency Management Agency (FEMA)—also may provide disaster relief to state and

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<sup>1</sup> National Wildfire Coordinating Group, “Glossary of Wildland Fire Terminology,” October 2014, at <http://www.nwcg.gov/pms/pubs/glossary/w.htm>. For a more comprehensive discussion on wildland fire management, see CRS Report RL30755, *Forest Fire/Wildfire Protection*, by Kelsi Bracmort <http://www.crs.gov/pages/Reports.aspx?PRODCODE=R40811>.

<sup>2</sup> Other federal agencies—such as the Department of Defense—are responsible for wildfire response on their lands. This report focuses on Forest Service (FS) and Department of the Interior (DOI) wildfire management responsibilities.

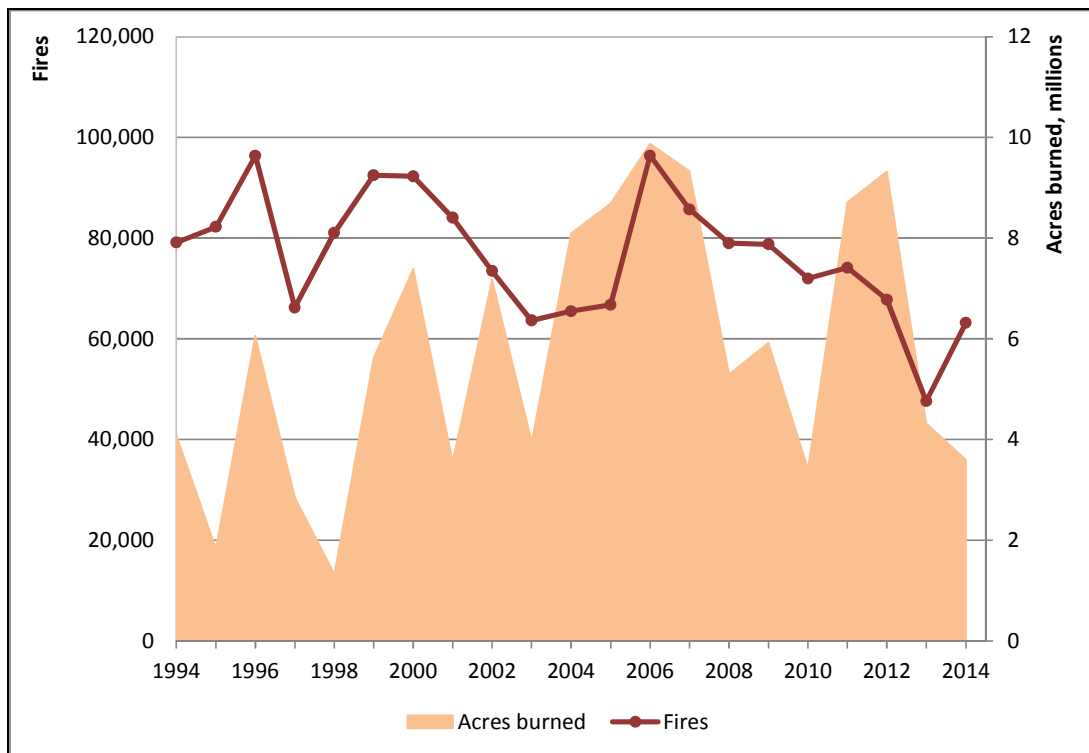
<sup>3</sup> National Interagency Fire Center (NIFC), Fire Executive Council, *Guidance for Implementation of Federal Wildland Fire Policy*, February 13, 2009, p. 10, at [http://www.nifc.gov/policies/policies\\_main.html](http://www.nifc.gov/policies/policies_main.html).

local governments. In addition, FEMA may provide assistance to individuals and households if a major disaster declaration is issued as a result of the wildfire.<sup>4</sup>

## Wildfire Statistics

Since 2000, an average of 74,000 wildfires burned an average 6.6 million acres every year (see **Figure 1**).<sup>5</sup> Over the past 10 years from 2005 to 2014, nearly 6.9 million acres burned annually on average. This figure is almost double the average annual acreage burned in the 1990s (3.6 million acres), although there were a greater number of fires annually (83,000 wildfires on average). The last two years have been below that average, with 3.6 million acres burned in 2014 and 4.3 million acres burned in 2013. These figures also were much smaller than the acreage burned in 2011 (8.7 million acres) and 2012 (9.3 million acres). Although fewer acres burned in 2014, there were more fires (63,606 wildfires) than in 2013 (47,579 wildfires). One percent of the fires in 2014 was classified as large or significant (666 wildfires), and 9 wildfires exceeded 40,000 acres in size.<sup>6</sup>

**Figure 1. Annual Trends in Wildfires and Acres Burned, 1994-2014**



**Source:** CRS based on data from the National Interagency Fire Center (NIFC).

**Notes:** Data reflect wildland fires and acres burned nationwide, including wildland fires on federal and nonfederal lands.

<sup>4</sup> For more information, see “Federal Assistance for Nonfederal Wildfires” in this report, and CRS Report R43738, *Fire Management Assistance Grants: Frequently Asked Questions*, coordinated by Bruce R. Lindsay.

<sup>5</sup> NIFC, “Wildland Fire Statistics,” at [http://www.nifc.gov/fireInfo/fireInfo\\_statistics.html](http://www.nifc.gov/fireInfo/fireInfo_statistics.html).

<sup>6</sup> NIFC National Interagency Coordination Center, *Wildland Fire Summary and Statistics, 2014*, at [http://www.predictiveservices.nifc.gov/intelligence/2014\\_Statsumm/2014Stats&Summ.html](http://www.predictiveservices.nifc.gov/intelligence/2014_Statsumm/2014Stats&Summ.html).

In 2014, 60% of the nationwide acreage burned by wildfires was on federal lands (2.1 million acres; see **Table 1**). The other 40% of the acreage burned occurred on state, local, or privately owned lands but also accounted for most of the fires (50,570 wildfires). This suggests that the fires that occur on federal land are larger in size, although fewer in number, compared with other landowners. This is particularly true in the West,<sup>7</sup> where less than half of the fires burned 71% of the acreage on federal lands compared to nonfederal lands. In the East, however, where there is less federal acreage, most of the fires and acreage burned occurred on nonfederal lands. Of the federal acreage burned nationwide in 2014, 40% burned on each of the FS and DOI's Bureau of Land Management (BLM) lands.

**Table 1. 2014 Wildfires and Acres Burned by Eastern and Western States**

Land Ownership	Fires	Acres Burned
<b>Western States</b>	<b>20,712</b>	<b>2,736,684</b>
Federal	9,718	1,955,657
<i>Forest Service</i>	5,732	824,986
<i>DOI</i>	3,856	1,101,550
<i>Other Federal</i>	130	29,121
Nonfederal	10,994	781,027
<b>Eastern States</b>	<b>42,894</b>	<b>858,928</b>
Federal	3,318	197,359
<i>Forest Service</i>	1,020	46,889
<i>DOI</i>	2,202	139,797
<i>Other Federal</i>	96	10,673
Nonfederal	39,576	661,569
<b>TOTAL</b>	<b>63,606</b>	<b>3,595,612</b>

**Source:** CRS. Data compiled from NIFC, State and Agency Fires and Acres reports, at [http://www.nifc.gov/fireInfo/fireInfo\\_statistics.html](http://www.nifc.gov/fireInfo/fireInfo_statistics.html).

**Notes:** Western states are Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, New Mexico, Nevada, Oregon, Utah, Washington, and Wyoming. Eastern states are all other states and include Puerto Rico.

## Wildland-Urban Interface

Wildfires have been burning more land and threatening more structures in recent years. Nearly 2,000 structures were destroyed by wildfires in 2014. The area where structures (usually homes) are intermingled with—or adjacent to—vegetated wildlands (forests or rangelands) is called the wildland-urban interface (WUI).<sup>8</sup> More than one-third of all housing developments in the United States are located within the WUI.<sup>9</sup> In the West, nearly 900,000 homes are estimated to be at very

<sup>7</sup> The West includes Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, New Mexico, Nevada, Oregon, Utah, Washington, and Wyoming.

<sup>8</sup> V. C. Radeloff et al., "The Wildland-Urban Interface in the United States," *Ecological Applications*, vol. 15, no. 3 (2005), pp. 799-805. For more information on the WUI, see CRS Report RS21880, *Wildfire Protection in the Wildland-Urban Interface*, by Katie Hoover and Kelsi Bracmort.

<sup>9</sup> Forest Service, *Wildfire, Wildlands, and People: Understanding and Preparing for Wildfire in the Wildland-Urban* (continued...)

high or high risk of wildfire damage in 2015.<sup>10</sup> While attention has focused on protecting life, property, and communities in the WUI, opinions vary over if and how much the federal government should pay to protect those resources.

U.S. federal wildland fire policy directs that the response to wildfire is to prioritize first the ecological, social, and legal consequences of the fire and then the economic costs of protection.<sup>11</sup> The policy further states that the cost of federal response to wildfire should be commensurate with the values to be protected (human, natural, historical, or cultural), but economic efficiency is not necessarily required. Response priorities include managing costs but without comprising safety.<sup>12</sup> While some believe this policy allows the federal land management agencies flexibility to provide a high-quality emergency response, others believe this is akin to a “blank check” policy and has removed any incentive for the agencies to control suppression costs.<sup>13</sup>

Federal wildfire suppression spending is influenced by several factors, including the size and intensity of the fire and the proximity of the fire to valuable resources (human, natural, historical, or cultural).<sup>14</sup> These resources require protection, which often increases firefighter risks as well as suppression costs as more personnel or assets are deployed to provide protection.<sup>15</sup> Federal suppression costs—daily, overall, and on a per-acre basis—become higher as the number and value of homes near a fire increase.<sup>16</sup>

When wildfire expenditures began to increase in the 2000s, many were concerned that the federal government was bearing too much of the cost of wildfires and that state, local, and private landowners lacked incentive to mitigate future fire risk to offset suppression costs.<sup>17</sup> The agencies have since modified their cost-share agreements with many of the states to provide more

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(...continued)

*Interface*, GTR-299, January 2013.

<sup>10</sup> CoreLogic, Inc, *Wildfire Hazard Risk Report*, 2015.

<sup>11</sup> NIFC, *Guidance*, p. 11.

<sup>12</sup> NIFC, National Multi-Agency Coordinating Group, *NMAC National Strategy*, 2013, at <http://www.nifc.gov/nicc/administrative/nmac/index.html>.

<sup>13</sup> See for example, National Academy of Public Administration (NAPA), *Wildfire Suppression: Strategies for Containing Costs*, September 2002; Dean Lueck, “Economics and the Organization of Wildfire Suppression,” in *Wildfire Policy: Law and Economics Perspectives*, ed. Karen M. Bradshaw and Dean Lueck (New York: RFF Press, 2012); Randal O’Toole, *Reforming the Fire Service: An Analysis of Federal Fire Budgets and Incentives*, Thoreau Institute, July 2002; and Timothy Ingalsbee, *Getting Burned: A Taxpayer’s Guide to Wildfire Suppression Costs*, Firefighters United for Safety, Ethics, & Ecology, August 2010.

<sup>14</sup> J. Liang et al., “Factors influencing Large Wildland Fire Suppression Expenditures,” *International Journal of Wildland Fire*, vol. 17 (2008), pp. 650-659.

<sup>15</sup> USDA Office of Inspector General (OIG), *Audit Report: Forest Service Large Fire Suppression Costs*, Report No. 08601-44-SF, 2006.

<sup>16</sup> P. H. Gude et al., “Evidence for the Effect of Homes on Wildfire Suppression Costs,” *International Journal of Wildland Fire*, vol. 22, no. 4 (2013), pp. 537-548; K. M. Gebert, D.E. Calkin, and J. Yoder, “Estimating Suppression Expenditures for Individual Large Wildland Fires,” *Western Journal of Applied Forestry*, vol. 22, no. 3 (2007), pp. 188-196.

<sup>17</sup> U.S. Government Accountability Office (GAO), *Wildland Fire Suppression: Lack of Clear Guidance Raises Concerns about Cost Sharing between Federal and Nonfederal Entities*, GAO-06-570, May 2006; USDA OIG, *Audit Report*; NAPA, *Wildfire Suppression*; O’Toole, *Reforming the Fire Service*; Ingalsbee, *Getting Burned*; and Headwaters Economics, *Solutions to the Rising Costs of Firefighting in the Wildland-Urban Interface*, September 2009.



consistent arrangements, although these still may vary by state and by fire.<sup>18</sup> The agencies, particularly FS, also have initiated several technical and financial assistance programs to increase WUI community preparedness and homeowner protections. The 2006 USDA Office of Inspector General (OIG) report asked Congress to clarify the federal government’s role in protecting WUI developments. However, the debate in more recent years seemingly has focused less on decreasing federal liability for rising suppression costs.

