

HOUSE FINANCE COMMITTEE
February 20, 2023
1:33 p.m.

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CALL TO ORDER

Co-Chair Johnson called the House Finance Committee meeting to order at 1:33 p.m.

MEMBERS PRESENT

Representative Bryce Edgmon, Co-Chair
Representative DeLena Johnson, Co-Chair
Representative Julie Coulombe
Representative Mike Cronk
Representative Alyse Galvin
Representative Sara Hannan
Representative Andy Josephson
Representative Dan Ortiz
Representative Will Stapp
Representative Frank Tomaszewski

MEMBERS ABSENT

Representative Neal Foster, Co-Chair

ALSO PRESENT

Helge Eng, Director, Division of Forestry and Fire Protection, Department of Natural Resources; Norm McDonald, Deputy Director, Wildland Fire and Aviation Program, Division of Forestry and Fire Protection, Department of Natural Resources.

SUMMARY

OVERVIEW: WILDLAND FIRE SUPPRESSION COSTS

Co-Chair Johnson reviewed the meeting agenda.

OVERVIEW: WILDLAND FIRE SUPPRESSION COSTS

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HELGE ENG, DIRECTOR, DIVISION OF FORESTRY AND FIRE PROTECTION, DEPARTMENT OF NATURAL RESOURCES, introduced himself and staff.

NORM MCDONALD, DEPUTY DIRECTOR, WILDLAND FIRE AND AVIATION PROGRAM, DIVISION OF FORESTRY AND FIRE PROTECTION, DEPARTMENT OF NATURAL RESOURCES, provided a PowerPoint presentation titled "Fire Suppression Costs: Wildland Fire Suppression Budget" (copy on file). He planned to discuss the history of the state's responsibility for fire protection and challenges with the changing conditions. He relayed that over the past two decades there had been a significant change in the fire sizes and length of the fire season. He would also discuss how Alaska worked with federal agencies. He noted there had been confusion in the past about who was responsible for what and how fires were paid for and reimbursed.

Mr. McDonald began with a history of Alaska's wildland fire suppression on slide 2. He explained that before the mid-1970s all of the fire protection in Alaska had been done by the Bureau of Land Management (BLM). The responsibility had transferred to the state Division of Forestry in the mid-1970s to mid-1980s through a contract. The last piece had been completed in 1985 when the state had picked up the McGrath area. In 2019, the division made a statute change to reflect its mission. The division's mission to protect the natural resource values at risk had been expanded to encompass the protection of Alaskan values at risk including homes, infrastructure, and communities. In 2021, a reorganization of the division began. He elaborated that the division had been divided into a Fire Protection program and a Forestry program, which enabled the division to put emphasis and expertise in each of the missions.

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Mr. McDonald turned to slide 3 titled "Alaska Interagency Fire Management Plan."

Co-Chair Johnson looked at the end of slide 2 and asked if the division had divided into two branches and subsequently reverted back to one branch. She asked for details on the reorganization.

Mr. McDonald answered that the Fire Protection branch and Forestry branch were included under the Division of

Forestry and Fire Protection. There was a deputy director of each of the branches, which enabled the division to focus on both subjects.

Co-Chair Johnson observed that in 2021 the division had been divided into two branches. She asked if the change in 2022 had been limited to a renaming of the division and did not include changes to the management structure.

Mr. McDonald answered that the reorganization process began in 2021, which would take about three years. He explained it involved some changing of positions. The division anticipated the process would be complete by 2023; the process was currently about 80 percent complete.

Representative Ortiz looked at the timeline on slide 2 beginning with 1960 when the BLM established a contract with the state to provide fire protection of state lands. He assumed the federal government had paid for fire suppression prior to that time. He asked if the contract included federal funding to support fire suppression or if the state took on funding responsibility when it took on management responsibility.

Mr. McDonald answered that Alaska had assumed the responsibilities after statehood [in 1959] and it had taken several years to make the transition. He elaborated that in 1960 the state paid a contract to BLM for protection on all state lands and through the 1970s it switched to the Department of Natural Resources (DNR) Division of Forestry.

Representative Ortiz asked for verification that the federal government had no role in supporting the state financially for the state's duty to suppress fires.

Mr. McDonald replied that he would answer the question on a later slide. He turned to slide 3 and addressed the Alaska Interagency Fire Management Plan. The plan included state, federal, and Native land management organizations. He reviewed the fire management options beginning with "critical" as the highest level of protection, primarily including roadside communities, villages, and life safety. The second highest level of protection was "full" and included natural resource values and remote cabin and lodge sites where there was value but not an immediate threat to life safety. The "limited" category was the lowest level where fire played its natural role in the landscape. All

agencies in Alaska followed the Interagency Fire Management Plan for fire suppression.

