

ISSUE BRIEF

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Congress Should Fund Wildfire Suppression Without Creating a New Spending Loophole

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As part of a request to authorize \$615 million in emergency deficit spending for wildfire suppression and rehabilitation in 2014, President Obama also asked Congress to fund 30 percent of wildfire suppression costs by creating a new spending loophole in the 2011 Budget Control Act (BCA).

Although Congress should appropriate sufficient funding for wildfire suppression, which currently falls within the federal government's responsibility, this does not mean that Congress should do so through a spending loophole. Instead, Congress should budget appropriately for wildfire suppression costs by using the most accurate estimation method to determine funding needs and by adhering to its agreement to limit discretionary spending under a budget cap and sequestration.

How Congress Funds Wildfire Suppression in the Budget

Congress funds wildfire suppression and prevention efforts through the regular appropriations process, subject to the BCA spending cap. In addition to direct appropriations for wildland fire management for the U.S. Forest Service (USFS) and the Department of the Interior (DOI), the 2009 Federal Land Assistance, Management and Enhancement

(FLAME) Act established two reserve accounts to cover the costs of large or complex fires when USFS and DOI resources are exhausted.

The FLAME accounts were established to prevent borrowing from other agency accounts and to provide a mechanism for saving for worse wildfire years during better ones. Congress's intent was that FLAME funds, together with wildland fire management appropriations, would fully fund suppression needs from within the budget limits established by Congress while preventing borrowing of funds from other programs.

In 2014, Congress appropriated \$2.8 billion for USFS and \$769.5 million for DOI wildland fire management in the Interior, Environment, and Related Agencies appropriations bill. In addition, Congress appropriated \$315 million for USFS and \$92 million for the FLAME reserve accounts. In the event that these resources were exhausted and the President declared a wildfire a "major disaster" under the Stafford Act,¹ Congress could further appropriate supplemental funding through the existing disaster cap adjustment in the BCA.

Exploiting a Spending Loophole

President Obama's disaster cap adjustment proposal² would establish a new loophole within the BCA's disaster relief loophole and widen the latter in the process.

The proposal would provide funding to USFS to pay for 70 percent of the anticipated cost of fires, as calculated by a 10-year rolling average, and fund any remaining needs with additional spending under a new loophole in the BCA for disaster relief that would allow for spending beyond the BCA's dis-

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cretionary spending cap through an upward “cap adjustment”—i.e., a spending increase.³

Congress can already fund extraordinary wildfire suppression needs through the disaster relief provision when the President declares a wildfire a major disaster under the Stafford Act. President Obama is asking Congress to exploit the disaster relief loophole for other wildfire needs that should be properly funded within the BCA’s discretionary spending limits. This request seeks to explicitly exempt certain funding from agreed-upon spending limits and shifts the debate from what Congress should fund in its budget to which programs Congress can fund outside the budget.

President Obama would increase the allowed adjustment gradually from \$1.4 billion in fiscal year (FY) 2015 to \$2.7 billion in FY 2022 through 2024 to fund wildfire suppression operations that exceed 70 percent of the 10-year average spent on such efforts.⁴ By 2022, Congress could appropriate an additional \$2.7 billion in deficit-financed disaster funding than under current law. As wildfire suppression costs have exceeded their 10-year average in most years over the past decade,⁵ the President’s request would increase the deficit and debt. While the Administration would deduct any wildfire suppression funding authorized under this provision from the following year total cap adjustment,⁶ it would also

include wildfire disaster funding in the calculation of the 10-year average, thus widening this spending loophole.

Responsibly Funding Wildfire Suppression Needs

Congress should:

- **Fully fund wildfire suppression and prevention accounts.** Congress should fully fund wildfire suppression accounts under the BCA cap, not just by 70 percent, as the President requested. Congress should also fully fund wildfire prevention accounts to help lower wildfire incidents where suppression becomes necessary. The House-released FY 2015 Interior and Environment spending bill draft seeks to fully fund wildfire management accounts, including their FLAME reserve accounts.⁷
- **Fully fund USFS and DOI FLAME reserve accounts.** Congress specifically created the USFS and DOI FLAME reserve accounts to prevent borrowing for wildfire suppression needs from other accounts. Congress should fully fund USFS and DOI reserve accounts under the BCA cap as intended—separate from and in addition to full suppression funding. Neither USFS nor DOI

1. Disaster responsibility has become increasingly over-federalized in the past several decades as a result of the Stafford Act. States have cut their funding and preparedness for disasters that were normally handled by state government and have come to rely more on the federal government. See Steven Bucci et al., “After Hurricane Sandy: Time to Learn and Implement the Lessons in Preparedness, Response, and Resilience,” Heritage Foundation *Special Report* No. 144, October 24, 2013, <http://www.heritage.org/research/reports/2013/10/after-hurricane-sandy-time-to-learn-and-implement-the-lessons>.

