

Arizona Department of Forestry and Fire Management

	FY 2021 ACTUAL	FY 2022 ESTIMATE	FY 2023 APPROVED
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	210.0	213.0	235.5 ^{1/}
Personal Services	2,135,200	2,147,500	2,147,500
Employee Related Expenditures	828,800	966,400	1,078,900
Professional and Outside Services	69,600	69,600	69,600
Travel - In State	5,300	21,000	21,000
Travel - Out of State	100	200	200
Other Operating Expenditures	148,800	152,700	353,000
Equipment	15,900	36,400	36,400
OPERATING SUBTOTAL	3,203,700	3,393,800	3,706,600
SPECIAL LINE ITEMS			
FY 2023 Salary Increase	0	0	885,900
Environmental County Grants	250,000	250,000	250,000
Fire Suppression	3,200,000	3,200,000	3,200,000 ^{2/}
Gila River Nonnative Species Eradication	0	0	5,000,000 ^{3/4/5/}
Hazardous Vegetation Removal	533,500	3,000,000	3,017,000 ^{6/}
Inmate Firefighting Crews	699,900	784,400	804,100
Post-Release Firefighting Crews	961,400	1,151,000	1,186,000
Mount Lemmon Fire District Renovation	0	0	2,230,900
Nonnative Vegetation Species Eradication	1,000,000	1,000,000	1,000,000 ^{7/}
Rural Fire District Reimbursement	0	2,500,000	0
State Fire Marshal	706,700	1,168,700	1,922,300
State Fire School	156,500	279,700	282,400
US Forest Service Land Thinning	0	0	2,150,900
Wildfire Emergency Response	4,507,300	0	65,000,000 ^{8/9/}
Wildfire Mitigation	0	0	38,837,300
AGENCY TOTAL	15,219,000	16,727,600	129,473,400 ^{10/}
FUND SOURCES			
General Fund	15,219,000	16,727,600	129,473,400
SUBTOTAL - Appropriated Funds	15,219,000	16,727,600	129,473,400
Other Non-Appropriated Funds	60,520,700	59,942,600	59,942,600
TOTAL - ALL SOURCES	75,739,700	76,670,200	189,416,000

AGENCY DESCRIPTION — The Arizona Department of Forestry and Fire Management (DFFM) is responsible for the prevention and suppression of forest fires on State Trust Land and private land outside incorporated municipalities (about 22 million acres total). The department includes the Office of the State Fire Marshal, which enforces the state fire codes and provides training and education for fire personnel and the general public. All training provided by the department must comply with safety standards prescribed by the National Fire Protection Association and the Occupational Safety and Health Administration of Arizona.

FOOTNOTES

- ^{1/} Includes 192.5 GF FTE Positions funded from Special Line Items in FY 2023.
- ^{2/} A.R.S. § 37-1305 annually appropriates \$3,000,000 from the General Fund to the Fire Suppression Revolving Fund. Because this authorization is in permanent statute, \$3,000,000 of the appropriated amount is not included in the General Appropriation Act.
- ^{3/} The monies in the Gila River nonnative species eradication line item are for nonnative vegetation species eradication projects, including projects to replace nonnative vegetation species with native vegetation species and restoring habitat for wildlife, in and along the portion of the Gila River between the western boundary of the city of Avondale and the bridge over the Gila River at State Route 85. The Arizona department of forestry and fire management shall serve as the

fiscal agent and contractor for the projects described in this paragraph. The department may subcontract for the eradication and other required services for the projects pursuant to title 34, chapter 6, article 1, Arizona Revised Statutes, to expedite the projects. (General Appropriation Act footnote)