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Mr. McDonald turned to slide 4 titled "Interagency Cooperation" and answered Representative Ortiz's question. He looked at a map of Alaska on the left side of the slide showing protection agencies. He detailed that the north portion of the map highlighted in yellow was under BLM fire protection. The southern portion of the state shown in blue was State of Alaska protection, and the far south and southeast portion of the state was covered by the U.S. Forest Service. A map of Alaska on the right of the slide reflected the different jurisdictions or landowners. The state was reflected in blue, BLM was shown in yellow, and Native land was indicated in red. He explained that whether Native land fell within BLM jurisdiction or state jurisdiction, the jurisdictional agency was responsible for fire suppression costs. He explained that if the state was providing protection on federal lands it was reimbursed by the federal government. Likewise, the federal government was reimbursed by the state for providing protection on state lands.

Representative Hannan looked at slide 3 and the fire management categories. She looked at Utqiagvik (labeled Barrow on the map) that was depicted as critical. She initially thought it was listed as critical because it was the North Slope; however, it was not marked as Prudhoe Bay. She asked if there was a fire history in the area. She wondered why some areas were designated as critical even though it seemed the protection of human life would be in other areas.

Mr. McDonald replied that he would follow up. He answered that the fire management options were selected by the land managers. Lands under the state's purview included state, private, and municipal. The division worked with communities to define what protection level they received. He could not speak to the North Slope and the reason for the critical designation shown on the map. He assumed it was population based. He stated it was in Alaska fire service protection. Historically, there had not been a significant fire workload in the area, although it had changed over the past several years. He would follow up.

Representative Hannan thought it seemed the state would want to ensure wildfires did not spread in critical infrastructure areas in Prudhoe Bay. She wondered whether the state could weigh in on the fire management option in the specific region versus the local land managers. She reasoned that a wildland fire spreading into a petroleum producing area would be very bad.

Mr. McDonald agreed. He clarified that a coordinating group and a group of land managers worked together to prioritize where the state's minimal resources would be. He confirmed that under a scenario where a wildfire was threatening oil infrastructure, it would receive a high level of protection.

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Mr. McDonald advanced to slide 5 titled "Alaska's Changing Wildfire Environment." He pointed to a chart on the upper right of the slide showing the Alaska wildfire acreage seasonal total from 1950 to 2022. The red bars on the chart reflected years where over 3 million acres burned, including 2022. The state was seeing an increase in large fires, which correlated directly with increasing temperatures in Alaska and expanding fire seasons.

Mr. McDonald moved to slide 6 and continued to speak about the state's changing wildfire environment. The map of Alaska on the left of the slide depicted the number of fires in the past couple of decades. He detailed that just under 32 million acres had burned in Alaska [between 2001 and 2020], which was over 2.5 times more than the previous two decades. The state was seeing more fires, larger fires, and difficult to suppress fires. He reported that the most concerning of the images on the slide was the chart in the center reflecting wildfires in the Yukon-Kuskokwim Delta. From 1950 through the mid-2000s there had been very little fire in the region. Fires in the region were tundra based and there had been a significant spike in the past 10 years. He elaborated that there were villages requiring protection in the region and fires in the past year had really disrupted the lifestyle of the communities and required some evacuations of people with health issues. He noted that the state had not been faced with the issue in the past and it had become a reality. The graph on the right showed the lengthening fire season from the first to

last large fires in a season. Since the 1990s, Alaska's fire season had expanded by about 45 days.

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Mr. McDonald moved to slide 7 titled "Alaska's Growing Wildland Urban Interface." He reported that just under 70 percent of homes in Alaska were located in the wildland urban interface (WUI) areas and 85 percent of new homes were being built in the WUI or fire prone areas. In addition to the larger and more frequent fires, the area the Division of Forestry and Fire Protection was being asked to protect was increasing as well. Slide 7 showed images of relatively recent fires and the associated challenges. In 1996, the Millers Reach Fire in Mat-Su burned 350 homes and 450 structures. In the last seven years the McKinley Fire and Sockeye Fire, both located in Willow, had seen 55 homes lost (in each fire), damage to many other structures, and caused large-scale evacuations. He referenced Representative Hannan's questions related to protecting infrastructure and pointed to the Aggie Creek Fire at the bottom right of the slide as an example. The division was tasked to protect the pipeline corridor, powerlines, cell towers, infrastructure, mines, and remote operations.

Mr. McDonald stated that along with the cost of fire suppression, there was the cost of recovery (slide 9). He used the Sockeye and McKinley Fires in Willow as an example and detailed that the Mat-Su Borough estimated the recovery cost at \$200 million apiece.

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Representative Josephson asked what was meant by recovery and what it excluded. He asked if it excluded the man hours in putting out a fire. He asked how it was paid for (i.e., claims through insurance companies).

Mr. McDonald replied the recovery took place through multiple means. He expounded that some may be through the Federal Emergency Management Agency (FEMA), insurance, people rebuilding on their own without insurance, and utility companies (for damage to power lines and cell towers). Additionally, some of the recovery resided with the community. For example, the Willow school had been shut down for about three weeks resulting in costs associated

with parents having to stay home from work with their children. The borough calculated the recovery costs, which included what it took to get people back on their feet and back to life as normal. He stated that the cost of putting out and securing a fire was separate.