## **Federal Assistance for Nonfederal Wildfires**

The federal government provides assistance for wildfires that begin on nonfederal lands. This assistance may come in several forms, including technical and financial assistance programs to mitigate the risk of future wildfire and direct response services under cooperative agreements. These cooperative fire protection agreements authorize federal and state partners to share resources—such as aviation equipment and personnel—depending on ongoing need during a wildfire season, allowing for a coordinated interagency response that deploys resources to areas of greatest critical need. The cost of these resources is then reimbursed as specified in the master agreement, which often lists several different methods to apportion costs, each with different financial impacts. This may include assigning the cost based on the proportion of acres burned within each agency’s jurisdiction or on resources deployed, among others.<sup>19</sup> The National Interagency Coordination Center, located at the National Interagency Fire Center (NIFC), coordinates and allocates resources at a national level, and Geographic Area Coordination Centers coordinate and allocate resources at nine regional levels.<sup>20</sup>

Cooperative fire protection and financial and technical assistance programs are provided by the federal land management agencies—such as FS and DOI—but FEMA also may provide assistance to states, communities, and individuals during or after a wildfire.

## **Disaster Declarations**

The term *fire* is included as an eligible event under the “Definitions” section of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act).<sup>21</sup> A query of FEMA’s declarations database for “wildfire” yields 27 major disaster declarations over a 60-year period (1953-2014).<sup>22</sup> That is an especially small subset given that there have been more than 2,200 major disaster declarations during that same period. This is partly because most wildfires are on federal lands, which make them ineligible for Stafford Act assistance. There are however, several types of declarations that provide assistance under the Stafford Act when the fires threaten state and private lands.

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<sup>18</sup> GAO, *Wildland Fire Management: Lack of Clear Goals or a Strategy Hinders Federal Agencies’ Efforts to Contain Costs*, GAO-07-655, June 1, 2007.

<sup>19</sup> GAO-06-570.

<sup>20</sup> For more information, see the National Interagency Coordination Center website at <http://www.nifc.gov/nicc/> and the Geographic Area Coordination Centers website at <http://gacc.nifc.gov/>.

<sup>21</sup> 42 U.S.C. §5122(2). For more information on declarations, see CRS Report RL33053, *Federal Stafford Act Disaster Assistance: Presidential Declarations, Eligible Activities, and Funding*, by Francis X. McCarthy; CRS Report R43784, *FEMA’s Disaster Declaration Process: A Primer*, by Francis X. McCarthy; and CRS Report R42702, *Stafford Act Declarations 1953-2011: Trends and Analyses, and Implications for Congress*, by Bruce R. Lindsay and Francis X. McCarthy.

<sup>22</sup> See <http://www.fema.gov/disasters>.

In the event that a wildfire is on state lands and there is a threat of several types of damage (e.g., to state and county infrastructure as well as private homes), a major disaster may be declared by the President if the governor of the affected state requests such assistance. Similarly, a governor could request an emergency declaration to address the threat before it warrants a major disaster declaration.<sup>23</sup> However, the most frequently employed authority for fighting wildfires under the Stafford Act is Section 420, which is specifically for “Fire Management Assistance.”<sup>24</sup> This authority results more frequently in the grants that are discussed below.

## **Fire Management Assistance Grants**

Section 420 of the Stafford Act authorizes the President to “declare” a Fire Management Assistance Grant (FMAG), which authorizes financial assistance to the requesting state.<sup>25</sup> A state must request an FMAG when the governor determines that a fire is burning out of control and threatens to become a major disaster. Typically, governors submit requests to the FEMA regional administrators. Requests can be submitted any time—day or night—and can be submitted verbally by telephone to expedite the process.

Once issued, the FMAG declaration authorizes various forms of federal assistance—such as equipment, personnel, and grants to state, local, and tribal governments—for the control, management, and mitigation of any fire on certain public or private forest land or grassland that might become a major disaster. The grants may reimburse up to 75% of the allowable suppression costs for eligible fires. It should be noted that FMAG declarations, unlike some major disaster declarations, do not authorize assistance to individuals and households.

As shown in **Figure 2**, the number of FMAG declarations has increased in recent years, reaching a high of 114 in 2011. This surpassed the previous high of 86 FMAGs in 2006. As mentioned previously, FMAGS are designed to prevent fires from becoming major disasters. It could be argued that even though the cost for FMAG declarations may have increased, FMAGs may actually save federal dollars by reducing the need for a major disaster declaration, thus reducing overall spending on Stafford Act programs.

The first FMAG was declared in 1970, and they were rarely issued until the 1990s (see **Figure 2**). The average number of FMAGs declared in the 1970s and the 1980s was about three per year. During the 1990s, there were about 21 FMAG declarations per year (**Figure 3**). This upward trend continued into the 2000s, with an average of 53 FMAG declarations issued each year. Texas has received the most FMAGs (235 declarations), followed by California (148), Oklahoma (86), Washington (73), and Colorado (59) (see **Figure 3**).<sup>26</sup>

Congress has made efforts to expand the assistance authorized by FMAGs to include mitigation. For example, a provision in the FY2015 appropriations bill for the Department of Homeland Security (P.L. 114-4) allows FMAG funding to be used to mitigate the effects of future wildfire risk. The funding is calculated under Section 404, the Hazard Mitigation Grant Program (HMGP)

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<sup>23</sup> 42 U.S.C. §5191.

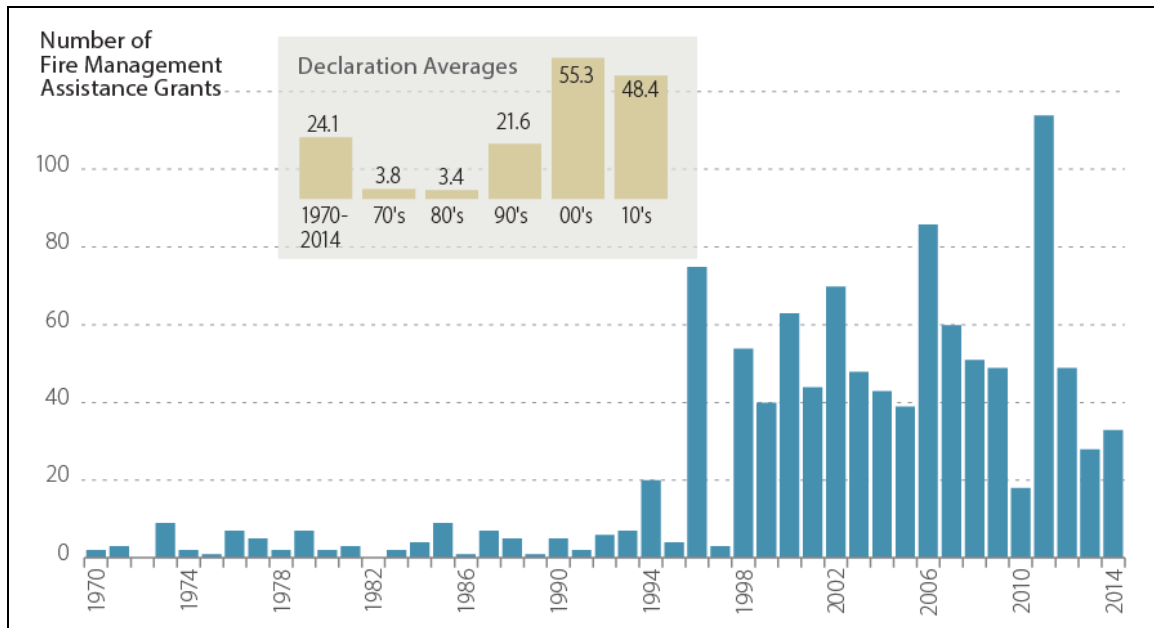
<sup>24</sup> 42 U.S.C. §5187.

<sup>25</sup> For more information, see CRS Report R43738, *Fire Management Assistance Grants: Frequently Asked Questions*, coordinated by Bruce R. Lindsay.

<sup>26</sup> FEMA was unable to provide data on Fire Management Assistance Grant (FMAG) request denials.

of the Stafford Act.<sup>27</sup> The measure could allow the states receiving FMAGs in FY2015 to take mitigation efforts prior to the next fire threat (in addition to helping states control ongoing fires). The provision was included in the general provisions for P.L. 114-4, and therefore mitigation funding is available for FMAGs through the end of FY2015.<sup>28</sup> The HMGP program is funded by the Disaster Relief Fund (DRF) under major disaster declarations.

**Figure 2. Fire Management Assistance Grants**  
(1970-2014)

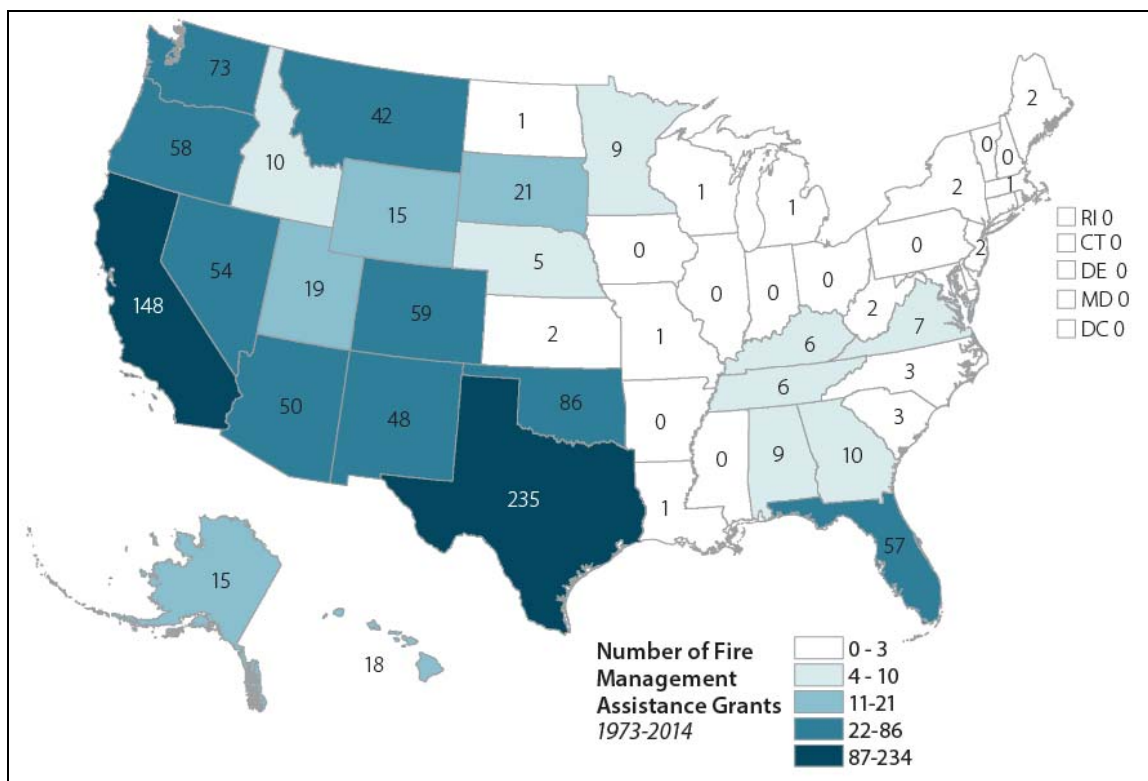


Source: CRS. Data provided by FEMA.

<sup>27</sup> S. 2534, §573, pp. 106-107.

<sup>28</sup> P.L. 114-4, §570. The provision in the appropriations bill was similar to legislation introduced during the 113<sup>th</sup> and 114<sup>th</sup> Congresses. These bills included H.R. 3333, the Wildfire Prevention Act of 2013 (S. 1396), which authorized mitigation for FMAGs, and the PREPARE Act (S. 1428), which did the same.

**Figure 3. Fire Management Assistance Grants by State**  
(1973-2014)



Source: CRS. Data provided by FEMA.

### Disaster Relief Fund

Funds from the DRF, an account in the Department of Homeland Security Appropriations Act, are used to pay for ongoing recovery projects from disasters occurring in previous fiscal years, meet current emergency requirements, and serve as a reserve to pay for upcoming incidents. The DRF is funded annually and is a “no-year” account, meaning that unused funds from the previous fiscal year (if available) are carried over to the next fiscal year. In general, when the balance of the DRF becomes low, Congress provides additional funding through both annual and supplemental appropriations to replenish the account.<sup>29</sup>

In addition to major disasters, the DRF provides funding for emergency declarations and FMAGs as well as some administrative costs. This portion of the DRF is described in the Budget Control Act of 2011 (BCA; P.L. 112-25) as the “base/non-major disasters.” The President’s request for base/non-major disasters each fiscal year is based on a 10-year average for non-catastrophic events, whereas the request for major disasters is based on FEMA’s spending plans for all past declared major disasters.