- 4/ On or before September 1, 2023, September 1, 2024 and September 1, 2025, the department shall report to the director of the joint legislative budget committee on the expected amount and purpose of expenditures from the Gila River nonnative species eradication line item. The report shall include projected line item detail. The reports shall also provide follow-up on areas previously treated with funding from the line item and whether the nonnative species have returned. (General Appropriation Act footnote)
- 5/ The appropriation made in the Gila River nonnative species eradication line item is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, except all monies remaining unencumbered or unexpended for the purposes of this section on June 30, 2025 revert to the state general fund. (General Appropriation Act footnote)
- 6/ The appropriation for the hazardous vegetation removal line item is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, through June 30, 2024. (General Appropriation Act footnote)
- 7/ The sum of \$1,000,000 is appropriated from the state General Fund in each of FY 2021, FY 2022, FY 2023, FY 2024, FY 2025, FY 2026, FY 2027, FY 2028, and FY 2029 to the Arizona Department of Forestry and Fire Management for deposit in the Nonnative Vegetation Species Eradication Fund established by A.R.S. § 37-1309 to assist in preventing wildland fire and flooding. (FY 2020 General Appropriation Act footnote)
- 8/ The appropriation for the wildfire emergency response line item shall be used for the purposes and is subject to the restrictions outlined in Laws 2021, first special session, chapter 1, as amended by Laws 2022, chapter 1, section 1. The monies appropriated in the wildfire emergency response line item are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, through June 30, 2025. (General Appropriation Act footnote)
- 9/ From the amount appropriated for the wildfire emergency response line item, \$3,000,000 shall be used for purposes related to the Woodbury fire. (General Appropriation Act footnote)
- 10/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

Operating Budget

The budget includes \$3,706,600 and 43 FTE Positions from the General Fund in FY 2023 for the operating budget. FY 2023 adjustments are as follows:

Statewide Adjustments

The budget includes an increase of \$312,800 from the General Fund in FY 2023 for statewide adjustments. (Please see the Agency Detail and Allocations section.)

FY 2023 Salary Increase

The budget includes \$885,900 from the General Fund in FY 2023 for an FY 2023 Salary Increase. FY 2023 adjustments are as follows:

Salary Increase

The budget includes an increase of \$885,900 from the General Fund in FY 2023 for a statewide employee salary increase. This amount funds a 10% staff salary increase. The budget requires all agencies receiving salary increases to transfer the monies in this line item to the relevant line items as part of the FY 2024 budget request submittals. These submittals will include the reallocation for both FY 2023 and FY 2024. (Please see the Agency Detail and Allocations section.)

Environmental County Grants

The budget includes \$250,000 from the General Fund in FY 2023 for Environmental County Grants. This amount is unchanged from FY 2022.

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

Fire Suppression

The budget includes \$3,200,000 from the General Fund in FY 2023 for Fire Suppression. This amount is unchanged from FY 2022.

Monies in this line item are used for fire suppression on state trust land and rural private land. A.R.S. § 37-1305 provides an annual appropriation of up to \$3,000,000 from the General Fund for fire suppression. Because this authorization is in permanent statute, only \$200,000 of the appropriated amount is included in the General

Appropriation Act. (See Wildfire Mitigation line item for additional monies supporting fire suppression in Arizona.)

Gila River Nonnative Species Eradication

The budget includes \$5,000,000 from the General Fund in FY 2023 for the Gila River Nonnative Species Eradication line item. FY 2023 adjustments are as follows:

One-Time Increase

The budget includes a one-time increase of \$5,000,000 from the General Fund in FY 2023 for nonnative species eradication projects along specified portions of the Gila River. The FY 2023 budget also assumes the Executive will allocate \$5,000,000 from the Coronavirus State Fiscal Recovery Fund for the same purpose in both FY 2024 and FY 2025.

Monies in this line item fund nonnative vegetation species eradication projects, including projects to replace nonnative vegetation species with native vegetation species and restoring habitat for wildlife, in and along the portion of the Gila River between the western boundary of the city of Avondale and the bridge over the Gila River at State Route 85. A General Appropriation Act footnote permits DFFM to subcontract for the eradication and other required services for the projects-

Another footnote requires the department to report annually on the expected amount and purpose of expenditures and provide follow-up on areas previously treated with funding from the line item and whether the nonnative species have returned.

Monies in this item are non-lapsing through June 30, 2025.

Hazardous Vegetation Removal

The budget includes \$3,017,000 from the General Fund in FY 2023 for a Hazardous Vegetation Removal program. FY 2023 adjustments are as follows:

Statewide Adjustments

The budget includes an increase of \$17,000 from the General Fund in FY 2023 for statewide adjustments.