Representative Josephson stated the legislature was used to seeing \$50 million and \$100 million increments for the cost of suppression alone. He cited the McKinley Fire as an example and asked if it could mean \$200 million for recovery and \$100 million for suppression.

Mr. McDonald answered that the McKinley Fire had been on the lower cost end of around \$10 million and under 6,000 acres. There had been many firefighters on the fire and the fire had been relatively short term; therefore, the damage was much larger than the suppression cost. He explained that suppression costs were extremely high in some instances because fires were long in duration and larger. He relayed that the McKinley and Sockeye Fires were relatively small (under 6,000 acres). The damage was high, but the size of the fires was relatively small.

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Mr. McDonald turned to slide 10 titled "Alaska wildfire 2022 statistics." He relayed that 3.1 million acres had burned in 2022, which was the 7th largest acreage since 1950. He relayed it was the highest acreage burned in 2022 nationwide, which was not uncommon for Alaska. He reported that 95 percent of the wildfires burned in a six-week period, whereas typically large fire seasons occurred over the course of a summer. He elaborated that until the rain arrived in Southcentral in mid-July, the season had been unprecedented and one of the busiest the division had experienced. Slide 11 showed that 270 fires (approximately half of the fires) were human caused and 277 were caused by lightning. He noted there were also fires resulting from an undetermined cause. He explained that the normal fire season saw lightning, dry weather, and winds, but it was typically in a smaller geographic area. In 2022, there had been fires farther west on the Aleutian Islands than ever before and all the way to the Canadian border.

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Mr. McDonald turned to slide 12 and discussed the unusual start to the 2022 wildfire season. He explained there had been a relatively high snow pack, which usually meant a later start to the fire season, but it had melted quickly and April through June were the driest months on record. The chart on the top right showed the lack of precipitation followed by record days of lightning during the first week in June. He reported there had been about 100 new fires in two days across the state. The division had prioritized the values and where it put its resources.

Mr. McDonald moved to slide 13 titled "Multiple Fires and Complexes within DNR Jurisdiction." The list on the left showed a list of 2022 fire complexes, which were groups of fires managed by a single management team. For example, the Lime Complex was in Southwest Alaska on 22 million acres of land with 18 fires, all managed under one group. The slide included a partial map of Alaska and the blue sections reflected state jurisdiction. The majority of the fires in 2022 were under state jurisdiction, which resulted in the state's most expensive fire season. He noted there were subsequent slides explaining it was unusual for the state to have so much of the burden of the cost on one agency.

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Mr. McDonald advanced to slide 14 showing increased fire management costs to the state. The 2022 calendar year estimated fire suppression costs were \$120 million. He noted that the final cost would take another 12 months of auditing and recalculating. The slide showed how the funds were paid out via emergency declarations submitted to the governor's office and funded by the legislature. The state's average fire season was about \$70 million per year. He explained that the costs were driven by the importing of Lower 48 resources. In 2022, the state brought up over 3,000 firefighters to assist and over 100 aircraft. He elaborated that when the division ran out of Alaskan vendors it went to the Lower 48 for the aircraft. In 2022, there had been 27 incident management teams to manage the fires.

Co-Chair Edgmon asked if the pattern was typically fires happened earlier in the season in Alaska and later in the Lower 48, which allowed for a swapping of resources. He asked specifically about tundra fires. He underscored that tundra fires were very scary and had not occurred in the

past. He asked about the interfacing between firefighters in the Lower 48 and in Alaska.

Mr. McDonald agreed that fires near Dillingham were rare and had not happened much in recent history. He detailed that having fires in the region was new, challenging, and required logistics and aircraft. He stated that the situation had spread the division thin in 2022 because it had been protecting values in the Dillingham area in addition to much of the highway corridor simultaneously. He did not include a slide but could follow up with additional information. He stated that the Alaska and Lower 48 fires did not usually overlap. He elaborated that the Alaska season started earlier in April through July, whereas the Lower 48 season typically began in mid-July into August. Although there was some overlap, firefighters from the Lower 48 were able to help support Alaska when it needed assistance and in return, Alaska sent resources south as the fire season picked up in the Lower 48. In 2015, 2019, and 2022 the state brought in more resources than it had sent out, whereas in 2020 and 2021 it sent out a significant number of firefighters to support the Lower 48. His concern was that when overlapping seasons occurred, the state did not receive the resources when it needed them. He noted the Lower 48 was facing the same reality where fire seasons were expanding and beginning in mid-June instead of mid-July. He relayed there was potential for a lack in resources.

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Representative Cronk asked for the number of state-based fire crews in Alaska.

Mr. McDonald answered there were three State of Alaska crews, and the division was currently having challenges filling the positions. Additionally, there were three contract crews in Alaska through Native corporations and EFFs [emergency firefighters] that were typically village-based in rural areas. He noted the department was currently trying to rebuild the EFF crews. He detailed that 10 to 12 years earlier there had been around 56 to 60 crews based out of rural Alaska that the state would call up. He relayed that the division had more training available currently than in the past; however, he believed the number of crews [in rural Alaska] was down to about six. The state was well below its normal crew capacity for a variety of

reasons. He expounded that the state was trying to remedy the situation through training, fuels work, and other things made available to the department in 2022. He stated the situation was a challenge and the department was trying to turn it around.