<sup>29</sup> See CRS Report R43537, *FEMA’s Disaster Relief Fund: Overview and Selected Issues*, by Bruce R. Lindsay.

## Wildfire Management Appropriations

Federal funding for wildfire management is provided to both FS and DOI. Funding for DOI is provided to the department, which then allocates the funding to the Office of Wildland Fire and four agencies—the Bureau of Land Management (BLM), the Bureau of Indian Affairs, the National Park Service, and the U.S. Fish and Wildlife Service.<sup>30</sup>

Both DOI and FS receive annual discretionary appropriations through the Interior, Environment, and Related Agencies appropriations bills.<sup>31</sup> Each agency has two accounts for wildfire: a Wildland Fire Management (WFM) account and a Federal Land Assistance, Management, and Enhancement Act (FLAME)<sup>32</sup> account. Each agency's WFM appropriation is distributed among two subaccounts: *fire operations* and *other fire operations*. The *fire operations* subaccount receives the bulk of the WFM appropriation and funds two programs: preparedness and suppression. Appropriations for preparedness are used to support efforts that assist with fire prevention and detection, equipment, training, and baseline personnel. Suppression appropriations are primarily used for wildfire response. The *other fire operations* subaccount funds hazardous fuels reduction and fire assistance programs, as well as other activities that are more focused on decreasing the risk of future catastrophic wildfires.

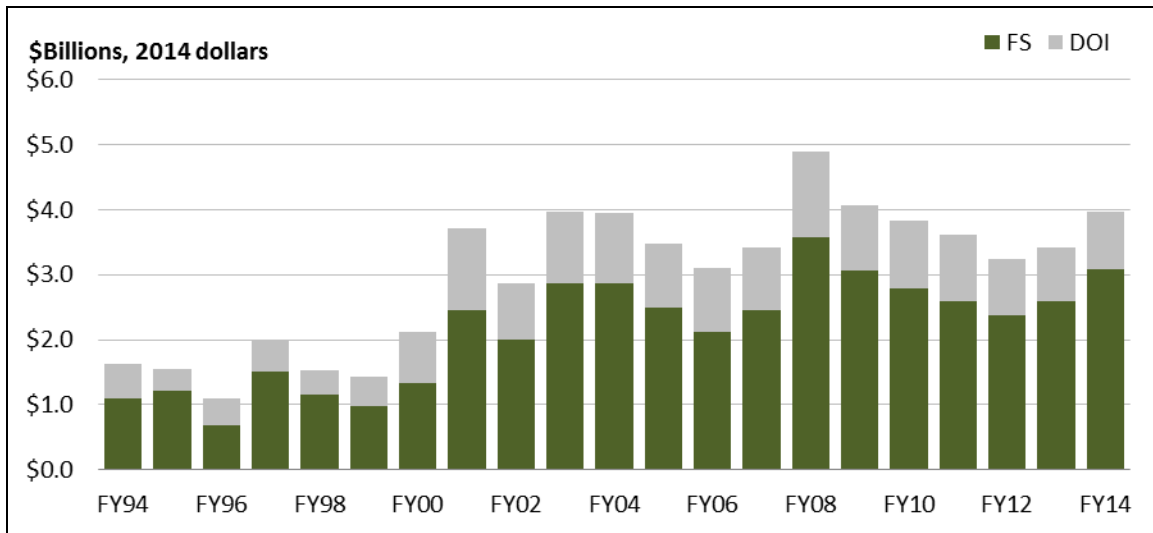
Federal spending on wildfire management has more than doubled over the past two decades in terms of 2014 dollars (see **Figure 4**), although the trend has fluctuated annually. From FY1994 to FY1999, appropriations averaged \$1.6 billion; since FY2000, appropriations have averaged \$3.6 billion. In FY2008, total wildfire appropriations for FS and DOI were \$4.9 billion in 2014 dollars (\$4.5 billion in nominal dollars), the highest amount to date. Appropriations slowly declined in FY2012 to \$3.2 billion (2014 dollars; \$2.6 billion in nominal dollars), before increasing again in both FY2013 (\$3.4 billion in 2014 dollars) and FY2014 (\$3.9 billion). For FY2015, FS and DOI have received \$3.5 billion in wildfire appropriations to date, but it is possible that this figure could increase before the end of the fiscal year if supplemental appropriations are enacted.

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<sup>30</sup> Wildfire appropriations to DOI used to go directly to BLM and were then allocated among the other bureaus, but since 2009 appropriations have gone to the DOI department-level Office of Wildland Fire for allocation.

<sup>31</sup> For background information on the wildland fire accounts for DOI and FS, see CRS Report R43077, *Wildfire Management: Federal Funding and Related Statistics*, by Katie Hoover and Kelsi Bracmort.

<sup>32</sup> P.L. 111-88, Division A, Title V (43 U.S.C. §1748a).

**Figure 4. FS and DOI Total Wildfire Management Appropriations, FY1994-FY2014**

**Source:** CRS. Data compiled from detailed funding tables prepared by the House Committee on Appropriations.

**Notes:** Total wildfire management appropriations include appropriations to the WFM account, the FLAME reserve account, and any additional supplemental appropriations enacted for wildfire purposes to both FS and DOI. Figures adjusted to 2014 dollars using the annual GDP deflator price index reported by the U.S. Department of Commerce, Bureau of Economic Analysis, National Income and Products Accounts Tables, Table I.1.9.

The rising cost of wildfire management, combined with the annual spending fluctuations, makes budgeting for future wildfire spending difficult. Much of the increases, fluctuations, and unpredictability are driven by wildfire suppression costs. Analyzing wildfire cost trends is challenging, because the agency's account structures have changed; often the costs for one wildfire season (using a calendar year) are covered over two fiscal years, and sometimes appropriations are enacted in one fiscal year to cover costs incurred in previous fiscal years.

## Suppression Appropriations

Suppression appropriations are used to control wildland fires on federal land, as well as wildland fires on nonfederal lands under fire protection agreements. Suppression operations fund firefighter salaries, aviation asset operations, incident support functions, and personnel and resources for post-wildfire response programs.<sup>33</sup>

<sup>33</sup> Appropriations to the Preparedness and Suppression programs are fungible, meaning the funds are interchangeable. For example, maintenance and storage for aviation assets may be funded through the preparedness activity until activated for wildfire response, at which point suppression funds will cover operation expenses.

**Table 2. FS and DOI Appropriations, FY2010-FY2015**

(millions of nominal dollars)

	FY2010	FY2011	FY2012 <sup>a</sup>	FY2013	FY2014	FY2015
<b>Forest Service (FS)</b>						
Total Suppression Appropriations	\$1,410.5	\$1,285.9	\$853.6	\$1,188.8	\$1,595.5	\$1,011.1
WFM Suppression	\$997.5	\$995.5	\$538.2	\$510.0	\$680.5	\$708.0
FLAME	\$413.0	\$290.4	\$315.4	\$299.0	\$315.0	\$303.1
Additional Appropriations <sup>b</sup>	NA	NA	NA	\$380.0	\$600.0	NA
WFM Other Than Suppression <sup>c</sup>	\$1,181.2	\$1,172.5	\$1,436.6	\$1,358.9	\$1,481.8	\$1,625.3
Total FS Wildfire Appropriations <sup>d</sup>	\$2,591.7	\$2,548.5	\$2,290.2	\$2,547.7	\$3,077.3	\$2,636.4
FS Appropriations Other Than Wildfire	\$2,780.5	\$2,626.6	\$2,544.0	\$2,377.0	\$2,402.3	\$2,420.0
Total FS Appropriations	\$5,372.3	\$5,085.0	\$4,834.3	\$4,924.7	\$5,479.6	\$5,056.2
% Wildfire Appropriations	48%	48%	47%	52%	56%	52%
<b>Department of the Interior (DOI)</b>						
Total Suppression Appropriations	\$444.8	\$459.8	\$362.3	\$375.9	\$413.9	\$383.7
WFM Suppression	\$383.8	\$399.0	\$270.5	\$261.2	\$285.9	\$291.7
FLAME	\$61.0	\$60.9	\$91.9	\$91.7	\$92.0	\$92.0
Additional Appropriations	NA	NA	NA	\$23.0	\$36.0	NA
WFM Other Than Suppression	\$536.1	\$519.1	\$484.7	\$426.3	\$455.1	\$513.1
Total DOI Wildfire Appropriations	\$980.9	\$978.9	\$847.0	\$802.2	\$869.0	\$896.8
DOI Approps. Other Than Wildfire	\$10,066.3	\$9,648.6	\$9,452.8	\$9,890.1	\$9,605.5	\$10,194.1
Total DOI Appropriations	\$11,047.2	\$10,627.5	\$10,299.8	\$10,692.3	\$10,474.5	\$11,090.9

**Source:** CRS. Data compiled from detailed funding tables prepared by the House Committee on Appropriations.

**Notes:** Totals may not add due to rounding. Data generally do not reflect any rescissions or budget adjustments for scorekeeping purposes.

- Prior to FY2012, certain expenditures related to aviation assets and personnel costs were funded through the Suppression program; starting in FY2012, those costs were funded through the Preparedness program.
- This includes any appropriations enacted for suppression purposes and titled as “supplemental,” “additional,” or “emergency” in the tables prepared by the House Committee on Appropriations.
- This includes all appropriations to the FS WFM account, excluding funds appropriated to the Suppression program.
- This includes all appropriations related to wildland fire management, including appropriations to the WFM account, the FLAME account, and any additional appropriations enacted for wildland fire management purposes.

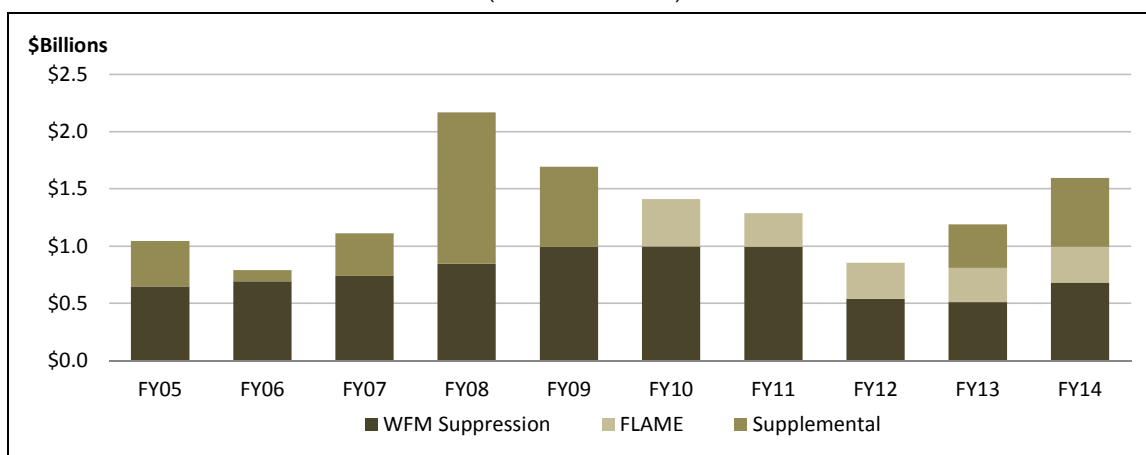
Within the overall appropriations for wildfire, suppression operations are appropriated through two accounts for both FS and DOI: the suppression activity within the respective WFM accounts and the respective FLAME reserve accounts. These also are funded annually through the Interior Appropriations Act. If these suppression resources are exhausted during any given fiscal year, FS and DOI are authorized to transfer funds from their other accounts to pay for suppression activities. Congress also may fund suppression activities—including repaying borrowed funds

from the previous fiscal year—through emergency or supplemental appropriations. (These processes and their impacts are discussed later in the report.) Thus, for any given year, appropriations to FS or DOI for suppression activities may be a combination of three sources: the WFM suppression account, the FLAME account, and supplemental appropriations (see **Table 2**); but the agencies also have access to additional funds through the transfer authority. See **Figure 5** and **Figure 6** for a breakdown of FS and DOI suppression appropriations, respectively.