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

Inmate Firefighting Crews

The budget includes \$804,100 and 13 FTE Positions from the General Fund in FY 2023 for Inmate Firefighting Crews. FY 2023 adjustments are as follows:

Statewide Adjustments

The budget includes an increase of \$19,700 from the General Fund in FY 2023 for statewide adjustments.

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

Post-Release Firefighting Crews

The budget includes \$1,186,000 and 20 FTE Positions from the General Fund in FY 2023 for Post-Release Firefighting Crews. FY 2023 adjustments are as follows:

Statewide Adjustments

The budget includes an increase of \$35,000 from the General Fund in FY 2023 for statewide adjustments.

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

Mount Lemmon Fire District Renovation

The budget includes \$2,230,900 from the General Fund in FY 2023 for the Mount Lemmon Fire District Renovation. FY 2023 adjustments are as follows:

One-Time Increase

The budget includes a one-time increase of \$2,230,900 from the General Fund in FY 2023 for distribution to the Mount Lemmon Fire District to be used to renovate its headquarters.

Nonnative Vegetation Species Eradication

The budget includes \$1,000,000 from the General Fund in FY 2023 for the Nonnative Vegetation Species Eradication line item. This amount is unchanged from FY 2022. The FY 2020 General Appropriation Act appropriated \$1,000,000 from the General Fund to DFFM to deposit in the Nonnative Vegetation Species Eradication Fund in each fiscal year of FY 2021 through FY 2029. Because these monies were advanced appropriated in the FY 2020

General Appropriation Act, these appropriations will not appear in subsequent General Appropriation Act bills.

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

Rural Fire District Reimbursement

The budget includes no funding in FY 2023 for Rural Fire District Reimbursement. FY 2023 adjustments are as follows:

Remove One-Time Funding

The budget includes a decrease of \$(2,500,000) from the General Fund in FY 2023 for removal of one-time funding for the Rural Fire District Reimbursement line item. Funding for this line item goes toward processing and paying claims to reimburse fire districts with a population of less than 5,000 for expenses incurred responding to emergency medical services provided on federal lands. Local fire districts do not otherwise receive payment for providing emergency medical services to persons injured or sick on federal lands.

State Fire Marshal

The budget includes \$1,922,300 and 19.5 FTE Positions from the General Fund in FY 2023 for the State Fire Marshal. FY 2023 adjustments are as follows:

Remove One-Time Funding

The budget includes a decrease of \$(116,700) from the General Fund in FY 2023 for removal of one-time equipment costs for the State Fire Marshal line item.

Additional Fire Marshals

The budget includes an increase of \$491,400 and 5.5 FTE Positions from the General Fund in FY 2023 to hire additional fire marshals. Of this amount, \$23,800 is one-time funding for equipment costs.

Additional State Fleet Costs

The budget includes an increase of \$321,700 from the General Fund in FY 2023 for vehicle acquisition, operation, and replacement charges. Of this amount, \$240,000 is for one-time purchases.

Statewide Adjustments

The budget includes an increase of \$57,200 from the General Fund in FY 2023 for statewide adjustments.

The Office of the State Fire Marshal enforces the state fire codes and provides training and education for fire personnel and the general public.

State Fire School

The budget includes \$282,400 and 1 FTE Position from the General Fund in FY 2023 for the State Fire School. FY 2023 adjustments are as follows:

Statewide Adjustments

The budget includes an increase of \$2,700 from the General Fund in FY 2023 for statewide adjustments.

Monies in this line item primarily subsidize smaller rural volunteer fire departments attending Arizona State Fire School workshops which provide firefighting education. Besides \$200,000 for subsidizing these costs, the remaining \$82,400 and 1 FTE Position is used for liaison work with the Arizona State Fire Training Committee and other firefighter training activities.

US Forest Service Land Thinning

The budget includes \$2,150,900 and 17 FTE Positions from the General Fund in FY 2023 for a new US Forest Service Land Thinning line item. FY 2023 adjustments are as follows:

Partnership Increase

The budget includes an increase of \$2,150,900 from the General Fund in FY 2023 for administrative costs of land-thinning partnerships with the U.S. Forest Service. Of this amount, \$490,000 is for one-time vehicle purchases.