Representative Cronk asked if there was a number or percentage of firefighting dollars that went to outside crews and businesses.

Mr. McDonald replied there was a slide reflecting the cost difference between the Alaska fire crew and Lower 48 [crew]. Another slide reflected the number of outside crews the state had brought in. He offered to follow up with the specific numbers.

Representative Cronk stated that for several years in the past there had been a fire academy located in Tok. He remarked that it had been so good that former Governor Sean Parnell had requested a ten-year extension of the academy. He asked why the academy had been stopped.

Mr. McDonald replied that the specific academy was outstanding and the model had been used for the McGrath area as well. He stated the model was being used again. Unfortunately, there had been budget cuts in 2015 and the Tok academy had been cut. He elaborated that with support from Representative Cronk and the governor in 2022, the funding had been made available and the division was bringing the academies back. The division would have six academies in 2023 including some virtual academies. The department was working to rebuild the state's homegrown fire resources and the academies were a big part of the equation.

Representative Cronk asked how EFF pay was established. He had been on an EFF crew in the 1990s and he did not know what he had been paid per hour. He stated that village crews were critical to fighting fires in Alaska. He considered whether the crews were paid at a federal rate and asked how to able to get the people working again.

Mr. McDonald did not have the entry rate for an entry level EFF position. He relayed that the state modeled its EFF (call when needed) crews after the federal rates. He stated that every year there was a small wage increase, but he did not believe it had kept up with some of the other available

opportunities, which was part of the reason for the shortage in crews. He added that back in the 1990s the positions were paid relatively well compared to some of the industry, but the wages had not been keeping up.

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Representative Josephson asked how long a state firefighter could expect to work in a year. He asked if it was six months or longer.

Mr. McDonald responded that most permanent seasonal positions were about six months. The positions could be extended up to eight months when they went to the Lower 48 for an extended season. He relayed that with an emphasis on fuels work, sometimes the positions were extended out to 10 months. The six months included training time in order to be prepared for the fire season.

Representative Josephson asked how the dollars flowed. He stated the legislature typically saw the funding of the exercises in late winter early spring after the fact. He asked if the division received the funding in the summer. If not, he wondered how the workers were being paid.

Mr. McDonald responded that a subsequent slide helped answer the question. The funding received through declarations were primarily used to pay vendors for aircraft, dozers, boats, and other equipment called on at the time of an emergency. The funding also included the importing of resources from the Lower 48.

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Mr. McDonald spoke to slide 15 showing an illustration of the 2022 fire season financial timeline. One of the challenges was that the fire season crossed two fiscal years. He highlighted that the months represented in red reflected FY 22. He detailed there had been declarations during that timeframe as well. He explained that the \$120 million for the 2022 fire season included two fiscal years (FY 22 and FY 23). The slide illustrated the timing of the declarations and what they covered. He clarified that the last declaration showed funding of \$8 million in February 2023 that would help cover for some of the unaccounted for expenses in fire season 2022 and set the division up for the start of fire season 2023.

Mr. McDonald turned to slide 16 and explained that the fire program had two primary budget components including fire suppression preparedness and fire suppression activity. Fire suppression preparedness included base wages and covered the fixed cost of doing business. Fire suppression activity funds went towards fighting fires and were used when declarations were issued. The suppression activity funds covered outside crews working in Alaska, aircraft, emergency equipment (i.e., dozers, excavators, boats), and emergency fire travel around the state.

Mr. McDonald turned to slide 17 titled "Costs of Using Lower-48 Resources." He relayed that an in-state Alaskan crew was about \$6,500 per day versus an imported out-of-state crew costing about \$13,500 per day. The graph on the right of the slide illustrated the number of resources the state brought in from the Lower 48 in 2022. In 2022, about 4,200 personnel had been used on Alaskan fires and over 3,000 of the total came from out-of-state.

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Mr. McDonald discussed how fire suppression costs were accrued, used, and spent on slide 18. He used the 2022 Clear Fire as an example. The fire had started in early June with a lightning strike and had received full protection. The division did not have all of the resources available to contain the fire on a smaller acreage and it had become a larger complex fire. The division had been tasked with protecting some of the values in the region including the City of Clear and its four rural subdivisions with about 100 residences. The city was previously an Air Force base and was currently a Space Force base with infrastructure of about \$5 billion along the highway corridor. He noted the highway corridor had been shut down in previous fire seasons and it was critical to keep it open as the lifeline between Southcentral, the Interior, and up the haul road to the North Slope. The division had used several management teams and hundreds of people had been rotated through the fire. He pointed out it was the one fire in 2022 that qualified for Fire Management Assistance Grant (FMAG) funding through FEMA. The division worked with FEMA to get reimbursed for 75 percent of the costs and anticipated bringing back \$20 million from the incident.