Over the past five years, total FS suppression appropriations have averaged \$1.2 billion per fiscal year, whereas total DOI suppression appropriations have averaged \$399 million (see **Table 2**). Over the past 10 years, suppression activities, on average, have accounted for half of the FS’s overall wildfire appropriation and a quarter of the agency’s total appropriation (see **Figure 7**). Within DOI, wildfire appropriations—including suppression—are smaller and account for a significantly smaller portion of the overall DOI budget. Analyzing trends, however, is complicated because of certain structural changes FS and DOI have made to their wildfire accounts within the past five years. These changes include adding the FLAME account as well as moving certain aviation and personnel costs between the Suppression and Preparedness programs.

**Figure 5. FS Suppression Appropriations, FY2005-FY2014**

(dollars in billions)

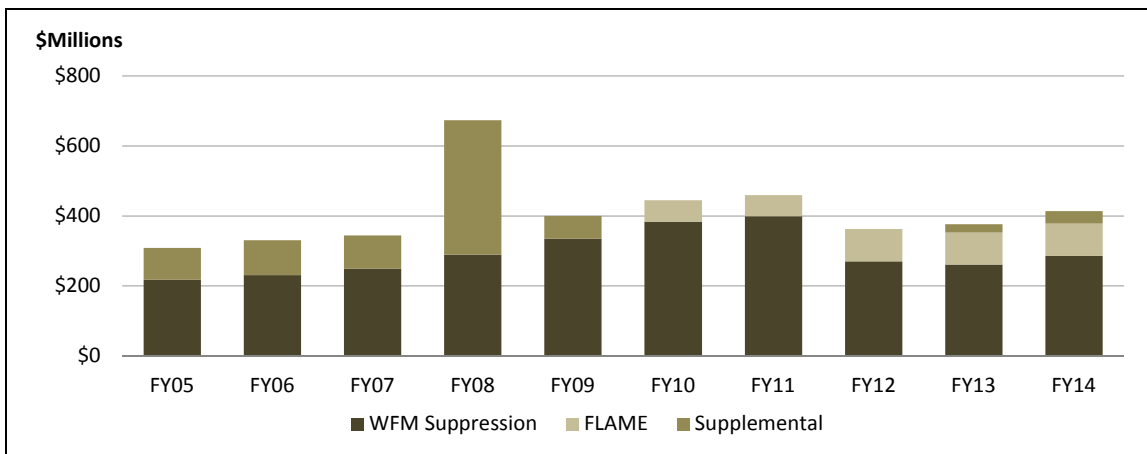


**Source:** CRS. Data compiled from detailed funding tables prepared by the House Committee on Appropriations.

**Notes:** The FLAME account was established in FY2010.



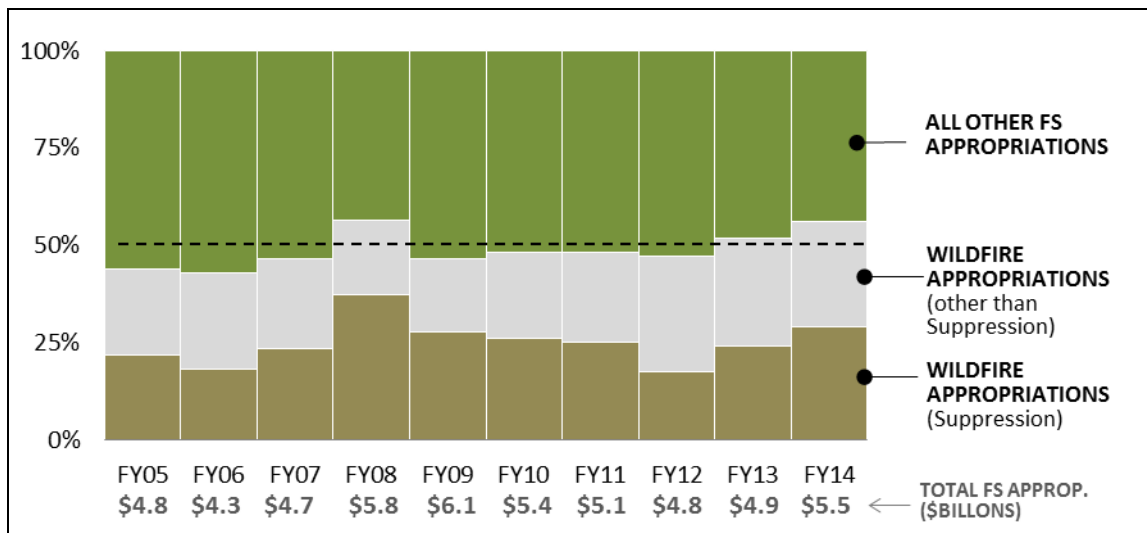
**Figure 6. DOI Suppression Appropriations, FY2005-FY2014**  
(dollars in millions)



**Source:** CRS. Data compiled from detailed funding tables prepared by the House Committee on Appropriations.

**Notes:** The FLAME account was established in FY2010.

**Figure 7. Distribution of FS Appropriations**  
(FY2005-FY2014)



**Source:** CRS. Data compiled from detailed funding tables prepared by the House Committee on Appropriations.

**Notes:** “Wildfire appropriations (other than Suppression)” includes all appropriations to the FS WFM account, excluding funds appropriated to the Suppression program. “Wildfire Appropriations (Suppression)” includes funds appropriated to the WFM Suppression program, the FLAME reserve account, and any emergency or supplemental appropriations provided for suppression activities. “All Other FS Appropriations” includes appropriations to all FS accounts except the WFM account, FLAME reserve account, and any emergency or supplemental appropriations provided for suppression activities.

## FLAME

Congress established a FLAME account—under the Federal Land Assistance, Management, and Enhancement Act of 2009<sup>34</sup>—for both FS and DOI in part to account for the growing cost of wildfire suppression.<sup>35</sup> The FLAME accounts provide a source of reserve funds used to cover the costs of large or complex fires or when amounts provided in their WFM suppression accounts are exhausted. Since the FLAME accounts were established in FY2010, the FS FLAME account has received an annual average of \$323 million; the DOI FLAME account has received an annual average of \$82 million (see **Table 2**). This represents about 30% of the combined (WFM and FLAME) appropriation for suppression activities for FS and 20% for DOI.

Both the Secretary of Agriculture and the Secretary of the Interior may transfer funds from their respective FLAME accounts into the respective WFM accounts for suppression activities upon a secretarial declaration.<sup>36</sup> The declaration may be issued if the fire covers at least 300 acres or threatens lives, property, or resources, among other criteria. Further, either Secretary may issue a declaration if his or her respective WFM suppression account is within 30 days of depletion. Any remaining FLAME funds may then be transferred into the WFM suppression account and used for wildfire response, regardless of the size or complexity of the fire. DOI reports that in 2014, 42 wildland fires were eligible for FLAME funding and \$50 million was transferred from the DOI FLAME account.<sup>37</sup> FS did not declare individual fires for FLAME funding in 2014 but declared FLAME funds available for all fires due to the exhaustion of its WFM suppression funds.<sup>38</sup>

The FLAME Act also prohibited fire borrowing—transferring funds from other accounts to cover suppression obligations—unless and until the FLAME account is exhausted. Although FS reports that its FLAME account has been exhausted every year since FY2011—one year after the account was established—FS has transferred funds from other accounts only twice: in FY2012 and FY2013 (see **Table 3**).<sup>39</sup> DOI's FLAME account has been exhausted twice, in FY2012 and FY2013, and DOI transferred funds from other accounts in both of those years (see **Table 4**).<sup>40</sup>

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<sup>34</sup> Title V of Division A of the FY2010 Department of the Interior, Environment, and Related Agencies Appropriations Act, P.L. 111-88 (43 U.S.C. §§1748a et seq.).

<sup>35</sup> H.Rept. 111-316.

<sup>36</sup> 16 U.S.C. §1748a(e).

<sup>37</sup> DOI, *FY2016 Wildland Fire Management Budget Justification*.

<sup>38</sup> Email from FS Legislative Affairs staff, May 2015.

<sup>39</sup> In the years that fire transfers did not occur but the FS WFM suppression and FLAME accounts were exhausted, FS used unobligated balances from previous fiscal years to cover additional suppression expenses as needed. Email from FS Legislative Affairs staff, May 2015.

<sup>40</sup> Email from DOI, May 2015.

**Table 3. FS Wildfire Suppression Spending, FY2004-FY2015**  
(millions of nominal dollars)

Fiscal Year	Rolling 10-Year Suppression Obligation Average <sup>a</sup>	Appropriations <sup>b</sup>			Annual Suppression Obligations <sup>c</sup>	Funds Transferred from Other Accounts for Suppression
		WFM Suppression and FLAME	Supplemental or Emergency Suppression	Total		
2004	\$604.6	\$597.1	\$724.1	\$1,321.2	\$726.0	\$0
2005	\$685.4	\$648.9	\$395.5	\$1,044.3	\$690.0	\$0
2006	\$700.5	\$690.2	\$100.0	\$790.2	\$1,501.0	\$200.0
2007	\$746.2	\$741.5	\$370.0	\$1,111.5	\$1,374.0	\$100.0
2008	\$911.0	\$845.6	\$1,326.0	\$2,171.6	\$1,458.7	\$273.8
2009	\$993.9	\$993.9	\$700.0	\$1,693.9	\$1,018.3	\$0
2010	\$1,128.5	\$1,410.5	\$0	\$1,410.5	\$897.7	\$0
2011	\$886.0	\$1,285.9	\$0	\$1,285.9	\$1,414.4	\$0
2012	\$854.6	\$853.6	\$0	\$853.6	\$1,436.6	\$440.0
2013	\$931.0	\$809.0	\$379.9	\$1,188.8	\$1,356.5	\$505.0
2014	\$995.5	\$995.5	\$600.0	\$1,595.5	\$1,196.0	\$0
2015	\$1,011.6	\$1,011.1	NA	\$1,011.6	NA	NA

**Source:** Compiled by CRS. Unless otherwise specified below, data derived from detailed funding tables prepared by the House Committee on Appropriations, annual agency budget documents, and data from the FS legislative affairs office, July 2014 and updated January 2015.

- Inflation adjusted for the fiscal year in which it is reported. This is the budget level requested by the President for Suppression (WFM Suppression and, starting in FY2010, FLAME).
- Total Appropriations includes appropriations to FS's WFM suppression account, FLAME account, and any supplemental or emergency appropriation enacted for suppression activities, but it does not generally reflect any rescissions or budget adjustments for scorekeeping purposes. Emergency or supplemental appropriations may be used to repay funds borrowed from other accounts in the previous fiscal year.
- Obligations may exceed appropriations in any given year because FS is authorized to carry forward unobligated balances from previous fiscal years and to transfer money from other accounts for suppression activities.

**Table 4. DOI Wildfire Suppression Spending, FY2004-FY2015**

(millions of nominal dollars)

Fiscal Year	Rolling 10-Year Suppression Obligation Average <sup>a</sup>	Appropriations <sup>b</sup>			Annual Suppression Obligations <sup>c</sup>	Funds Transferred from Other Accounts for Suppression
		WFM Suppression and FLAME	Supplemental or Emergency Suppression	Total		
2004	\$195.3	\$192.9	\$234.4	\$427.3	\$281.2	\$0
2005	\$221.5	\$218.4	\$89.6	\$308.0	\$294.1	\$0
2006	\$234.2	\$230.7	\$100.0	\$330.7	\$424.1	\$96.0
2007	\$257.0	\$249.2	\$95.0	\$344.2	\$470.5	\$112.5
2008	\$294.4	\$289.8	\$384.0	\$673.8	\$392.8	\$0
2009	\$335.2	\$335.2	\$65.0	\$400.2	\$218.4	\$0
2010	\$369.8	\$444.8	\$0	\$444.8	\$231.2	\$0
2011	\$384.0	\$459.8	\$0	\$459.8	\$318.8	\$0
2012	\$362.6	\$362.3	\$0	\$362.3	\$465.8	\$15.5
2013	\$368.5	\$352.9	\$23.0	\$375.9	\$399.2	\$34.1
2014	\$377.9	\$377.9	\$36.0	\$413.9	\$326.2	\$0
2015	\$383.7	\$383.7	NA	\$383.7	NA	NA

**Source:** Compiled by CRS. Unless otherwise specified below, data derived from detailed funding tables prepared by the House Committee on Appropriations, annual agency budget documents, and data from the DOI Office of Wildland Fire Management, July 2014 and updated January 2015.

- a. Inflation adjusted for the fiscal year in which it is reported.
- b. Total Appropriations includes appropriations to DOI's WFM suppression account, FLAME account, and any supplemental or emergency appropriation enacted for suppression activities, but it does not generally reflect any rescissions or budget adjustments for scorekeeping purposes. Emergency or supplemental appropriations may be used to repay funds borrowed from other accounts in the previous fiscal year.
- c. Obligations may exceed appropriations in any given year because DOI is authorized to carry forward unobligated balances from previous fiscal years and to transfer money from other accounts for suppression activities.

