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# Wildfire and the Budget in the 119th Congress

The increasing extent of—and damage caused by—wildfire in the United States over the last 20 years has led to questions about the federal government's role in funding wildfire preparedness, suppression, and recovery.

## Federal Funding Structure for Wildfire

The federal government addresses wildfire from pre-fire land management and hazard mitigation, to wildfire response, to post-fire recovery. Congress provides appropriations for the different stages of the wildfire cycle. Congress appropriates funding specifically for wildfire preparedness and suppression, but also for broader purposes that include wildfire. These include land and resource management, including to address fire risk, pre-disaster mitigation, and post-disaster recovery assistance, including following wildfires.

Four federal land management agencies—the Forest Service (FS) within the U.S. Department of Agriculture (USDA) and three agencies within the U.S. Department of the Interior (DOI)—as well as programs operated by the Federal Emergency Management Agency (FEMA), are primarily responsible for federal programming related to wildfire preparedness and response, and for managing wildfire risk on the 640 million acres of federal lands. Several of these agencies also may provide assistance to nonfederal jurisdictions for such purposes. FEMA programs can provide support for fire response and risk reduction on nonfederal lands if requested by a state, territory, or federally recognized tribe. This includes fire management assistance grants (FMAGs) for wildfire suppression on nonfederal lands and funding for hazard mitigation, including wildfire mitigation.

At least 30 federal agencies may provide assistance for recovery from a wildfire. The majority of outlays for federal post-wildfire disaster assistance are from FEMA, USDA, and Small Business Administration (SBA) programs. Other agencies also provide some post-wildfire disaster assistance, including agencies within the Department of Commerce and the Department of Housing and Urban Development. FEMA's programs are available only to address wildfires for which a major disaster has been declared under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act; 42 U.S.C. §5721 et seq.) or other authorities. Other assistance is more broadly available.

## The Annual Wildfire Funding Landscape

Because federal programming related to wildfire is distributed across departments, funding for wildfire comes from multiple sources, and the types of funding vary. This has implications for how wildfire funding is considered through the budget cycle and how budget enforcement mechanisms, such as statutory limits on discretionary spending, are applied.

Most annual funding for wildfire is provided as regular discretionary appropriations to relevant agencies. Congress provides funding to the FS and DOI for land management, wildfire, and assistance programs as regular discretionary appropriations through annual Interior, Environment, and Related Agencies appropriations laws. Congress also provides regular discretionary appropriations for disaster relief programs. For example, SBA's disaster loan program receives appropriations through the Financial Services and General Government appropriations law, and FEMA receives funding for the Disaster Relief Fund through the Department of Homeland Security appropriations law.

A limited number of disaster assistance programs that may be available for wildfire recovery are funded through mandatory appropriations. These include USDA programs to help agricultural producers financially recover from production losses caused by natural disasters. These programs are permanently authorized to receive "such sums as necessary" from the USDA Commodity Credit Corporation (CCC).

Congress also provides supplemental appropriations at times, tailored to unfunded or unanticipated needs. Such appropriations may be applicable to wildfire, including firefighting, disaster recovery, or longer-term mitigation or risk reduction activities. However, Congress may choose not to enact supplemental appropriations for every wildfire or for particularly active or destructive fire seasons. Congress sometimes specifies that supplemental appropriations cover expenses related to several different disasters, with wildfire as one eligible disaster among many.

Supplemental appropriations usually are a response to a request from the Administration—this was the case with the supplemental appropriations provided through multiple bills in 2017 across FY2017 and FY2018. However, Congress may act on its own, as it did in FY2019. Congressional debate regarding wildfire funding or wildfire aid often centers on whether to provide supplemental appropriations and, if so, how much to provide and for what purposes.

For example, in FY2019, P.L. 116-20 provided supplemental appropriations for a variety of expenses—such as agricultural production losses, rural community facilities, economic development, and others—related to many disasters, including wildfires and Hurricanes Florence and Michael. The law also provided emergency supplemental appropriations to the FS for wildfire suppression. The law was the first supplemental appropriations bill enacted after the Camp Fire in California in 2018, which led to 85 deaths. Similarly, in FY2025, P.L. 118-158 provided supplemental appropriations for similar purposes and also provided funding to Environmental Protection Agency water infrastructure programs, specifically citing wildfires in Hawaii among other disasters. This bill was enacted following the wildfire disaster that affected Lahaina, Hawaii, in August 2023, leading to 102 deaths.

## Wildfire Funding's Relationship to Discretionary Spending Limits

The Fiscal Responsibility Act (FRA; P.L. 118-5), enacted in June 2023, established statutory spending limits for FY2024 and FY2025 for discretionary spending. Most discretionary budget authority is constrained by the limits. However, certain wildfire funding can be effectively exempt from the limits under the FRA through three different mechanisms: the wildfire funding fix, the disaster relief allowable adjustment, and the emergency designation.

First, Congress created an adjustment specific to appropriations to the FS and DOI for wildfire suppression, known as the *wildfire funding fix* (2 U.S.C. §901(b)(2)(F)). Through the wildfire funding fix, Congress specified a fixed amount between $2.25 billion and $2.95 billion annually in wildland fire suppression funding as exempt from statutory discretionary spending limits, from FY2020 through FY2027.

Second, funding pursuant to major disaster declarations (including those for wildfire) can, up to a specified value, be exempt from discretionary spending limits (2 U.S.C. §901(b)(2)(D)). This *disaster relief allowable adjustment* allows Congress to designate funding for major disasters as exempt, up to a limit calculated by the Office of Management and Budget, largely based on past disaster relief spending.

Finally, the Balanced Budget and Emergency Deficit Control Act (2 U.S.C. §901) establishes that statutory limits on discretionary spending may be adjusted upward to accommodate enacted discretionary spending that Congress and the President have designated as an emergency requirement. Unlike the first two exceptions, this exception has no limit, but Congress and the President must both designate the spending as an emergency requirement for it to be exempt. This designation is frequently used for supplemental appropriations measures, but it may be applied in annual appropriations measures as well.

## Wildfire Funding Debates in the 119th Congress

Congress has debated several distinct issues related to FY2025 appropriations for wildfire, particularly supplemental appropriations in relation to the January 2025 wildfires in Los Angeles County. Some Members of Congress and the Trump administration have sought to "condition" supplemental wildfire funding, although it is unclear what those conditions may be. Others in Congress oppose this proposal. Separately, some in Congress also have sought to link wildfire funding to legislative proposals to address the debt limit. The debt limit is a statutory constraint on the amount of money that the Department of the Treasury may borrow to fund federal operations. On January 2, 2025, because of the expiration of the FRA, the debt limit was reinstated at a level matching the debt subject to limit at that time. How long Treasury can continue to meet federal financial obligations depends on many factors; however, informed observers expect the public debt to exceed the debt limit in 2025. Certain risks are associated with public debt exceeding the debt limit. Members of Congress have considered taking action to address this situation. Although it is not clear, the proposal to link supplemental wildfire funding to the debt limit likely refers to a legislative approach providing supplemental disaster appropriations for wildfire and addressing the debt limit within one bill. The debt limit and wildfire funding are otherwise not directly related to one another. Some Members of Congress support the proposal, while others oppose it. Some observers contend that linking the debt limit with wildfire funding may increase the amount of congressional support for such a bill.

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