Mr. McDonald moved to slide 19 and showed two pie charts reflecting fire cost categories. The Clear Fire cost just under \$27 million and the expenditure breakdown was illustrated in a pie chart on the left of the slide. A large portion of the cost was attributed to the water scooping and retardant dropping aircraft including the flight time to bring the aircraft to Alaska when needed. Line equipment included boats, dozers, and excavators used to build the fire line. The crew component included the 20-person fire crews and just under half of the cost went to supporting crew members with food, medical attention, equipment needed, and a place to sleep. The right side of the slide showed the 2022 Middle Tanana Complex, which had been a remote fire where the division provided point protection of the Pogo Mine and cabins along some of the river corridors. The fire had been a bit higher on logistics and aircraft support. He stated that at the time, there had been fewer firefighters available; therefore, the strategy had been limited to protecting a few of the most critical items. He relayed that the pie charts reflected a common breakdown of Alaska fire costs.

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Representative Josephson looked at slide 19 and asked if the funding reflected base dollars or declaration dollars.

Mr. McDonald answered that because the costs went to fire suppression, they came out of the suppression component. He explained that if there were insufficient funds in the suppression component, a declaration was issued. He detailed that the fire suppression account had started off with \$13.6 million on July 1, 2022. The funds had been used within three weeks and the first declaration had been issued in July to cover anticipated costs for multiple fires.

Representative Josephson referenced the \$13.6 million and asked how the department received additional funding when the legislature was not in session.

Mr. McDonald replied that an emergency declaration was issued through the governor's office as part of an emergency response. He believed it was similar to what would occur in the event of another type of natural disaster.

Representative Josephson thought it sounded like a statutory delegation of appropriation power.

Representative Coulombe looked at slide 18 and asked for the percentage of FEMA reimbursement and how long it took to get reimbursed.

Mr. McDonald answered that it took about one week to apply for the federal funding and to learn whether or not the application was successful. The division worked closely with regional FEMA representation and funding was based on the number of threatened values within a vicinity. The Clear Fire had qualified for the funding. The state paid all of the suppression fees upfront and was reimbursed. Typically, the state was reimbursed about 75 percent of the cost. He characterized it as a bit of an accounting problem because the state started receiving the reimbursement after a year or two, but it took up to five years to receive the full reimbursement. He noted it varied from fire to fire and year to year.

Representative Coulombe asked where the reimbursement funds went when they were received by the state.

Mr. McDonald answered that the funds went back to the general fund.

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Mr. McDonald turned to slide 20 titled "Federal vs. State Fiscal Responsibility." The pie chart on the left showed the five-year average fiscal responsibility and the chart on the right showed the 2022 fire season fiscal responsibility. He noted it was based on where the fire started and where suppression was needed. He noted that 2022 had been an extremely rare year in many senses, with the fiscal responsibility being at the top of the list [the pie chart showed the state as responsible for 92 percent of the 2022 fire costs].

Co-Chair Johnson looked at the right chart and asked if it was just by happenstance.

Mr. McDonald answered that it was a result of where the lightning had struck, whether the location was in full or critical protection areas, and where the values were. He stated that a significant portion of the fires suppressed

the previous year were in state protection. There had been a lot of fires in federal protection on state land. The division worked closely with the Alaska Fire Service to make fiscally responsible decisions. The Alaska Fire Service provided the protection and the division had representatives working with the agency on tactics and actions being taken. The Alaska Fire Service did the same for the state when there were fires on federal land.

Co-Chair Edgmon stated that the Dillingham area basically had two summers in 2022. The early summer was very hot, and the second part was excessively rainy. He remarked that November of 2021 had been the coldest in 80 years followed by a tremendously stormy December. He stated that things were changing, and he was hoping to ask more about slide 3 [showing the Alaska Interagency Fire Management Plan].

Mr. McDonald agreed that things were changing. He had witnessed the change over the course of his career beginning in 1989 on a fire crew. He had seen fires in places he never thought would occur. He highlighted examples including a 900-acre fire on Adak and lightning fires near Dillingham that had grown more than ever before in 2022. He relayed that there was interesting research being done by the University of Alaska Fairbanks about how rapidly things were changing and what the future was looking like in terms of fires.

Representative Hannan thought back to 2019 when there had been never ending fires. She understood the fires had been largely on federal land, but the state had provided much of the response. She understood the accounting nightmare and the multiple years it took [for the state to receive federal reimbursement]. She asked if there were legal fights or accounting fights between the state and federal government. She highlighted the rhetoric around the building using the term statehood defense. She provided a scenario where the state prevailed on a portion of water being state jurisdiction because it was navigable yet the surrounding land remained federal. She wondered what it meant for the state's response and ability to cover the cost. She stated that on the fire line, no one was worried about land jurisdiction at the time of fighting the fire. She elaborated that the state and BLM had worked it out through decades of joint response and let the accountants determine who was responsible for what cost. She wondered if they were starting to have lawyers weighing in where the

state did not want to act on something it deemed federal responsibility.