### Transfer Authority to Supplement Suppression Funds

During an active wildfire season, the agencies may deplete their suppression accounts quickly. However, they must continue to respond to wildfires and therefore need to be able to access additional funds in a timely manner. Therefore, Congress has granted FS and DOI the authority to transfer funds from other accounts and programs to ensure that federal emergency response activities continue under certain conditions (often referred to as *fire transfers* or *fire borrowing*). The transfer authority is granted annually in the Interior, Environment, and Related Agencies appropriations acts, specifically in the general provisions section for DOI and the administrative provisions section for FS. The authority to transfer funds for WFM-related activities was first granted in the FY1980 appropriations law (P.L. 96-126), which allowed transfers for the emergency rehabilitation of lands impacted by wildfire. The authority was continued annually, and then the FY1989 Interior appropriations law (P.L. 100-466) expanded the authority to allow

for funds to be transferred for firefighting purposes in addition to emergency rehabilitation.<sup>41</sup> As noted above, the conditions for the transfer authority are that suppression funds in the respective WFM suppression account and FLAME reserve account must be nearly depleted.<sup>42</sup> Funds may be transferred from other discretionary accounts as well as from mandatory and permanent funding accounts and trust funds. Since the establishment of their FLAME accounts in FY2010, FS and DOI each have borrowed from other accounts twice: in FY2012 and FY2013 (see **Table 3** and **Table 4**).

Typically, FS and DOI have developed an internal fire borrowing plan prior to the start of the wildfire season.<sup>43</sup> The plans identify accounts and programs that may be targeted if transfers are needed, based in part on unobligated balances and in part on an incremental strategy that depends on the amount that would need to be transferred while minimizing potential impacts to the public and agency programs.<sup>44</sup> Agencies often target programs that have relatively large unobligated balances.<sup>45</sup> These programs are often funded in one year, but the funds may not be obligated for several years, potentially allowing for transfers to be made with minimal immediate impact so long as the funds are reimbursed. The agencies may then also make a request to Congress to provide additional funding to replenish the FLAME accounts and to repay the transferred funds.<sup>46</sup>

### *Fire Borrowing Impacts*

The authority to transfer funds from other agency accounts for suppression operations is controversial and has been since wildfire spending began to increase in the 2000s.<sup>47</sup> The authority to access additional funds for suppression operations provides FS and DOI flexibility to respond quickly in time-sensitive emergency situations. However, it also effectively provides them with an open-ended transfer authority, which some argue provides little incentive to manage suppression costs.<sup>48</sup> The agencies—and the Government Accountability Office (GAO)—also have argued that the fire transfers are disruptive to their other, non-fire operations and hinder their

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<sup>41</sup> The provision generally reads: “Any appropriations or funds available to the Forest Service may be transferred ... for forest firefighting and the emergency rehabilitation of burned-over lands under its jurisdiction.”

<sup>42</sup> In general, the agencies will have already depleted their WFM suppression accounts and transferred funds from their FLAME reserve accounts.

<sup>43</sup> Email from FS Legislative Affairs staff, February 2015.

<sup>44</sup> Historically, the FS borrowed funds primarily from its mandatory spending accounts, particularly the Knutson-Vandenberg (K-V) Fund. This account accumulated deposits from timber purchasers to reforest and otherwise improve timber in timber sale areas. Because of the lag between timber payments and reforestation, the K-V Fund often had a balance of about \$500 million—more than enough to borrow for emergency fire suppression without impinging on one season’s tree planting efforts. However, the K-V Fund has had a smaller balance since FY2000 (because of lower timber sales) while emergency wildfire suppression costs have risen. Thus, the FS has had to borrow funds from other FS accounts—land and easement purchases, recreation and wildlife management, and more.

<sup>45</sup> GAO, *Wildland Fire Management: Actions by Federal Agencies Could Mitigate Rising Fire Costs and Their Effects on Other Agency Programs*, GAO-09-444T, June 2004.

<sup>46</sup> 43 U.S.C. §1748a(2)(C)(ii) states that FS and DOI “should promptly make a supplemental request for additional funds to replenish the FLAME Fund if the Secretary determines that the FLAME Fund will be exhausted within 30 days.”

<sup>47</sup> See, for example, the following GAO reports on wildland fire funding issues published between 2004 and 2009: GAO, *Wildfire Suppression: Funding Transfers Cause Project Cancellations and Delays, Strained Relationships, and Management Disruptions*, GAO-04-612, June 2004; GAO-07-655; and GAO-09-444T.

<sup>48</sup> National Academy of Public Administration, *Wildfire Suppression: Strategies for Containing Costs*, September 2002.

ability to carry out their statutory missions.<sup>49</sup> Borrowing from other program accounts—even when repaid in subsequent appropriations—creates uncertainty in the availability of funds and affects program implementation. In addition, some programs are time sensitive (e.g., land sales) and may suffer adverse impacts if and when delayed by fire transfers (e.g., changing land prices).<sup>50</sup>

Congress began introducing legislation to insulate agency appropriations from emergency fire suppression funding in the 110<sup>th</sup> Congress. The conferees of the FY2010 Interior appropriations bill stated their intent was that the funding provided in the FLAME account, together with appropriations to the WFM suppression account, should fully fund anticipated wildfire suppression needs and prevent future borrowing of funds from non-fire programs.<sup>51</sup> More recent legislative proposals also seek to prevent fire borrowing (see “Legislative Proposals in the 114<sup>th</sup> Congress” section of this report).

### **Supplemental Suppression Appropriations**

When wildfire suppression funding is exhausted, Congress faces the question of reimbursing the accounts from which funding was transferred. The funds may be provided in an emergency appropriations bill (such as P.L. 108-324) or in the Interior appropriations bill but designated as “supplemental” or “additional.” These funds may have been designated to repay fire transfers (usually made in a previous fiscal year) or to replenish the WFM suppression or FLAME accounts, although FS reports that \$424 million in transferred funds remain unpaid since FY2002 (on a cumulative basis).<sup>52</sup> Due to the timing of the fire season (typically peaking in August), a reimbursement decision may be made after the end of the fiscal year when the transfers were made. This timing may complicate discussions about how much suppression funding is needed for the coming fiscal year.

Congress has provided supplemental appropriations in 7 of the 10 fiscal years since FY2005, funding \$4.7 billion for emergency wildfire suppression activities for FS and DOI combined (see **Table 3** and **Table 4**). Since the establishment of the FLAME account in FY2010, Congress has provided supplemental suppression appropriations twice: \$403 million in FY2013 and \$636 million in FY2014. Supplemental appropriations provided in each of the years between FY2005 and FY2009 were designated so as not to be subject to certain procedural or statutory budget enforcement, such as the BCA limits on discretionary spending.<sup>53</sup> However, the supplemental appropriations provided in FY2013 and FY2014 did not contain any such designation and, as such, were subject to budget enforcement. (See the “Budgetary Constraints” section in this report.)

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<sup>49</sup> See for example, GAO-04-612; testimony of FS Chief Tom Tidwell, in U.S. Congress, Senate Committee on Energy and Natural Resources, *Hearing to Receive Testimony on the Federal Government’s Role in Wildfire Management, the Impact of Fires on Communities, and Potential Improvements to Be Made in Fire Operations*, 114<sup>th</sup> Cong., 1<sup>st</sup> sess., May 5, 2015; and FS, *Fire Transfer Impact by State*, June 9, 2014, at <http://www.fs.fed.us/publications/forest-service-fire-transfer-state-impacts.pdf>.

<sup>50</sup> GAO-04-612.

<sup>51</sup> H.Rept. 111-316.

<sup>52</sup> FS, *FY2016 Budget Justification*, p. 400, at <http://www.fs.fed.us/about-agency/budget-performance>.

<sup>53</sup> For example, “designated by the Congress as being for an emergency requirement pursuant to §251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985.” For more information on emergency designations, see CRS Report R41564, *Emergency Designation: Current Budget Rules and Procedures*, by Bill Heniff Jr.

## Forecasting Suppression Spending

FS and DOI must estimate future suppression spending years in advance as well as during the wildfire season to forecast spending levels and account balances ongoing in the current fiscal year. The agencies formulate their budget requests for suppression operations using a rolling average of previous years' suppression spending (including supplemental appropriations enacted for suppression purposes).<sup>54</sup> This method originated in the 1990s from an agreement between the House and Senate Committees on the Budget, the Congressional Budget Office, and the Office of Management and Budget.<sup>55</sup> Prior to the enactment of the FLAME Act of 2009, the agencies' WFM suppression activity requests would equal their rolling 10-year suppression obligation averages. From FY2010 to FY2014, the agencies' WFM suppression activity requests plus their FLAME account requests equaled their rolling 10-year suppression obligation averages. Since FY2015, the Administration has requested a new funding mechanism for suppression operations, which includes eliminating the FLAME reserve fund and requesting 70% of the rolling 10-year suppression obligation average for the WFM suppression activity.<sup>56</sup>

Due to the timing of the budget process, the suppression budget request for any given year is based on the rolling 10-year suppression obligation average calculated two fiscal years previously. For example, the FY2016 suppression budget request was formulated using the FY2014 rolling obligation average. This means that suppression spending from FY2005 through FY2014 was used to formulate the suppression budget request for FY2016.

Because it is based on past spending, the rolling 10-year suppression obligation average is a lagging indicator of future suppression spending.<sup>57</sup> Lagging indicators, in general, demonstrate patterns across previous years but do not necessarily signal future trends. As such, the rolling 10-year suppression obligation average may not be the most accurate method to predict future suppression spending needs during the budget formulation process. For example, the rolling 10-year suppression obligation average has underestimated suppression spending 9 out of the past 11 years for FS (see **Table 3**); and 7 out of the past 11 years for DOI (see **Table 4**). On average, over the past 11 years, the rolling 10-year suppression obligation average has been 40% below the obligations for FS and 19% below the DOI suppression obligations.

When wildfire spending began to increase in the 2000s, GAO noted that the agencies' forecasting methods were insufficient, both in terms of annual and in-season budgeting.<sup>58</sup> FS reportedly analyzed alternative methods, but FS and DOI still use the 10-year suppression obligation average to formulate budget requests, even though suppression spending surpasses the estimate most years.<sup>59</sup> An earlier proposed version of the FLAME Act would have required the agencies to use a

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<sup>54</sup> See FS and DOI annual budget justification documents for a description of how the rolling 10-year suppression obligation is calculated.

<sup>55</sup> U.S. Congress, House Committee on Natural Resources, *Federal Land Assistance, Management and Enhancement Act*, Report to accompany H.R. 5541, 110<sup>th</sup> Cong., 2<sup>nd</sup> sess., June 10, 2008, H.Rept. 110-704.

<sup>56</sup> For more information on the Administration's proposal, see FS FY2016 Budget Justification, p. 251; and DOI Wildland Fire Management FY2016 Budget Justification, p. 35.

<sup>57</sup> In 2004, GAO recommended that FS and DOI develop a method to predict suppression spending that was more accurate than using the rolling 10-year obligation average (GAO-04-612).

<sup>58</sup> GAO-04-612.

<sup>59</sup> GAO-09-444T, p. 8.

rolling 5-year suppression obligation average to formulate their budget requests.<sup>60</sup> A rolling 5-year average potentially would have predicted future suppression spending more accurately than a 10-year average, since the lower values from earlier years would drop out of the calculation. However, because a rolling 5-year average still would have been based on past spending, it also would have been a lagging indicator and likely would have underestimated suppression spending. The enacted version of the FLAME Act did not contain that provision, however. Instead, the FLAME Act requires the agencies to develop an estimate based on the best available science—the FLAME forecasts developed below—but does not direct that these be used to formulate budget requests.<sup>61</sup>

FS and DOI also must predict suppression spending during a wildfire season to ensure the availability of funds and to determine if and how much additional funds are going to be necessary. In response to FLAME Act requirements, FS and DOI began using regression models that incorporate weather and climate data, among other data, to forecast spending.<sup>62</sup> The models predict a range of suppression spending within a 90% confidence interval and are published four times per year: March, May, and June, with a September outlook for the upcoming year. The FLAME forecasts vary; for example, the estimate for the upper 90% confidence interval ranged from \$1.570 billion for FS in the March 2014 forecast to \$1.996 billion in the May 2014 forecast three months later. In the four years (2011-2014) that data are available, suppression obligations exceeded the FLAME median forecast for the FS three times and DOI four times. However, obligations exceeded the upper 90% confidence interval for both FS and DOI only once (see **Figure 8** and **Figure 9**).

