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Wildfire Suppression Operations Reserve Fund

The Wildfire Suppression Operations Reserve Fund was created in 2018 to ensure federal funds for urgent wildfire suppression activities without drawing funds from other Forest Service programs. It can be used by the U.S. Forest Service (USFS) and the Department of the Interior (DOI) after suppression funding under the agencies' respective Wildland Fire Management (WFM) accounts is exhausted. The Reserve Fund was first available in FY2020, capped at \$2.25 billion, with the annual maximum funding level increasing by \$100 million each fiscal year through FY2027. Its use is authorized as long as a baseline level of funding for wildfire suppression operations is met in the underlying appropriations bill.

1. THE WILDFIRE RESERVE FUND ENSURES THERE ARE DEDICATED FUNDS IMMEDIATELY AVAILABLE WHEN WILDFIRE SUPPRESSION COSTS EXCEED WHAT WAS APPROPRIATED.

Unlike many other budget line items, wildfires and their associated costs are unpredictable. We know the frequency and destructiveness of wildfires are growing, but there is still significant variation between years. For example, there was a \$2.1 billion difference in federal firefighting costs between 2020 and 2021 — more than the total federal firefighting cost in 2019. Ensuring USFS and DOI have sufficient funds for wildfire suppression in the event of a bad fire year—and immediate access to those funds—is essential.

2. IT ENDS THE PRACTICE OF “FIRE BORROWING,” WHEN AGENCIES MUST DRAW FROM NON-WILDFIRE ACCOUNTS TO FUND EMERGENCY SUPPRESSION ACTIVITIES.

Historically, when suppression funds were depleted during a wildfire emergency, funds from other, non-suppression accounts were transferred to cover immediate wildfire suppression costs. This practice, known as fire borrowing, has diverted billions of dollars



from their intended purposes. For instance, in 2018, the Forest Service redirected \$720 million from non-fire programs. This perpetuates a vicious cycle, diverting resources meant for prevention and risk mitigation and leading to potentially higher future suppression costs.

3. THE RESERVE FUND LIMITS THE NEED FOR CONGRESS TO APPROPRIATE ADDITIONAL FUNDS THROUGH EMERGENCY SUPPLEMENTAL SPENDING, WHICH TAKES TIME AND CAN BECOME BLOATED WITH NON-EMERGENCY NEEDS.

If federal agencies deplete their wildfire suppression funding, Congress may be forced to pass a supplemental appropriations bill to refill the coffers. Because these packages are time-sensitive, they are susceptible to non-emergency add-ons — provisions that lawmakers have little time to review and little incentive to debate, as doing so could delay passage. Spending on non-emergency needs should occur through the regular budget process. Emergency spending gets special treatment — it does not require offsets, avoids normal congressional oversight, and often carries “no-year” budget authority, meaning funds remain available until expended. While necessary for true emergency spending, these put non-emergency add-ons at a higher risk of waste, fraud, and abuse.

4. IT LETS AGENCIES KNOW HOW MUCH SUPPRESSION FUNDING WILL BE AVAILABLE IN FUTURE YEARS, ALLOWING FOR BETTER PLANNING AND MORE STRATEGIC RESOURCE ALLOCATION.

As currently structured, the Reserve Fund can only be accessed by agencies if Congress appropriates a specified level of baseline suppression funding through the regular budget process—\$1.011 billion for USFS and \$384 million for DOI. These baseline levels are based on the FY2015 President’s Budget, which calculated the prior 10-year average of suppression costs. Although this baseline level is now out of date, a fixed annual amount gives agencies more certainty and allows them to develop multi-year spending plans,



resulting in more strategic use of funds and long-term investments that can reduce future costs.

5. THE RESERVE FUND IS CURRENTLY ISOLATED FROM CERTAIN SPENDING RESTRICTIONS, PROTECTING EMERGENCY SUPPRESSION FUNDING FROM BUDGET CAPS.

The Reserve Fund was introduced in part to bypass the Budget Control Act of 2011 (BCA), which set hard caps on discretionary funds—with some exceptions—for a ten-year period. While the BCA has now expired, Congress has enacted other caps—for example, the Fiscal Responsibility Act of 2023, which set limits on discretionary spending for FY2024 and FY2025—and may introduce new caps in the future. Keeping the Reserve Fund outside budget caps means that appropriating committees do not have to choose between allocating their limited funding to the Reserve Fund and other programs. This helps ensure reliability and predictability and leaves more funding within budget cap to devote to mitigation programs, which reduce long term suppression risks and costs.