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Mr. McDonald replied that he had the opportunity to travel around the country for fires and was on the incident management team that traveled wherever fires were located in Alaska and the Lower 48. He had seen some terrible fights during a fire about who was responsible for what. He stated they were lucky in Alaska to have a good fire plan and cooperative agreement that took a lot of the fight out of it. The state had not had to use attorneys. Additionally, the state had accountants who reviewed the [fire cost] information and there was good record keeping; therefore, Alaska did not have the same challenges as other states. He highlighted that the fire plan had been put together in the 1980s and 1990s and the state needed to make sure it was updated. There were areas where the state was protecting federal assets next to state land and the division was working with BLM and other agencies to ensure the state was not being asked to do something that it was not asking the federal government to do. He underscored that the state's relationship with its federal cooperators was very strong. The state and federal government shared resources and figured their problems out with some phone calls, which was not the case everywhere.

Representative Stapp stated there was a supplemental appropriation for an additional \$50 million for fire services. He observed an additional \$6.8 million was needed on top of the amount based on the governor's amended budget. He believed it meant the \$50 million had already been spent and more funding was needed. He read that the supplemental increment was supposed to cover the state's fire priority needs until June 2023. He remarked there had been numerous serious fires during the year. He asked if the additional \$6.8 million would be adequate to cover what would likely be a higher expense.

Mr. McDonald replied that the number was based on an average year. He explained that if the year was average or below average, the cost would be \$6.8 million or less. However, if the fire season was similar to 2015, 2019, or 2022, the funding would not be sufficient and the division would have to request a declaration to cover the additional expenses. The division would start to gain an understanding

of what type of fire season it would be beginning in March or April.

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Representative Stapp asked how far \$6 million went in fire suppression. For example, he asked if it covered three fire days depending on the fire.

Mr. McDonald responded that he did not have the daily burn rate for 2022. He estimated that \$6 million likely covered about three days of suppression during a peak season like 2022 with six to eight teams out managing large fires. He noted that the issue was not a concern on an average year.

Representative Cronk stated that an ounce of prevention was a pound of cure. He highlighted that the conversation had been limited to fighting fires and had not covered preventing fires. He expected a lot out of the Division of Forestry and Fire Protection. He wanted to ensure all of the state's communities were somewhat protected by prevention. He highlighted prevention methods such as the mechanical removal of hazardous materials and opening up sales for firewood for timber harvest. He shared that in past conversations with Native elders he had learned that Natives would do controlled burns. He stated it had helped protect from fires and had created habitat for various animals. He had never heard about controlled burns in the current day. He would rather spend \$30 million on prevention than \$130 million on suppression. He hoped the tables could be turned over the next several years to lean towards prevention. He understood the state had to be ready [for fire suppression]. He wanted to ensure there were plans in place for every community in Alaska. He thought the road system was a little easier. He asked about the expense of removing an acre of hazardous material with equipment rather than by hand.

Mr. McDonald replied that he viewed prevention as preventing human caused fires. He reported that human caused fires in Alaska's communities were the most expensive. He elaborated that reducing human caused fires could be done through education, enforcement, and changing some of the regulations. He stated it was an important part of the fire program and was something the division was investing in as much as possible. The other part of prevention was the fuels component. The division had been

doing fuels reduction projects since the 1990s, but not at a fast pace. The work had been federally funded with a WUI grant and the projects had been very small. He shared that three years ago the division had received \$17 million in CIP [capital improvement projects] funds for fuels reduction. Additionally, the state was just starting to see federal infrastructure funding coming into Alaska for fuels work. The division had fuels projects in every community currently that were underway or being planned for the near future.

Mr. McDonald referred to Representative Cronk's question about the cost of fuel removal and offered to follow up with a briefing paper containing some examples about the cost. The division had a current project in Mat-Su called the Sunset, which was a seven-mile fuels break. The project had started in November and would be complete at the start of the coming fire season. He added that the work was all mechanized with a small amount of hand cleanup. He stated there were other places that were more sensitive - around schools, infrastructure, or homes - that were done by hand because they were not ideal locations for excavator work. He confirmed that fuel removal by hand was much more expensive per acre. There was a place for both methods and the division looked for the best tool for the job.

Mr. McDonald shared that the division had numerous projects that were just starting to come to fruition and it had a good five-year plan to continue the work. Work had been started in roadside and rural communities.

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Representative Galvin addressed recruitment and retention. The legislature was hearing about the topic with every agency doing as much as possible because they did not have enough employees. She asked if the fire crews were large enough for the initial response. She wondered if there was any sense the division would like the ability to get to the fires on the front end to put them out faster. She understood sometimes there were some competing efforts with the Lower 48 for resources.