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<sup>60</sup> See §2(c)(2) of H.R. 5541 from the 110<sup>th</sup> Congress.

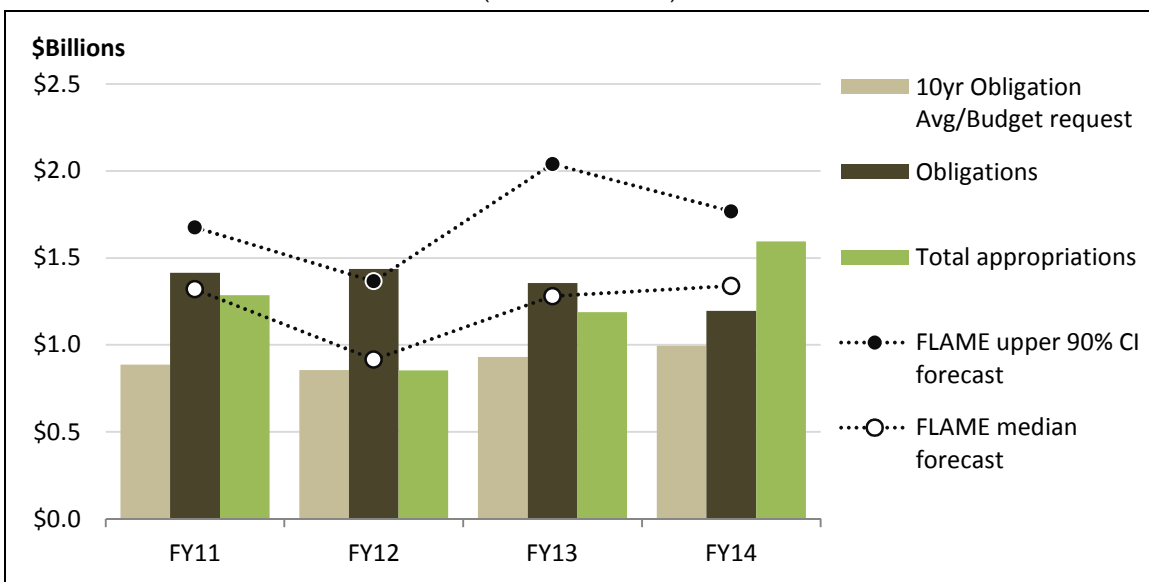
<sup>61</sup> 43 U.S.C. §1748a(h)(3)(D).

<sup>62</sup> 43 U.S.C. §1748a(h)(3)(D). The FS Southern Research Station runs the regression models for both FS and DOI based on methods developed by J. P. Prestemon, K. L. Abt, and K. Gebert, “Suppression Cost Forecasts in Advance of Wildfire Seasons,” *Forest Science*, vol. 54, no. 4 (2008), pp. 381-396; and K. L. Abt, J. P. Prestemon, and K. Gebert, “Wildfire Suppression Cost Forecasts for the U.S. Forest Service,” *Journal of Forestry*, vol. 107, no. 4 (2009), pp. 173-178.



**Figure 8. FS Suppression Request, Appropriations, Obligations, and FLAME Forecasts**

(dollars in billions)

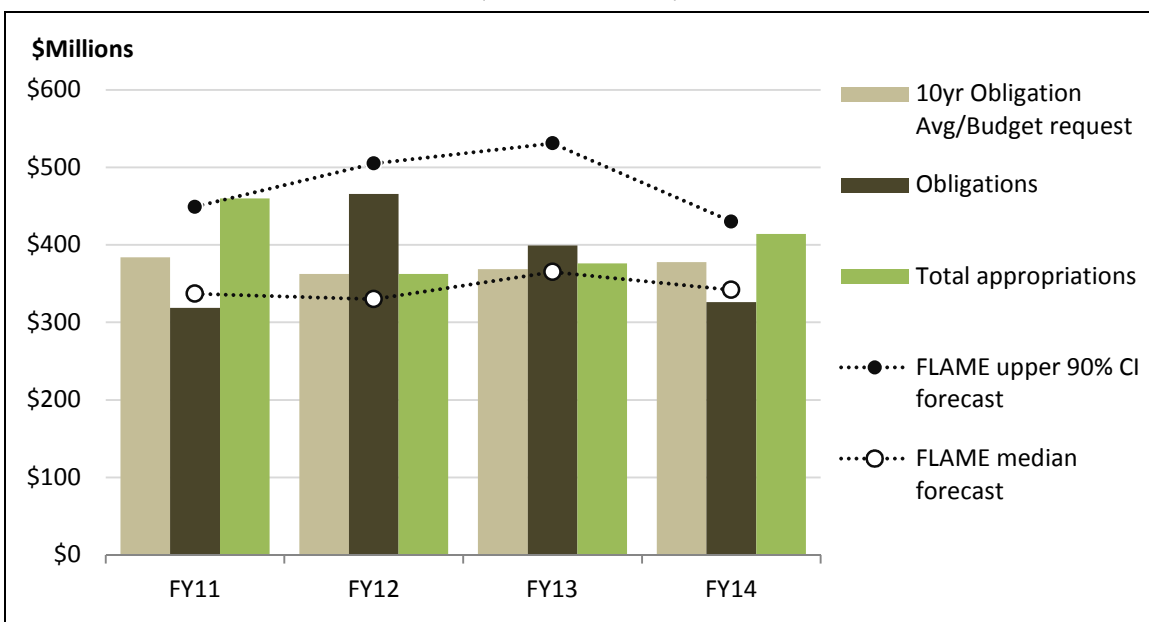


Source: CRS.

**Notes:** Suppression includes appropriations to the WFM suppression activity, FLAME account, and any supplemental or emergency appropriation enacted for suppression purposes. The FLAME median forecast is the average of the four reported median values per year. The FLAME upper 90% confidence interval forecast is the average of the four reported values per year.

**Figure 9. DOI Suppression Request, Appropriations, Obligations, and FLAME Forecasts**

(dollars in millions)



Source: CRS.

**Notes:** Suppression includes appropriations to the WFM suppression activity, FLAME account, and any supplemental or emergency appropriation enacted for suppression purposes. The FLAME median forecast is the average of the four reported median values per year. The FLAME upper 90% confidence interval forecast is the average of the four reported values per year.

The FLAME forecasts have not generally been used in the annual budget formulation process. However, the agencies use the forecasts to inform congressional decisionmakers about potential spending levels throughout a wildfire season or during budget hearings. In addition, the Administration's current budget request proposes providing access to funding up to the upper forecast range.

## Issues for Congress

Congress last addressed the mechanism for wildfire spending in the 110<sup>th</sup> Congress with the passage of the FLAME Act.<sup>63</sup> Several interrelated issues related to funding federal wildland fire management in general and wildfire suppression operations in particular have been topics of congressional hearings and proposed legislation in the 114<sup>th</sup> Congress.

## Appropriation Levels and Forecasts

Each year, Congress considers at what level suppression (and wildland fire management in general) should be appropriated. Suppression costs are difficult to predict and can fluctuate widely. From FY2010 to FY2011, for example, combined FS and DOI suppression obligations increased more than 50%, but from FY2011 to FY2012, obligations increased by less than 10%. More recently, from FY2013 to FY2014, obligations decreased by 15%. These variations make it difficult for Congress to know at what level to appropriate in any given year. The budget formulation process is based on a rolling historic average, which has underestimated suppression spending 8 out of the last 10 years by nearly 50% annually on average. The agencies have had to borrow funds from other accounts in 5 of those years, and Congress has appropriated supplemental suppression appropriations in 7 of those years.

The intent of the FLAME accounts was to eliminate the need for fire borrowing or supplemental appropriations by serving as a reserve fund.<sup>64</sup> The FLAME accounts, however, are funded through a definite appropriation (a specified amount) that is still budgeted using the rolling 10-year suppression obligation average. After the FLAME accounts were established, the agencies continued to receive suppression appropriations equal to the 10-year suppression obligation average, although the funds were divided in two different accounts. The FLAME Act, in essence, created an additional account for suppression operations but did not create access to any additional funds above what was already being provided. The FLAME Act directed that the agencies develop a better formula to forecast suppression spending, but it did not mandate that the agencies use it to formulate their budget request (although that was debated). It also may be

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<sup>63</sup> A prior version of the FLAME Act was first introduced in the 109<sup>th</sup> Congress. The 109<sup>th</sup> and 110<sup>th</sup> Congresses also considered other bills to address wildfire spending, such as S. 3729 [109<sup>th</sup> Congress] and S. 1770 [110<sup>th</sup> Congress]. The Administration proposed the establishment of a suppression reserve fund in FY2010 and FY2011, which was similar to the FLAME Act but with some fundamental differences, including requiring a presidential declaration to access the funds. See FS's FY2011 Budget Justification, p. 13-1, for more information on the proposal.

<sup>64</sup> H.Rept. 111-316.

argued that the FLAME Act actually created various hurdles for the agencies to access a portion of the suppression funds they previously could freely access.

While it may be argued that the issue is that suppression costs are not being fully funded—requiring the agencies to deplete other accounts and, potentially, the appropriation of supplemental funds—the ability to access other funding sources has allowed the agencies to honor all suppression obligations incurred during any given fiscal year. However, this may sometimes be at the expense of not fully funding other programs. A more accurate description is that suppression costs for any given year are not necessarily being fully funded in advance for that fiscal year. In this sense, funding for suppression is sometimes reactive, not proactive. This is in part due to the unpredictable nature of wildfires and wildfire spending as well as difficulties in accurately predicting future suppression costs. Improving the suppression spending forecasts used for budget decisions may alleviate some of the agencies’ needs to supplement their suppression accounts during the fiscal year. Congress may consider directing the agencies to use a different or specified methodology during their budget formulation processes, or it may continue to allow the agencies the discretion to formulate their own budget requests using the methodologies they deem most appropriate.

## **Funding Source**

Federal spending on wildland fire management is currently more than double what it was in the 1990s. A significant portion of that increase is related to rising suppression costs, even during years of relatively mild wildfire activity. Although the 2013 and 2014 wildfire seasons had fewer fires and burned fewer acres than in 2012, Congress appropriated more funds in each successive fiscal year, including providing supplemental appropriations both years. However, on average, suppression appropriations have been slightly lower the last 5 fiscal years compared to the 10-year average (FY2005-FY2014: \$1.9 billion for both FS and DOI; FY2010-FY2014: \$1.7 average [2014 dollars]). Nonetheless, the overall trend is that costs are increasing relative to historical levels.

Congress may consider whether or how to address the rising costs of wildfire management and suppression operations. Some are concerned that the rising costs are coming at the expense of funding other agency programs, some of which may potentially reduce future suppression spending.<sup>65</sup> Wildfire accounts for an increasing proportion of FS’s budget, up from 44% in FY2005 to 56% in FY2014. This means that other programs are receiving a smaller proportion of FS funds. For example, the proportion of FS’s budget devoted to managing the national forest system decreased by 2% over that same time period, and the Construction Improvement and Maintenance proportion decreased by 6%, although it is not clear if the declines are attributable entirely to increasing wildfire funding. Congress may want to consider options that would maintain consistent levels of funding for other agency programs, although this could come at the expense of other agencies or programs funded through the Interior appropriations bill (discussed below) or may contribute to increasing the federal deficit if the costs are not offset.

Congress also may want to discuss ways to reduce the overall cost of suppression spending. FS, DOI, GAO, and others have argued that increasing current investments in hazardous fuel

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<sup>65</sup> GAO-09-444T; D. E. Calkin, M. P. Thompson, and M. A. Finney, “Negative Consequences of Positive Feedbacks in U.S. Wildfire Management,” *Forest Ecosystems*, vol. 2, no. 9 (2015).

reduction projects may potentially reduce long-term suppression spending.<sup>66</sup> Others argue that the agencies should place a higher priority on cost containment efforts, perhaps by reducing agency budgets or restricting access to additional funds under certain conditions.<sup>67</sup> Another option Congress may consider is addressing the proportion of wildfire suppression costs borne by the federal government—for example, by developing a consistent federal cost apportionment method, which currently varies by state and often by fire, depending on the terms of the cooperative fire agreement. Other options include providing incentives for nonfederal entities to mitigate their risk of wildfire damages or discourage future WUI development, among others.

## **Budgetary Constraints**

Discretionary spending—including wildfire appropriations—currently is subject to certain procedural and budgetary controls. In the past, Congress has effectively waived some of these controls for certain wildfire spending, but it has not done so in more recent years. This has prompted some to explore providing certain wildfire spending effectively outside of those constraints.