2. The White House, *Fiscal Year 2015 Budget of the U.S. Government*, March 4, 2014, p. 87, <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2015/assets/budget.pdf> (accessed July 23, 2014).

3. Patrick Louis Knudsen, “Courting Disaster: Two Gaping Loopholes in the Debt Deal That Will Drive Up Spending,” The Heritage Foundation, *The Daily Signal*, November 7, 2011, <http://dailysignal.com/2011/11/07/courting-disaster-two-gaping-loopholes-in-the-debt-deal-that-will-drive-up-spending/>.

4. News release, “Emergency Supplemental Request to Congress,” the White House, July 8, 2014, http://www.whitehouse.gov/sites/default/files/omb/assets/budget_amendments/emergency-supplemental-request-to-congress-07082014.pdf (accessed July 21, 2014).

5. Andrew Clevenger, “Oregon Senators Support Change to Firefighting Funds,” *The Observer*, March 18, 2014, <http://www.lagrandeobserver.com/News/Local-News/Oregon-senators-support-change-to-firefighting-funds> (accessed July 21, 2014).

6. For example, if the 10-year average disaster relief cap were \$12 billion in FY 2015 and Congress appropriated \$6 billion for disasters and an additional \$1 billion for wildfire suppression, the FY 2016 disaster relief cap would be adjusted upward by \$5 billion (the unspent \$6 billion under the FY 2015 cap minus \$1 billion allocated for wildfire suppression).

7. Representative Ken Calvert (R-CA), “Department of the Interior, Environment, and Related Agencies Appropriations Bill, 2015,” *Report for Congress*, July 10, 2014, <http://appropriations.house.gov/uploadedfiles/hrpt-113-hr-fy2015-interior.pdf> (accessed July 21, 2014).

requested FLAME account funding in their FY 2015 budget justifications, expecting instead to rely on disaster relief funds in excess of the current discretionary spending limit.⁸

- **Use the most accurate method to estimate suppression funding needs.** The Government Accountability Office recommended in 2004 that USFS and DOI consider using a better method for requesting suppression funding than the 10-year average approach. It reiterated in 2009 that “better estimates in a given year could reduce the likelihood that the agencies would need to transfer funds from other accounts, yet the agencies continue to use an estimation method with known problems.” FLAME requires the agencies to estimate anticipated wildfire suppression costs using econometric models that include weather and climate variables and tend to be more accurate than the 10-year average approach.⁹ A new bill (S. 2593) by Senators John McCain (R–AZ), John Barrasso

(R–WY), and Jeff Flake (R–AZ) would require the USFS and DOI to budget for 100 percent of their suppression costs using the more accurate FLAME regression model.¹⁰

Keep Wildfire Suppression Under the Spending Limit

Congress should fund federal wildfire suppression responsibilities without exploiting the disaster relief loophole. To meet current federal wildland fire management responsibilities, Congress should fully fund suppression and prevention accounts using the best estimation methods available and staying within the bipartisan spending limits agreed to in the BCA.

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8. U.S. Department of Agriculture, U.S. Forest Service, *Fiscal Year 2015 Budget Justification*, March 2014, p. 285, <http://www.fs.fed.us/aboutus/budget/2015/FS15-FS-Budget-Justification.pdf> (accessed July 21, 2014), and U.S. Department of the Interior, *Fiscal Year 2015, The Interior Budget in Brief*, March 2014, p. 62, http://www.doi.gov/budget/appropriations/2015/highlights/upload/2015_Highlights_Book.pdf (accessed July 21, 2014).

9. Karen L. Abt, Jeffrey P. Prestemon, and Krista M. Gebert, “Wildfire Suppression Cost Forecasts for the U.S. Forest Service,” *Journal of Forestry*, June 2009, http://www.researchgate.net/publication/233696144_Wildfire_Suppression_Cost_Forecasts_for_the_US_Forest_Service (accessed July 22, 2014).

10. News release, “Senators McCain, Barrasso, and Flake Introduce Legislation to Fully Fund Wildfire Suppression and Boost Proactive Forest Management,” office of Senator John McCain (R–AZ), July 14, 2014, <http://www.mccain.senate.gov/public/index.cfm/2014/7/senators-mccain-barrasso-and-flake-introduce-legislation-to-fully-fund-wildfire-suppression-and-boost-proactive-forest-management> (accessed July 21, 2014).