Mr. McDonald replied that recruitment and retention was the division's top challenge at present. He stated that the issue was very difficult currently. He elaborated that fire management was a substantial challenge that required people

with experience who understood the conditions and fuels in Alaska to make sound decisions. Keeping people at that level had been challenging. The division currently had three agency crews and it would really struggle to get one full crew and potentially two half crews. He reiterated it was the division's number one challenge and it was looking at ways to address the issue.

Representative Galvin asked if in light of recruitment and retention challenges, the division may have a more difficult time reaching the end goal if there were not enough [workers] there.

Mr. McDonald answered it was a problem. The way the division would work around the situation would be to bring in fire crews from out of state. He understood it was more expensive and there was a desire to keep jobs local, but it was necessary to be prepared to protect Alaska's communities.

Co-Chair Johnson asked about the idea that the Alaska Long Trail could be a potential fire break. She asked if the topic had been discussed within the division or if it was something someone came up with as a way to sell the project.

Mr. McDonald responded that had not heard the idea.

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Representative Stapp stated that there was much recent discussion on carbon offsets and sequestration. He asked what happened if a fire burned down the trees that the state was receiving a carbon offset for. He asked if it would mean the state would be obligated to pay a refund.

Mr. McDonald answered that the division was just starting to look at the issue and what it would entail. He deferred to his colleague Mr. Eng for additional detail.

Mr. Eng replied it was always a risk in any project. He agreed that some willing buyer would have paid millions of dollars to keep the trees standing and there was a question about what would happen if the trees burnt down. He elaborated that there was an insurance pool built into most of the registries. He explained that under the American Carbon Registry every project developer paid 18 percent of

their proceeds into an insurance pool; therefore, if a project suffered from a fire, it would be covered through the pool. However, going forward from that point if the entire forest burnt down, there would be no future payment received, but the state would not be obligated to pay the funding back.

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Co-Chair Edgmon looked at the Alaska interagency fire management plan on slide 3. He observed that the predominant color on the map was dark green reflecting the "limited" lowest priority category. He referenced the uptick in fires in the past ten years in the Yukon Kuskokwim area, including part of his district and lower Southwest Alaska. He reasoned that in five to ten years the map could look different with increases in the brown, yellow, and red sections if the current warming trends continued. He considered that if fire suppression costs were \$60 million to \$70 million in the supplemental budget, they could be significantly more expensive in the future.

Mr. McDonald responded that the critical category indicated areas with high values. He explained that an increase to the critical category would be driven by an increased number of mines or communities. He believed state and federal strategies would change if they could not stop a fire in the initial attack. He explained that in 2022 there had been fires where the best resources had been used (i.e., smoke jumpers and hot shot crews) to try to keep a fire under 10 acres; however, the efforts had been unsuccessful. He stated it was an indicator that some of the strategies used in the past may not work. He stated that the future would be looking at how to protect values ahead of time. He elaborated that fuels projects and fuels breaks would be instrumental in the protection of villages, communities, and infrastructure. There was an understanding that a fire may not be able to be suppressed in time, but there would be a place to work from in order to protect values. He believed the critical management option could grow as communities expanded along the road system. He noted the division evaluated the road system annually to determine whether an area was critical. For any of the protection levels, the division had a nonstandard response process where it evaluated whether a fire in a limited area could potentially threaten critical infrastructure. He explained that if the fire was deemed to threaten areas of

value, the division would take action regardless of the predesignated options.

Co-Chair Edgmon stated that it underscored there were not enough fire crews in the villages. He highlighted the village of New Stuyahok in his district that had a fairly new fire department building but no fire truck. He surmised the response time would be swift if there was a fire similar to the 2022 season near a village; however, the inability for a community to contribute to the response was an area the legislature needed to focus on. He referenced the fire academies and the importance of growing the state's own fire crews. He thought it was likely a fairly lucrative job, but it had to be one of the toughest jobs around. His takeaway from the current meeting was that the issue was huge. He was a lifelong Alaskan and had been on the committee for almost a decade and had been watching the increase. He remarked that he knew people who had lost their homes in the Miller's Reach Fire in 1996. He appreciated the presentation and how it underscored the magnitude of the issue as something that needed the dedication of time and resources.

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Representative Hannan referenced the Swan Lake Fire that had jumped the Sterling Highway and fires that had jumped the Parks Highway. She asked for the standard dimensions of a fire break. She understood that wind and fuels building up the speed of a fire played into the issue. She reasoned that if the Long Trail were to be considered a fire brake, it would need to be the appropriate width.

Mr. McDonald answered that it varied depending on the fuel types and whether or not the terrain was sloped or not. He clarified that the fuel breaks did not stop a fire from spreading, but it provided firefighters with a location to have a tactical advantage to work from. Typically, fire crews were burning out from a preexisting line to remove fuels located between the fire and values under protection. The breaks were not built with the idea that a fire would burn up to the break and stop. There were places where a 100-foot line was sufficient and other locations that called for a 300-foot line. He remarked that on a bad day a fire would cross the Yukon River.

Representative Josephson referenced prevention and suppression and asked which was less expensive.

