

Arizona Department of Forestry and Fire Management

	FY 2022 ACTUAL	FY 2023 ESTIMATE	FY 2024 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	213.0	235.5	235.5 ^{1/}
Personal Services	1,731,700	2,410,200	2,410,200
Employee Related Expenditures	667,600	939,500	939,500
Professional and Outside Services	39,700	51,600	51,600
Travel - In State	42,500	55,300	55,300
Travel - Out of State	3,200	4,200	4,200
Other Operating Expenditures	265,900	367,500	367,500
Equipment	65,800	108,900	108,900
OPERATING SUBTOTAL	2,816,400	3,937,200	3,937,200
SPECIAL LINE ITEMS			
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	5,000,000	0
Hazardous Vegetation Removal	1,209,500	3,040,300	3,040,300 ^{3/}
Inmate Firefighting Crews	781,400	869,600	869,600
Post-Release Firefighting Crews	777,200	1,282,700	1,282,700
Mount Lemmon Fire District Renovation	0	2,230,900	0
Nonnative Vegetation Species Eradication	1,000,000	1,000,000	1,000,000 ^{4/}
Rural Fire District Reimbursement	30,500	0	0
State Fire Marshal	1,035,800	2,059,400	1,795,600
State Fire School	275,800	289,100	289,100
US Forest Service Land Thinning	0	2,150,900	1,660,900
Wildfire Emergency Response	26,813,400	65,000,000	0
Wildfire Mitigation	8,893,300	39,163,300	33,005,700
AGENCY TOTAL	47,083,300	129,473,400	50,331,100 ^{5/}
FUND SOURCES			
General Fund	47,083,300	129,473,400	50,331,100
SUBTOTAL - Appropriated Funds	47,083,300	129,473,400	50,331,100
Other Non-Appropriated Funds	90,663,800	100,766,800	100,766,800
TOTAL - ALL SOURCES	137,747,100	230,240,200	151,097,900

AGENCY DESCRIPTION — The Arizona Department of Forestry and Fire Management (DFFM) is responsible for the prevention and suppression of forest fires on State Trust Land and private land outside incorporated municipalities (22 million acres total). The department includes the Office of the State Fire Marshal, which enforces the state fire codes and provides training and education for fire personnel and the general public.

FOOTNOTES

- ^{1/} Includes 192.5 GF FTE Positions funded from Special Line Items in FY 2024.
- ^{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 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, 2025. (General Appropriation Act footnote)
- ^{4/} 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)

Operating Budget

The Baseline includes \$3,937,200 and 43 FTE Positions from the General Fund in FY 2024 for the operating budget. These amounts are unchanged from FY 2023.

Environmental County Grants

The Baseline includes \$250,000 from the General Fund in FY 2024 for Environmental County Grants. This amount is unchanged from FY 2023.

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 Baseline includes \$3,200,000 from the General Fund in FY 2024 for Fire Suppression. This amount is unchanged from FY 2023.

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 Baseline includes no funding in FY 2024 for the Gila River Nonnative Species Eradication line item. Adjustments are as follows:

Remove One-Time Funding

The Baseline includes a decrease of \$(5,000,000) from the General Fund in FY 2024 for removal of funding for nonnative species eradication projects along specified portions of the Gila River. The FY 2023 budget assumed 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. An FY 2023 General Appropriation Act footnote permits DFFM to subcontract for the eradication and other required services for the projects.

Another FY 2023 footnote requires the department to report by September 1 of 2023, 2024 and 2025 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, and all monies remaining unencumbered or unexpended for the purposes of this section on that date revert to the state General Fund.

Hazardous Vegetation Removal

The Baseline includes \$3,040,300 from the General Fund in FY 2024 for a Hazardous Vegetation Removal program. This amount is unchanged from FY 2023.

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 Baseline includes \$869,600 and 13 FTE Positions from the General Fund in FY 2024 for Inmate Firefighting Crews. These amounts are unchanged from FY 2023.

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 Baseline includes \$1,282,700 and 20 FTE Positions from the General Fund in FY 2024 for Post-Release Firefighting Crews. These amounts are unchanged from FY 2023.

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 Baseline includes no funding in FY 2024 for the Mount Lemmon Fire District Renovation. Adjustments are as follows:

Remove One-Time Funding

The Baseline includes a decrease of \$(2,230,900) from the General Fund in FY 2024 for removal of one-time funding for distribution to the Mount Lemmon Fire District to be used to renovate its headquarters.

Nonnative Vegetation Species Eradication

The Baseline includes \$1,000,000 from the General Fund in FY 2024 for the Nonnative Vegetation Species Eradication line item. This amount is unchanged from FY 2023.

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.

State Fire Marshal

The Baseline includes \$1,795,600 and 19.5 FTE Positions from the General Fund in FY 2024 for the State Fire Marshal. Adjustments are as follows:

Remove One-Time Funding

The Baseline includes a decrease of \$(263,800) from the General Fund in FY 2024 for removal of one-time funding.

Of this amount, \$23,800 is for equipment costs associated with hiring additional fire marshals and \$240,000 is for one-time vehicle acquisition, operation, and replacement charges.

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 Baseline includes \$289,100 and 1 FTE Position from the General Fund in FY 2024 for the State Fire School. These amounts are unchanged from FY 2023.

Monies in this line item primarily subsidize smaller rural volunteer fire departments attending Arizona State Fire School workshops which provide firefighting education. Besides \$200,000 for subsidizing these costs, the remaining \$89,100 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 Baseline includes \$1,660,900 and 17 FTE Positions from the General Fund in FY 2024 for the US Forest Service Land Thinning line item. Adjustments are as follows:

Remove One-Time Funding

The Baseline includes a decrease of \$(490,000) from the General Fund in FY 2024 for removal of funding 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 Baseline includes no funding in FY 2024 for Wildfire Emergency Response. Adjustments are as follows:

Remove One-Time Wildfire Emergency Response Funding

The Baseline includes a decrease of \$(65,000,000) from the General Fund in FY 2024 for removal of one-time wildfire emergency response funding.