Monies in this line item fund administrative costs for partnerships with the U.S. Forest Service to thin forests on federal land. DFFM anticipates clearing 19,000 acres with this funding.

Wildfire Emergency Response

The budget includes \$65,000,000 from the General Fund in FY 2023 for Wildfire Emergency Response. FY 2023 adjustments are as follows:

Add One-Time Wildfire Emergency Response Funding

The budget includes a one-time increase of \$65,000,000 from the General Fund in FY 2023 for wildfire emergency response funding.

In addition, a General Appropriation Act footnote specifies that \$3,000,000 of this appropriation shall be used for purposes related to the Woodbury Fire.

This appropriation is exempt from lapsing through FY 2025.

This amount is in addition to, and for the same purposes as, Laws 2021, 1st Special Session, Chapter 1, which appropriated \$75,000,000 from the General Fund in FY 2021 for the Wildfire Emergency Response line item.

Monies in this line item are to be used for 6 purposes:

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

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

Through June 2022, DFFM reported spending \$31,262,211 of the appropriation, of which \$16,102,380 was expended in the fire suppression category. Capital and flooding mitigation projects make up the other 2 significant

expenditure categories, with \$6,135,406 and \$8,776,478 in expenditures, respectively. The final \$247,947 in expenditures fall under financial assistance to landowners. Through June 2022, DFFM reported total encumbrances of \$45,335,635.

Wildfire Mitigation

The budget includes \$38,837,300 and 122 FTE Positions from the General Fund in FY 2023 for the Wildfire Mitigation line item. FY 2023 adjustments are as follows:

Continue 3-Year Funding Plan

The budget includes an increase of \$38,211,200 from the General Fund in FY 2023 for continuation of the 3-year funding plan as outlined in the FY 2022 budget.

Laws 2021, 1st Special Session, Chapter 1 appropriated \$24,541,800 and 122 FTE Positions in FY 2021 for wildfire mitigation available until June 30, 2022. The 3-year plan as part of the FY 2022 budget includes \$38,211,200 in FY 2023 and \$32,029,800 in FY 2024 to continue these efforts.

Additional State Fleet Costs

The budget includes an increase of \$626,100 from the General Fund in FY 2023 for state fleet-related expenses. Of this amount, \$320,000 is for one-time vehicle purchases.

Monies in this line item are to be used for personnel, operating costs, equipment, and contracted services to mitigate future fires. In FY 2023, the line item includes:

- \$7,802,800 for 122 DFFM staff to oversee the work of 10 crews of 72 inmates working to remove hazardous vegetation.
- \$11,383,000 for inmate crews and corrections staff.
- \$9,371,500 for vehicles, Department of Transportation program costs, and other equipment and maintenance.
- \$5,780,000 for contracted personnel to support wildfire mitigation efforts.
- \$4,500,000 for external project grants.

Other Issues

Long-Term Budget Impacts

As part of the budget's 3-year spending plan, DFFM's General Fund costs are projected to decrease by \$(6,911,400) in FY 2024 compared to FY 2023 and remain unchanged in FY 2025 from FY 2024 levels. These estimates are based on:

- A decrease of \$(1,960,000) in FY 2024 for removal of one-time equipment costs.
- A decrease of \$(1,031,400) in FY 2024 for removal of one-time ADC equipment and transportation costs.
- A reduction of \$(3,920,000) in FY 2024 for removal of one-time DFFM vehicle purchases.

Biomass Processing

DFFM received a one-time transfer of \$1,000,000 from the Department of Environmental Quality for administration of a biomass processing grant program. *(Please see the Department of Environmental Quality narrative for further details.)*

Budget Stabilization Fund Use for Processing Wildland Fire Claims

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

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

As of July 2022, DFFM reports using roughly \$10,000,000 in BSF capacity for claims awaiting federal reimbursement. *(See the Budget Stabilization Fund Use for Processing Wildland Fire Claims section of the DFFM narrative in the FY 2021 Appropriations Report for more information on DFFM's use of the BSF.)*