## **Discretionary Spending Limits Background**

Pursuant to the Budget Control Act of 2011 (BCA),<sup>68</sup> discretionary spending currently is subject to statutory limits for each of the fiscal years between FY2012 and FY2021. Specifically, two different limits apply—one to “defense” and the other to “nondefense” spending. The defense category includes all discretionary spending under budget function 050 (defense); the nondefense category includes discretionary spending in all other budget functions.<sup>69</sup> Enacted discretionary spending may not exceed these limits. In the event that spending is enacted that exceeds a limit, the limit is to be enforced through sequestration, which involves the automatic cancellation of budget authority through largely across-the-board reductions of nonexempt programs and activities.<sup>70</sup> These reductions would occur to spending in the category of the limit that was breached.

Certain spending is effectively exempt from the discretionary spending limits pursuant to Section 251(b) of the Balanced Budget and Emergency Deficit Control Act (BBEDCA),<sup>71</sup> because those limits are “adjusted” upward to accommodate that spending. For example, these adjustments

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<sup>66</sup> See for example, Calkin et al., “Negative Consequences”; GAO, *Wildland Fire Management: Lack of a Cohesive Strategy Hinders Agencies’ Cost-Containment Efforts*, GAO-07-427T, January 2007; GAO, *Wildland Fire Management: Federal Agencies Have Taken Important Steps Forward, but Additional, Strategic Action Is Needed to Capitalize on Those Steps*, September 2009.

<sup>67</sup> Ingalsbee, *Getting Burned*; and Headwaters Economics, *Solutions to the Rising Costs of Firefighting in the Wildland-Urban Interface*, September 2009.

<sup>68</sup> P.L. 112-25.

<sup>69</sup> For further information with regard to budget functions, see CRS Report 98-280, *Functional Categories of the Federal Budget*, by Bill Heniff Jr.

<sup>70</sup> The sequestration mechanism to enforce the statutory discretionary spending limits is provided by the BBEDCA, as amended by the BCA. For further information about these procedures, see CRS Report R41965, *The Budget Control Act of 2011*, by Bill Heniff Jr., Elizabeth Rybicki, and Shannon M. Mahan. The Congressional Budget Act of 1974 (Titles I-IX of P.L. 93-344, 2 U.S.C. §601-688) provides for procedural enforcement consistent with the statutory spending limits, including the adjustments to those limits.

<sup>71</sup> Title II of P.L. 99-177, 2 U.S.C. §900-922, as amended by the BCA.

include budget authority designated as emergency requirements, as well as that designated as for disaster relief. The purpose of these designations is, in part, to address the unpredictable nature of disaster assistance while attempting to impose discipline on the amount spent by the federal government on disasters. The emergency designation could apply to a number of different types of purposes,<sup>72</sup> whereas the disaster relief designation is more narrowly limited to costs of major disasters that have been declared pursuant to Section 102(2) of the Stafford Act.<sup>73</sup> Wildfire suppression operations are an allowable purpose for the emergency designation but are not included under the disaster relief designation. Of the seven supplemental appropriations provided for wildfire suppression operations from FY2005 through FY2015, Congress designated five as emergency spending. The two most recent supplemental appropriations (FY2013 and FY2014) did not receive emergency designations.

While there is no limit on the amount of budget authority that can be designated as emergency requirements each fiscal year, the amount that can be designated using the disaster relief designation is limited by a formula. This formula is based on the average funding provided for disaster relief over the last 10 years, excluding the highest and lowest annual amounts.<sup>74</sup> If less than the maximum amount allowed by the formula is ultimately appropriated for a fiscal year, then the difference is added to the amount that the disaster formula yields for the next fiscal year.<sup>75</sup> For example, if the formula for a fiscal year allows \$10 billion in disaster designated spending, but only \$6 billion is appropriated, then the amount of the allowable disaster designation for the following fiscal year will be the formula plus the \$4 billion in carryover from the previous fiscal year. This total amount—formula plus carryover, if any—is sometimes referred to as the *disaster cap*.

Since FY2012, when the BCA discretionary spending limits were first implemented, three different types of discretionary spending have been provided to prevent or respond to natural disasters—spending that is subject to the discretionary spending limits, spending designated as for disaster relief, and spending designated as for emergency requirements.

- Spending subject to the limits has been provided each fiscal year in regular appropriations measures to respond to disaster events, including wildfires, in a number of different appropriations accounts, such as certain FEMA appropriations in the Disaster Relief Fund<sup>76</sup> and the Small Business Administration appropriations for disaster loans.
- Disaster-designated spending has been provided each fiscal year through the regular appropriations process for response and recovery work for presidentially declared events that are not wildfires. In previous practice, the great majority of

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<sup>72</sup> Although Congress may apply the emergency designation at its discretion, the BBEDCA, §250(c)(20), defines *emergency* to mean “a situation that—(A) requires new budget authority and outlays (or new budget authority and the outlays flowing therefrom) for the prevention or mitigation of, or response to, loss of life or property, or a threat to national security; and (B) is unanticipated.”

<sup>73</sup> 42 U.S.C. §5122(2).

<sup>74</sup> For additional discussion on the BCA and disaster spending, see CRS Report R42352, *An Examination of Federal Disaster Relief Under the Budget Control Act*, by Bruce R. Lindsay, William L. Painter, and Francis X. McCarthy.

<sup>75</sup> BBEDCA, §251(b)(2)(D). The amount that is allowed for the disaster designation each fiscal year is calculated by the Office of Management and Budget.

<sup>76</sup> The DRF provides funding for all open disasters, disasters currently impacting the nation, and retains a balance for possible future disaster events.

such spending also has been appropriated to the FEMA DRF to be used for the response to major disasters. However, in some instances, disaster-designated funding also has been provided to address the unmet needs created by major disasters beyond those provided to the DRF, such as for the Community Development Block Grant program at the Department of Housing and Urban Development and disaster-related programs of the Army Corps of Engineers.

- Emergency spending usually has been provided to supplement disaster-designated spending, as well as spending that is subject to the discretionary spending limits, in response to events that have already occurred, including wildfires.

According to FEMA, the BCA necessitated the development of a new, two-part approach to accounting for disaster-related activity, with one approach for major disasters and another for all other DRF activity:

Essentially, requests for DRF funding for FEMA’s Stafford Act programs and disaster support activities fall into two categories: disaster relief cap adjustment and base/non-major disasters. Funding requested under the disaster relief cap adjustment is for major disasters declared pursuant to the Stafford Act and designated by the Congress as being for disaster relief pursuant to Section 251(b)(2)(D) of the BBEDCA, as amended by the BCA. Funding requested under the base/non-major disasters category includes Emergencies, Pre-disaster Surge Support, Fire Management Assistance Grants and activities that are non-disaster specific, such as Disaster Readiness Support (DRS) activities (e.g., distribution centers, reservist training, etc.).<sup>77</sup>

## Legislative Proposals in the 114<sup>th</sup> Congress

The 114<sup>th</sup> Congress is considering options for addressing wildfire suppression spending issues, which include

- what level to appropriate for suppression activities;
- how to provide for unpredictable costs quickly;
- where the money should come from; and
- whether suppression money should be subject to or outside of certain statutory budget controls.

This section of the report discusses three proposals—S. 235, H.R. 167, and S. 508—that have been introduced to address issues related to wildfire funding.

All three bills contain provisions that are intended to address concerns that wildfire suppression activities have not been adequately funded each year (see **Table 5**). Each of the three bills would allow some funds provided for wildfire suppression activities that meet certain criteria effectively not to be subject to the limits on discretionary spending. In so doing, these wildfire funds would

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<sup>77</sup> U.S. Department of Homeland Security, *Federal Emergency Management Agency Disaster Relief Fund: FY2013 Congressional Justification*, p. 5, at [http://www.fema.gov/pdf/about/budget/11f\\_fema\\_disaster\\_relief\\_fund\\_dhs\\_fy13\\_cj.pdf](http://www.fema.gov/pdf/about/budget/11f_fema_disaster_relief_fund_dhs_fy13_cj.pdf).

not need to compete with other programs and activities that are subject to the limits. These proposals also would modify the existing disaster relief designation to interact with the additional wildfire spending that was provided pursuant to these new procedures.

## **S. 235 and H.R. 167 (The Wildfire Disaster Funding Act)**

Two similar versions of the Wildfire Disaster Funding Act have been introduced in the 114<sup>th</sup> Congress (H.R. 167 and S. 235). The bills have minor differences from each other and from versions introduced in the 113<sup>th</sup> Congress (S. 1875 and H.R. 3992). S. 1875 was referred to the Senate Budget Committee; H.R. 167 was referred to the House Budget Committee, in addition to the Agriculture and Natural Resources Committees. This section of the report provides an analysis of these 114<sup>th</sup> Congress proposals as introduced.<sup>78</sup>

### **Summary**

S. 235 and H.R. 167 would amend the BBEDCA to add a new adjustment to the nondefense discretionary spending limit for “wildfire suppression operations,” which includes spending for the purposes of

- the emergency and unpredictable aspects of wildland firefighting, including support, response, and emergency stabilization activities;
- other emergency management activities; and
- funds necessary to repay any transfers needed for these costs.

There is a precondition for using this adjustment—that 70% of the 10-year average funding level for wildfire suppression operations must be appropriated subject to the limits. Once that precondition is met, the amount of the adjustment for the additional wildfire suppression operations funding is capped each fiscal year. In H.R. 167, the wildfire adjustment is limited to \$2.689 billion each fiscal year through FY2022. In contrast, the maximum amount of the wildfire adjustment in S. 235 starts at \$1.410 billion in FY2016 and gradually increases to \$2.690 billion in FY2025.<sup>79</sup>

This proposal also affects the calculation of the maximum amount for the existing disaster relief adjustment—also referred to as the disaster cap—because the disaster cap calculation interacts with the proposed wildfire adjustment in two ways. First, starting in FY2017 under H.R. 167 or FY2018 under S. 235, the calculation of the 10-year rolling average for the disaster cap formula would include any budget authority provided using the wildfire designation in previous fiscal years. As a consequence, the amounts that are provided under the wildfire adjustment would gradually be incorporated into the calculation of the 10-year rolling average for disaster relief. Second, after the disaster cap for a fiscal year is calculated (including incorporating the amount of the prior-year wildfire adjustments into the calculation), the amount of the disaster cap is to be reduced by the amount of the previous fiscal year’s wildfire adjustment. For example, if \$1.4

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<sup>78</sup> For further information about S. 1875 and H.R. 3992 (113<sup>th</sup> Cong.), see the CRS congressional distribution memorandum “The Wildfire Disaster Funding Act (S. 1875 and H.R. 3992), 113<sup>th</sup> Congress, March 26, 2014, available from the authors.

<sup>79</sup> The BCA spending limits are currently through FY2021.

billion was provided using the wildfire adjustment in FY2016, the FY2017 disaster cap would be lowered by \$1.4 billion.

## **Potential Implications**

Both S. 235 and H.R. 167 would remove some budget process barriers for the provision of additional wildfire suppression funds, either through the annual appropriations process or through supplemental appropriations. Whatever amount, if any, Congress elects to appropriate over the minimum 70% for wildfire suppression (up to the specified maximum in each bill) effectively would not be subject to the discretionary spending limits established in the BCA each year. For example, were these proposals to be in effect for FY2016, Congress could appropriate the minimum of \$1.057 billion for suppression operations, which is 70% of the combined FS and DOI suppression obligation for FY2016 (\$1.510 billion). But then Congress could appropriate an additional \$2.689 billion under H.R. 167 or \$1.410 billion under S. 235 in FY2016, effectively outside of the budget controls discussed above. This means the agencies could be appropriated up to \$3.746 billion in H.R. 167, or \$2.467 billion in S. 235, with \$1.057 billion of those amounts being subject to the BCA discretionary limits. However, because these proposals leave actual funding decisions to future Congresses, Congress may choose to appropriate less than the minimum 70% threshold so that the adjustments allowed would not be triggered.

Other potential budgetary and policy effects of both S. 235 and H.R. 167 are unknown. It is not clear how these proposals would interact with the FLAME accounts. The bills specify that at least 70% of the budget request would have to be appropriated for suppression operations but do not specify whether the appropriations have to be in the agencies respective WFM or FLAME accounts. The FLAME accounts will expire if funds are not appropriated to (or withdrawn from) them for three consecutive years.<sup>80</sup>

S. 235 and H.R. 167 also are silent as to fire borrowing. If either of these proposals were to be enacted, it is unclear if fire borrowing authorities would continue to be provided in appropriations laws.