The FY 2023 appropriation 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.

An FY 2023 General Appropriation Act footnote states that the FY 2023 appropriation shall be used for the same purposes and is subject to the restrictions as those outlined above. The footnote also states that the FY 2023 appropriation is exempt from lapsing through June 30, 2025. A separate footnote states that of the monies in the FY 2023 appropriation, \$3,000,000 shall be used for purposes related to the Woodbury Fire.

With the FY 2021 supplemental of \$75,000,000 and the FY 2023 appropriation of \$65,000,000, DFFM had \$140,000,000 available to expend. Through November 2022, DFFM reported spending \$39,512,259 of the appropriation, of which \$17,145,723 was expended in the fire suppression category. Capital and flooding mitigation projects make up the other 2 significant expenditure categories, with \$6,470,689 and \$13,355,881 in expenditures, respectively. The final \$2,539,966 in expenditures fall under financial assistance to landowners. Through November 2022, DFFM reported total encumbrances of \$56,295,034.

Wildfire Mitigation

The Baseline includes \$33,005,700 and 122 FTE Positions from the General Fund in FY 2024 for the Wildfire Mitigation line item. Adjustments are as follows:

Continue 3-Year Funding Plan

The Baseline includes a decrease of \$(6,157,600) from the General Fund in FY 2024 for continuation of the 3-year funding plan as outlined in the FY 2022 budget.

Monies in this line item are to be used for personnel, operating costs, equipment, and contracted services to mitigate future fires. In FY 2024, DFFM expects to allocate the funding as follows:

- \$8,585,100 for 122 DFFM staff to oversee the work of 10 crews of 72 inmates working to remove hazardous vegetation.
- \$3,045,500 for inmate crews and corrections staff.
- \$2,375,100 for Department of Transportation program costs, general operating costs, and other equipment and maintenance.
- \$10,000,000 for contracted personnel to support wildfire mitigation efforts.
- \$9,000,000 for external project grants.

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

Other Issues

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 November 2022, DFFM reports using roughly \$11,600,000 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.)*

SUMMARY OF FUNDS	FY 2022 Actual	FY 2023 Estimate
Arson Detection Reward Fund (FFM2169/A.R.S. § 37-1387)		Non-Appropriated
Source of Revenue: Donations, court-imposed fines, and monies from forfeiture of bail posted for arson convictions.		
Purpose of Fund: To provide rewards for information leading to convictions of arson cases.		
Funds Expended	0	0
Year-End Fund Balance	108,500	112,500
Cooperative Forestry Fund (FFM2232/A.R.S. § 37-1306)		Non-Appropriated
Source of Revenue: Legislative appropriations, reimbursements from organizations, the public, other levels of government, and state agencies.		
Purpose of Fund: To fund the State Forester's activities, including forestry assistance and wild land fire prevention and suppression on state lands.		
Funds Expended	9,395,500	11,353,000
Year-End Fund Balance	2,430,200	2,485,400
Fire Suppression Revolving Fund (FFM2360/A.R.S. § 37-1305)		Non-Appropriated
Source of Revenue: General Fund appropriations, monies authorized by the Governor's Emergency Council and the Wild Land Fire Emergency Council, civil penalties related to the use of fireworks on state lands and other monies. If the unobligated balance of the fund exceeds \$2,000,000 at the end of any calendar year, the excess shall be transferred to the General Fund.		
Purpose of Fund: To cover the costs of fighting fires on public and private lands. May include expenditure of General Fund appropriations, which may cause double counting of appropriations.		
Funds Expended	77,955,700	85,751,400
Year-End Fund Balance	140,300	269,700
IGA and ISA Fund (FFM2500/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Various intergovernmental and interagency service agreements.		
Purpose of Fund: Clearing account for monies expended under Intergovernmental Agreements (IGA) and Intergovernmental Service Agreements (ISA).		
Funds Expended	2,521,000	2,811,600
Year-End Fund Balance	4,084,500	2,825,900
Indirect Cost Recovery Fund (FFM9000/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Fees from the Negotiated Indirect Cost Rate Agreement with the U.S. Forest Service.		
Purpose of Fund: To offset the costs of the department's overhead personnel.		
Funds Expended	791,600	850,800
Year-End Fund Balance	288,300	287,500
Nonnative Vegetation Species Eradication Fund (FFM2456/A.R.S. § 37-1309)		Non-Appropriated
Source of Revenue: Legislative appropriations. The FY 2020 General Appropriation Act appropriated \$1,000,000 from the General Fund to the department in each of FY 2020 through FY 2029 to deposit into the Nonnative Vegetation Species Eradication Fund.		
Purpose of Fund: To provide grants to other state agencies, cities, towns, counties, Indian tribes, other political subdivisions and nonprofit organizations for projects that will assist in fire and flood prevention, conservation of water, replacing nonnative vegetative species with native vegetative species and restoring native habitats. General Fund appropriation expenditures are not displayed to avoid double counting of appropriations.		
Funds Expended	0	0
Year-End Fund Balance	2,318,500	2,462,700

SUMMARY OF FUNDS	FY 2022 Actual	FY 2023 Estimate
Trampoline Court Safety Fund (FFM2578/A.R.S. § 37-1422)		Non-Appropriated
Source of Revenue: Fees charged to owners of trampoline courts.		
Purpose of Fund: To implement and maintain the registry of trampoline courts operating in Arizona.		
Funds Expended	0	0
Year-End Fund Balance	10,400	11,700