Mr. McDonald replied that if a human caused fire could be prevented from starting it was the way to save suppression dollars. He cited the Clear Fire caused by lightning that had cost almost \$27 million. He explained that if it had been a human fire that could have been prevented through education or enforcement, it would save suppression dollars.

Representative Josephson clarified he was referring to mitigation efforts taken prior to a fire season such as fire breaks.

Mr. McDonald answered that fire breaks could reduce suppression costs by keeping a fire smaller. The real value in the fuels work was to protect infrastructure and homes. He relayed that completing mitigation efforts ahead of time was much cheaper because it could be done through different means than an emergency declaration.

Representative Josephson believed the state's law did not treat wildland firefighters the same as urban firefighters. He asked if the law should be changed and whether it was a source of upset for wildland firefighters.

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Mr. McDonald replied that wildland fires were an issue that needed to be addressed nationally, which included having the right people with the right skillsets and training. He believed things were moving in that direction, but it required continued improvement.

Representative Tomaszewski hoped that one of the Division of Forestry's missions was to put the Division of Fire Protection out of business. He clarified he wanted to see an aggressive stance on getting resources out to private industry, especially around cities and easily accessible areas. He noted there had been an issue in a state park in Fairbanks in the current year where the Forest Service had come in and downed numerous trees, cleaned up the park, piled up the wood, and opened it up to the public. He had been one of the individuals who had shown up to fill his truck with firewood. He elaborated that people had shown up quickly to benefit from the wood. He reiterated his hope to

get resources out to private industry in order for similar situations to occur in a more organized way.

Representative Tomaszewski looked at slide 17 and observed that a 22-person Alaskan crew cost \$6,500 per day. He shared that he had been an emergency firefighter on a 16-person crew about 30 years ago. He noted the slide showed that 75 percent of the firefighters in Alaska came from out of state in 2022. He asked if the division was aggressively recruiting more emergency firefighters. He shared it had been a great job for him during college. He elaborated on his time fighting fires. He asked if the 22-person crews worked seven days a week at 16 hours per day. He wondered if it was the same for crews from the Lower 48 who came to fight fires in Alaska.

Mr. McDonald answered there were firefighter safety rules including the 2:1 work to rest ratio. In most circumstances firefighters in Alaska did not work past 16 hours and after two weeks on, they were required to take two days off. He believed it had changed since the 1990s. He elaborated that safety standards had been set to ensure firefighters were rested prior to being put back on the line. He relayed it had been abused for many years and some avoidable injuries had occurred as a result. He stated his understanding of the question and replied that the division was doing everything it could to recruit within Alaska. The division was working with village corporations and Native corporations, every community, universities, and high schools. Additionally, the division had advertisements in movie theaters and on social media. He reiterated the division was doing everything it could to recruit within the state and was making the training available to as many people as possible. He recognized the job was hard work and he believed every kid should do something like it for a couple of years.

Mr. McDonald responded to Representative Tomaszewski's suggestion about making resources available to the private sector. The division tried to make the firewood available and help communities out when there was a fuels project. He relayed that wood generated from work the division did in villages typically went to elders. He underscored that the division was taking whatever steps it could to recruit Alaskans and put Alaskans to work in Alaska.

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Representative Cronk stated there was a harvestable timber abundance in the state and a value-add business. He stated that long-term sales were needed and harvesting mature timber reduced fire risk. He elaborated that putting access roads to harvestable timber would open other access for firewood, subsistence, and recreational activities. Additionally, it improved habitat for moose and other animals. He mentioned carbon sequestration and the growth of new trees. He stated that the precedent was set for good forestry practices in Alaska. He asked if the state followed federal guidelines for EFFs. He remarked there were numerous people in villages who could not fight fires any longer because perhaps they had committed a crime in the past. He stated there were people who had made mistakes in the past who wanted to work. He stated that firefighting was in the DNA of people living in his region and was something to be proud of. He wondered how to prevent the exclusion of individuals from the much needed workforce.

Mr. McDonald answered there were restrictions on who the division could hire related to criminal history and background. He relayed there were processes where an individual could work with a judge to work through the situation and get hired by the division. The division had worked with individuals to enable them to work on fire crews, especially in rural areas. He remarked it was something the department could do some research on to determine if more could be done. He stated it was less of a Division of Forestry and Fire Protection issue and more about state hiring practices.

Representative Cronk highlighted fire technicians as an example and noted there was a base in Delta that was struggling to hire positions. He knew the wage was not great. He stated a bump up of a few dollars an hour made all the difference in the world. He wanted to work with the division to get the positions filled.

Mr. McDonald appreciated it and would take Representative Cronk up on the offer when the time was right.

Mr. Eng agreed with Representative Cronk's statements about long-term timber sales, access roads, harvesting mature timber, and fuels reduction. He noted the concepts reflected the governor's priorities as well. He looked forward to working together on the issue.

Co-Chair Johnson thanked the presenters. She reviewed the schedule for the following day.

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ADJOURNMENT

2:58:48 PM

The meeting was adjourned at 2:58 p.m.