



WILDFIRE CAP ADJUSTMENT

JUST THE FACTS

July 9, 2014

Below is a response to some of the typical arguments for the wildfire cap adjustment:

Claim: This is not an increase in funding. We are just repurposing funds from the disaster account.

Fact: Proponents act as if the “maximum allowable cap adjustment” is money sitting in an account just waiting to be used. That’s not how it works. In fact, the disaster cap adjustment is a procedure that increases discretionary spending caps to accommodate higher disaster spending. It is a ceiling on major disaster spending, not a floor. Congress can appropriate up to that ceiling, but it doesn’t have to. For example, in fiscal year 2014, less than half (\$5.3 billion) of the \$12 billion allowable adjustment was used. If the proponents had their way, fiscal year 2015 discretionary spending would be \$2.7 billion higher than it otherwise would be. And on top of increasing spending during FY 15, it would also increase the ten-year average and lead to more future spending.

Claim: CBO has said this bill does not score and does not increase spending.

Fact: CBO concludes that if this legislation was in place for fiscal year 2015 appropriations, the cap on discretionary spending would rise by \$420 million and could be as high as, \$2.7 billion. It also finds that because of the ten-year formula described above, the upward adjustments in the discretionary caps for wildfire suppression would exceed the projected caps for disaster relief relative to current law. So the bill would, in fact, increase total spending in multiple ways.

Proponents focus instead on the fact that as a budget process reform bill, the CBO concluded that the bill by itself “would not authorize additional funding for wildfire suppression activities or appropriate funds for those purposes” and “that enacting either bill, by itself, would have no effect on the federal budget.” But CBO also pointed out that the proposals do create new authority to increase federal spending. All Congress would need to do is pass an appropriations bill that made use of this authority, and it would increase discretionary spending above the level permitted by the Budget Control Act (BCA).

Claim: The current process robs the prevention accounts, which will just make fires more costly in the future. If we don’t do this, things will only get worse.

Fact: It is true that fire borrowing—the process of borrowing from prevention accounts to fund suppression accounts—is a problem. But the answer is not a cap adjustment. Instead, the answer is two-fold: First, fully fund both the suppression accounts and the prevention accounts. If the suppression accounts are fully funded at the estimated need, there will be no need to borrow from prevention accounts. And, if prevention accounts are fully funded, we should see a reduction in future suppression funding needs, creating a virtuous cycle of more responsible budgeting in exchange for lower costs.

Second, enact the House-passed Restoring Health Forests for Health Communities Act (H.R. 1526). This legislation improves forest-management practices by directing the Department of the Interior and the Forest Service to use the funds provided to remove excess growth and improve forest health, which will make forests less susceptible to catastrophic wildfires. It also restores active management to federal timberlands by streamlining the regulatory process, while protecting the environment, and sets minimum timber harvest rates, which will begin the process of reversing the dramatic reduction in annual harvests that has occurred over the past three decades. Removing all the excess growth and managing forests to healthy levels will contribute to lower fire-suppression costs in the future.

Claim: It is a matter of fairness. Wildfires should be funded just like any other disaster.

Fact: Under current law, wildfires are already treated like all other “major disasters.” If the President declares a wildfire a “major disaster” under the Stafford Act—and fires are explicitly listed as an authorized use—wildfire relief is eligible for funding provided under the existing disaster cap adjustment in the BCA. These proposals actually try to treat fires differently from all other disasters by allowing them to access funding outside the discretionary caps—whether or not the President has made a “major disaster” designation.

It is true that not all fires on federal lands are eligible for Stafford Act designations. But, this is true of all disaster relief, including hurricanes and tornados. All are given the same treatment under the BCA. Fires are more likely to occur on federal lands than are other disasters, because the federal government owns a large portion of the forest lands out west, but that it why it is imperative that we fully fund these accounts and enact better forest management practices as described above.