

March 9, 2023

Wildland Fire Mitigation and Management Commission

Policy recommendations: Appropriations

The Pew Charitable Trusts' Fiscal Federalism Initiative (Pew) appreciates the opportunity to submit policy recommendations related to appropriations to the Wildland Fire Mitigation and Management Commission (WFMMC). Pew is a non-profit research and public policy organization dedicated to informing the public, improving public policy, and invigorating civic life.

In November 2022, Pew published a report, entitled "Wildfires: Burning Through State Budgets." This report aims to improve available data and understanding of the impact of wildfire spending on state fiscal policy. Based on the report's findings, Pew identified three recommendations for policymakers: 1) evaluate current budgeting practices to account for growing risk; 2) maximize investments in evidence-based mitigation activities; and 3) explore opportunities to better track and share data on wildfire spending.

In response to the WFMMC's request for policy recommendations related to appropriations, this submission focuses in greater detail on the second recommendation related to mitigation. Specifically, Pew recommends that Congress provide ongoing funding for mitigation, incentivize states to maximize investments in evidence-based mitigation, and provide funding for improved intergovernmental coordination.

Background

- Pew's research found a growing consensus within the wildfire management community that
 investment in mitigation and prevention activities is necessary to reduce the severity and impact
 of wildfires in the long term.
- Evidence for the return on investment for mitigation, in its many forms, is mounting: The
 National Institute of Building Sciences estimated that each dollar invested in federal fire grants
 saved \$3 in post-disaster recovery costs.¹
- In recent years, key federal investments have increased the availability of funding for wildfire mitigation and prevention across levels of government. Through the Infrastructure Investment and Jobs Act and the Inflation Reduction Act, Congress has allocated nearly \$4 billion towards wildfire mitigation activities such as fuels reduction.²

¹ K. Porter et al., "Natural Hazard Mitigation Saves: 2019 Report" (National Institute of Building Sciences, 2019), https://www.nibs.org/reports/natural-hazard-mitigation-saves-2019-report.

² Infrastructure Investment and Jobs Act, L. 117-58, U.S. Congress (2021), https://www.congress.gov/117/plaws/publ58/PLAW-117publ58.pdf; Inflation Reduction Act, L. 117-169, U.S. Congress (2022), https://www.congress.gov/117/plaws/publ169/PLAW-117publ169.pdf.

- There have also been significant state-funded mitigation investments. For example, California appropriated over \$2.7 billion to be spent over 4 years and Washington recently committed \$500 million over 8 years.³
- Despite this consensus and recent investments, Pew research found that states face persistent barriers to allocating sufficient funds to advance mitigation projects and activities that could reduce long term fire risk. Specifically:
 - Suppression funding often takes precedence over mitigation funds when those funds come from the same pool.
 - Accessing and implementing federal funds can be complicated and administratively difficult, often requiring a specialized workforce that is not available to many small or under-resourced communities. Additionally, the parameters of federal grant programs are not always in line with state priorities or timelines. As Washington's state forester shared with Pew, "federal funding may not address the highest risk or the highest need in your state."
 - The scope and scale of the problem and the number of communities at risk in the wildland urban interface are massive. An estimated 24.2 million homes face moderate or higher risk from wildfires.⁵

Options for Congress

In the face of these barriers, Congress has the opportunity to increase and facilitate investments in mitigation:

<u>Providing ongoing funding for mitigation:</u> Recent federal investments in mitigation activities represent meaningful progress in addressing growing wildfire impacts, but given the scale of the problem, Congress should commit to continued funding of evidence-based mitigation activities beyond these one-time investments. In addition to creating more opportunities to reduce fire risk, consistent funding would allow states to grow and maintain workforce capacity both to manage funds and execute mitigation activities. As lawmakers consider additional funding, they should continue to work with federal agencies to assess barriers that state and local governments face in administering and acquiring federal funds and seek solutions to reduce complexity and misalignments of priorities.

³ Concerning Long-Term Forest Health and the Reduction of Wildfire Dangers, HB 1168, Washington State Legislature (2021-22), https://app.leg.wa.gov/billsummary?BillNumber=1168&Year=2021&Initiative=false; Office of Governor Gavin Newsom, "Governor Newsom Signs Budget Putting Money Back in Californians' Pockets and Investing in State's Future," news release, June 30, 2022, https://www.gov.ca.gov/2022/06/30/governor-newsom-signs-budget-putting-money-back-in-californians-pockets-and-investing-in-states-future/; Legislative Analyst's Office, "The 2022-23 Budget: Wildfire and Forest Resilience Package" (2022), https://lao.ca.gov/Publications/Report/4495.

⁴ The Pew Charitable Trusts, "Wildfires: Burning Through State Budgets." https://www.pewtrusts.org/en/research-and-analysis/reports/2022/11/wildfires-burning-through-state-budgets

⁵ U.S. Department of Agriculture, "Wildfire Risk to Communities: Spatial Datasets of Landscape-Wide Wildfire Risk Components for the United States," accessed Oct. 6, 2022, https://doi.org/10.2737/RDS-2020-0016. This value was replicated by Pew based on Headwater Economics' analysis of the USDA's datasets.

Encouraging state-funded investments in mitigation: Beyond allocating additional federal funds, Congress should seek ways to encourage mitigation spending at other levels of government. This could take several forms, including rewarding state investments by crediting a percentage of state expenditures toward matching requirements for federal fire management or disaster recovery grants, or prioritizing projects or geographic areas that have received state funding for additional federal aid.

<u>Providing funding for improved coordination:</u> In light of coordination challenges across jurisdictions and the opportunities provided by recent historic federal investments in mitigation, Congress should consider funding the development of coordination systems to better align mitigation planning and activities across levels of government. This could include funding to states to develop tools to track and document mitigation activities funded and executed by different levels of government, such as California's Prescribed Fire Information Recording System, or the development of a federally coordinated system. A federal system could be modeled after existing coordination efforts for fire suppression, for example those administered through the National Interagency Fire Center (NIFC).⁶

Pew thanks the members of the WFMMC for their consideration and welcomes any further engagement regarding these recommendations. Please contact Colin Foard, Manager, Fiscal Federalism Initiative (cfoard@pewtrusts.org) with any questions.

⁶ See, Prescribed Fire Information Reporting System. https://ssl.arb.ca.gov/pfirs/about.php.