Both S. 235 and H.R. 167 would require the USDA and DOI Secretaries to continue to use the rolling 10-year average of suppression obligation to formulate their suppression budget requests. The USDA and DOI Secretaries also are directed to “promptly” submit any request to Congress for supplemental wildfire suppression operations funding, and they must submit a plan to Congress explaining how the supplemental appropriations will be obligated within 30 days of receiving them. This proposal would largely codify current agency practices, with some modifications. This may give Congress more advance notice about the need for supplemental wildfire suppression operations appropriations, as well as information on how the agencies propose to use those additional appropriations. Both this advance notice and additional information may aid Congress in appropriations decisionmaking and oversight. They also might add to the workload of both the FS and DOI during a critical time of providing wildfire assistance.

This interaction between the proposed wildfire and existing disaster relief adjustments has a number of potential implications for the amount of the disaster cap in the future. However, because these potential implications are highly sensitive to future appropriations decisions that

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<sup>80</sup> 43 U.S.C. §1748(a)(g).



will be made by Congress and the President each fiscal year, the extent to which the calculation for the disaster cap will be affected by the use of the wildfire adjustment cannot be determined definitively. Assuming that the wildfire adjustment is first used in FY2016, for the next several years, the disaster formula would be based on 10 fiscal years of funding for disaster relief (minus the highest and lowest fiscal year), but fewer than 10 fiscal years of the wildfire adjustment would be available to be incorporated into the base calculation. This has the potential to make the amount available for the disaster cap lower than it otherwise might have been. On the other hand, appropriations for the full adjustment allowed by the disaster cap have not been made since FY2013, which is causing the amounts that are used to calculate the 10-year rolling average for the amount of the cap in future fiscal years to be lower than they would have been had the full amount of the disaster cap been appropriated. As a consequence, adding wildfire-designated spending into the formula might have the effect of increasing the amount of disaster cap above what it otherwise might have been. Another factor that affects these considerations is the amount that is assumed to be appropriated using the wildfire adjustment each fiscal year because either the full amount allowed, or a lesser amount might be appropriated.

## **Legislative Action**

Neither of these proposals has received committee consideration as of the date of this report, although other relevant action has occurred in the context of the wildfire management budget request, the FY2016 budget resolution, and the FY2016 Interior Appropriations bill.

The Administration's FY2016 wildfire management budget request included a proposal to change how suppression operations are funded, similar to H.R. 167 and S. 235. However, the Administration's proposed maximum cap adjustment would be the difference between the upper 90% confidence interval FLAME forecast and the rolling 10-year suppression obligation average. (In FY2016, this would be \$854.6 million.<sup>81</sup>)

The FY2016 budget resolution (S.Con.Res. 11) includes two procedural provisions related to wildfire suppression operations funding. First, the Senate Budget Committee-reported version included a spending-neutral reserve fund to "improve forest health" that, in part, would allow for the applicable committee allocations, aggregates, and other levels in the budget resolution to be revised to the purposes of measures relating to "reform of the process of budgeting for wildfire suppression operations."<sup>82</sup> Second, during Senate floor consideration of the budget resolution, an amendment was adopted that would provide a procedural adjustment to the budget enforcement limits associated with the budget resolution "if a measure becomes law that amends the adjustments to discretionary spending limits established under Section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(b)) for wildfire suppression funding" (S.Amdt. 434).<sup>83</sup> This amendment was agreed to by unanimous consent. Both of these provisions, with minor changes, were included in the final version of the budget resolution that was agreed to by Congress—at Sections 3208 and 4319.

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<sup>81</sup> For more information, see FS FY2016 Budget Justification, p. 251; and DOI Wildland Fire Management FY2016 Budget Justification, p. 35.

<sup>82</sup> S.Con.Res. 11, §319. For information about reserve funds, see CRS Report R43535, *Provisions in the Bipartisan Budget Act of 2013 as an Alternative to a Traditional Budget Resolution*, by Megan S. Lynch.

<sup>83</sup> S.Con.Res. 11, §424.

The FY2016 Interior appropriations bill (S. 1645) as reported by the Senate Appropriations Committee also would address wildfire funding in a manner similar to H.R. 167 and S. 235. Title V of this bill would create a new adjustment for wildfire suppression operations and alter the calculation for the disaster cap based on the amount of wildfire adjustment appropriations that are ultimately provided. There are three main differences between the proposals discussed in this subsection and Title V of the Interior bill:

1. The precondition for using the adjustment is that 100% of the 10-year average for wildfire suppression operations also must be appropriated subject to the BBEDCA spending limits.
2. The range that is specified for the wildfire adjustment is set initially at \$1.460 billion for FY2016 and gradually increases to \$2.650 billion for FY2021.
3. FS and DOI would be required to submit a comprehensive report analyzing management decisions, fire activity, and fire accounting, among other topics.

## **S. 508 (The FLAME Act Amendments of 2015)**

The FLAME Act Amendments of 2015 was introduced in the 114<sup>th</sup> Congress as S. 508 and referred to the Senate Committee on Energy and Natural Resources. An earlier version of the bill was previously introduced in the 113<sup>th</sup> Congress (S. 2593) but received no congressional action. This section of the report provides an analysis of the wildfire spending provisions of S. 508 as introduced. (S. 508 also contains additional titles addressing specific national forest management issues as well as stewardship contracting, which are not discussed.)

### **Summary**

Like the proposals discussed in the “S. 235 and H.R. 167 (The Wildfire Disaster Funding Act)” section of this report, S. 508 would amend the BBEDCA to add a new adjustment for “wildfire suppression operations” spending. However, this proposal would impose two different sets of preconditions to access the adjustment. First, a minimum amount that is subject to the statutory discretionary spending limits must be appropriated to the DOI and FS Wildland Fire Management accounts. This minimum amount is the greater of

- 100% of the average costs for wildfire suppression operations over the previous five years; or
- the estimated amount of anticipated wildfire suppression costs at the upper bound of the 90% confidence interval for that fiscal year calculated in accordance with the FLAME Act.

In addition, an amount equal to at least 50% of that minimum amount must be specified for various forest management activities to mitigate future fire risk, such as

- authorized hazardous fuels reduction projects<sup>84</sup> and other activities of the Secretary of the Interior;

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<sup>84</sup> This includes activities authorized by the Healthy Forests Restoration Act of 2003 (16 U.S.C. §§6501 et seq.) and the Tribal Forest Protection Act of 2004 (25 U.S.C. §3115a).

- forest restoration and fuel reduction activities performed outside of the WUI that are on condition class 3 federal land or condition class 2 federal land located within fire regime I, fire regime II, or fire regime III,<sup>85</sup> and
- timber sales, pre-commercial thinning, and salvage harvests performed on National Forest System lands.

Second, S. 508 also requires that all amounts in the FLAME fund have been expended as of the day before the date of enactment of an appropriation that would be subject to the wildfire adjustment.

Once those preconditions have been met, the measure would provide an adjustment for wildfire suppression operations of up to \$1 billion in additional new budget authority in each of FY2016 through FY2022. The allowable purposes for spending that uses this adjustment are the same as those in S. 235 and H.R. 167.

This proposal also contains provisions that would affect the wildfire adjustment with the existing disaster designation but in a different way than the proposals discussed in the previous section. The formula for the disaster cap would still involve the 10-year rolling average for disaster relief spending, minus the high and low fiscal years, plus any prior year carryover. The amount of the wildfire adjustment from the previous fiscal year is also to be subtracted from that calculation. However, the 10-year rolling average for the disaster relief designation is not to incorporate amounts appropriated pursuant to the wildfire adjustment.

## **Potential Implications**

The framework of S. 508 is similar to H.R. 167 and S. 235 in that it also would remove some budget process barriers for the provision of additional wildfire suppression funds. However, S. 508 differs from those other proposals in some significant ways. First, under S. 508 only up to an additional \$1 billion for suppression spending could be provided under the new adjustment. Second, the minimum amount that would be required to be appropriated subject to those limits would be the greater of the rolling five-year suppression obligation average or the upper bound of the FLAME forecast. In addition, whatever amount Congress appropriates for suppression operations, an amount equal to half would be required for various forest management activities, such as hazardous fuels reduction. It is not clear if this other amount would be half of the suppression operations appropriation or an additional amount equal to that half. Regardless, requiring an appropriation amount equal to half of the greater of the five-year suppression obligation average or upper 90% FLAME forecast would increase the agencies' investment in hazardous fuels reduction substantially. Over the past five fiscal years, an average of \$327 million has been provided to the FS, and \$163 million to DOI, for the hazardous fuels activity within the agencies' respective WFM other operations accounts. While this may fund activities that would potentially mitigate future fire risk, these additional funds might come at the expense of other agency programs.

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<sup>85</sup> Fire regime condition class is a classification that describes the relative change between the historical (prior to modern human intervention) frequency and intensity of fire patterns across a vegetated landscape to the current fire patterns. For more information, see S. Barrett et al., *Interagency Fire Regime Condition (FRCC) Guidebook Version 3.0*, 2010, at <https://www.frames.gov/frcc>.

Another difference between the proposals discussed in the previous section and S. 508 is that it would require that all amounts in the FLAME fund be expended as of the day before the date of enactment of an appropriation that would be provided under the wildfire adjustment. This requirement has some potential implications for the timing of those additional wildfire appropriations. If the FLAME fund continued to receive annual appropriations, the wildfire adjustment generally could not be used to provide additional funds in the same annual appropriations laws. Instead, such funds would need to be provided in supplemental appropriations acts once the FLAME fund was exhausted each year, which could further add to Congress's summer legislative agenda. Alternatively, if Congress wants to provide these additional wildfire appropriations through the annual appropriations process, one way to do so would be to entirely discontinue providing appropriations to the FLAME fund and instead fund agency wildfire suppression operations entirely through their other accounts.

Like H.R. 167 and S. 235, the S. 508 formula also has potential implications for the amount that is available for the disaster cap in future fiscal years. Because the amount that is appropriated using the wildfire adjustment is subtracted from the disaster calculation and is not factored into the 10-year rolling average, it appears that the use of the wildfire adjustment has the potential to make the disaster cap lower than it otherwise might have been. However, the extent to which this would be the case would depend on whether the full amount allowed for the wildfire adjustment or a lesser amount was appropriated. As was the case for S. 235 and H.R. 167, these considerations are highly sensitive to future appropriations decisions that will be made by Congress and the President each fiscal year. Consequently, the extent to which the calculation for the disaster cap will be affected by the use of the wildfire adjustment cannot be definitively determined.

S. 508 also amends the FLAME Act. The agencies would continue to have their FLAME accounts for the most severe, complex, and costly wildfires, but the declaration criteria to access those funds would be changed: the minimum fire size would be 1,000 acres (up from 300 acres), or if the fire was within 10 miles of an urbanized area, but the Secretaries would still be able to access FLAME funds if their respective WFM suppression accounts were about to be depleted. S. 508 would also prohibit the agencies from transferring funds from other accounts for suppression purposes.

Of the three legislative proposals discussed in this report, S. 508 is the only bill to address suppression forecasts. S. 508 would require FS and DOI to calculate and report the rolling five-year suppression obligation average and the outyear FLAME forecasts in their annual budget requests. The other bills continue the rolling 10-year suppression obligation average.

## **Legislative Action**

S. 508 has not received any congressional action as of the date of this report. See the S. 235 and H.R. 167 "Legislative Action" subsection above for a discussion of action related to the wildfire management budget request, the FY2016 budget resolution, and FY2016 Interior appropriations.

**Table 5. Wildfire Spending Legislation in the 114<sup>th</sup>, Comparison of Selected Attributes**

Select Provisions	H.R. 167	S. 235	S. 508
Adds adjustment for wildfire spending that is effectively not subject to statutory discretionary limits	Yes	Yes	Yes
Precondition(s) for adjustment	Yes 70% 10-yr suppression obligation average must be appropriated within discretionary statutory limits annually	Yes 70% 10-yr suppression obligation average must be appropriated within discretionary statutory limits annually	Yes The maximum of: <ul style="list-style-type: none"> <li>• 100% 5-yr suppression obligation average; or</li> <li>• FLAME upper 90% CI</li> </ul> must be appropriated within discretionary statutory limits annually  An amount equal to at least 50% of the above amount must also be appropriated for specified forest management activities  Funds in FLAME account must be expended
Maximum adjustment	\$2.689 billion/FY through FY2023	Increases annually: \$1.410 billion FY2016 to \$2.690 in FY2025	\$1 billion/FY through FY2022
Interacts with disaster cap adjustment/DRF formula	Yes	Yes	Yes
Suppression Forecasting	Would require that the 10-yr suppression obligation average continue to be used for suppression budgeting	Would require that the 10-yr suppression obligation average continue to be used for suppression budgeting	Would require that the 5-yr suppression obligation average be used for suppression budgeting
Fire Transfers	Not addressed	Not addressed	Prohibited

**Source:** CRS.

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