

## **INCIDENT COST RECOVERY POLICY**

**3823**

(No. 35 July 2007)

It is the policy of this department to aggressively pursue all appropriate cost recovery to the General Fund for incident response and mitigation. (See 9400 Law Enforcement Procedures Handbook, [Section 9428](#) for the Department's authority and policies.) It is the responsibility of the Region Chief and the Unit Chief to initiate steps to safeguard the state's financial interests for those reimbursable incidents which occur within their respective administrative boundaries. Specific reimbursement policies are provided below.

### **MUTUAL AID**

**3823.1**

(No. 29 March 2006)

Whenever dealing with incident cost recovery, employees must be aware that CAL FIRE and its cooperators use each other's resources under the terms of various agreements such as the Cooperative Fire Protection Agreement (CFPA) between the Bureau of Land Management (BLM), the National Park Service (NPS), the United States Forest Service (USFS), and the California Department of Forestry and Fire Protection (CAL FIRE); and the California Fire Assistance Agreement between the Office of Emergency Services (OES), CAL FIRE, USFS, BLM, NPS, and the Fish and Wildlife Service (F&WS), which is administered through OES. When operating under such agreements, certain resources are provided free under specified circumstances. Time periods for the provision of free services vary by agreement.

For example, in the case of the CFPA, fire engines, helicopter crews (but not the helicopter itself) and overhead are free to the using agency for the first 24 hours of the incident if these resources are provided as part of the standard initial attack response. Under this agreement, equipment is billed at actual cost.

In the case of equipment provided under the CFAA, such resources are free for the first 12 hours of the incident unless dispatched to a mobilization center, in which case there is no free period. The personnel staffing this equipment are billed at an hourly rate per person at time and one half, portal to portal, said rate being determined annually by OES.

The Statewide Master Mutual Aid Agreement (also administered by OES) provides for true mutual aid between the parties with no provisions for assistance-by-hire. This agreement is primarily utilized by local jurisdiction but does include CAL FIRE as a participant. Normally, CAL FIRE provides assistance to local government under this agreement while local government will provide assistance to CAL FIRE under the CFAA.

Each employee involved in the cost recovery process, where resources are utilized under one or more cooperative agreements, is responsible for understanding the basic provisions of those agreements. Because provisions can change, it is advised that ready access be assured to the most current version of the agreement(s) and that the agreement(s) be reviewed as part of the preparation of the billing package.

For a complete explanation of the mutual aid system, please refer to the Cooperative Fire Services [8500 Handbook](#). Also, see [Section 3864.1](#) on cost recovery for agreement reimbursements.

## **REIMBURSEMENT POLICY WITH OTHER STATE AGENCIES FOR INCIDENT COSTS**

**3823.2**

(No. 16 March 2002)

Whenever another General Fund state agency provides resources on a state responsibility incident and those resources were ordered by and under the control of CAL FIRE, the state agency may submit a claim for reimbursement. However, reimbursement generally will be made only for added costs (e.g., base salaries already appropriated by the General Fund are not recoverable from the Emergency Fund). The exception is as follows: if the incident is billable partially or completely to a federal, local or civil entity, it is the policy of this department to recover for other state agencies the same types of expenses (including base costs) that are recoverable for CAL FIRE, and to the same degree. (Note the exception for CDC in the last paragraph.)

For cost share fires, this means that the percentage of reimbursement CAL FIRE receives for its base costs will be applied to the base costs expended by other state agencies on the incident, subject to the qualifications stated in the paragraph above, in Sections 8526.1 and 8526.2 of the Cooperative Fire Services Procedures Handbook, and throughout [Section 3864](#), et seq.

**NOTE:** CDC is an exception in that it already routinely charges CAL FIRE for all costs (including the replacement cost of the correctional officer) in order to meet its post coverage requirements. Therefore, no additional charges should be added to their billing documents for incidents which are reimbursable to CAL FIRE. See also [Section 3863.1.5](#) on FC-77s.

## **FISCAL POLICIES SET BY COOPERATIVE AGREEMENT BETWEEN CAL FIRE AND USFS, BLM, BIA, NPS, AND BOR**

**3823.3**

(No. 16 March 2002)

Pursuant to the California Public Resources Code, Section 4141, CAL FIRE has entered into cooperative fire protection agreements with the USFS, the BLM, the Bureau of Indian Affairs (BIA), the NPS, and the Bureau of Reclamation (BOR) for wildland fire protection. These agreements set forth the responsibilities of each agency in suppressing pay protection boundary wildland fires and conditions for each agency's use of the other agency's wildland fire protection resources.

In complying with the terms of these agreements, CAL FIRE spends state funds for fire suppression purposes which may be reimbursable. The determination of whether the costs are, in fact, reimbursable depends upon whether funds were spent for resources which are categorized as "mutual aid" or for resources categorized as "assistance-by-hire." As a general rule, CAL FIRE shall recover costs for assistance-by-hire but not for mutual aid. See Section 3823.1 for a brief overview of the mutual aid system.

Because the fiscal provisions of these agreements are sometimes complicated and will change periodically, staff assigned fiscal responsibilities on an incident involving these federal agencies must be knowledgeable of, or have access to, the most current agreements. See the Cooperative Fire Services Procedures Handbook for governing program policy and [Section 3864.1](#) of this handbook for specific instructions.

**NOTE:** Unless covered by specific agreements, out-of-state assignments are assistance-by-hire and are reimbursable. See [Section 3831.10](#) of this chapter.

## **COST SHARE POLICY**

**3823.4**

(No. 29 March 2006)

It is the policy of the department that a cost share agreement will be developed on any incident where the department shares jurisdictional responsibility with another wildland fire protection agency and where sharing of suppression costs is appropriate.

Development of the cost share agreement is the responsibility of the Incident Commander and will conform to the provisions of the cost share methods detailed in [Section 3862](#), et seq. of this handbook.

There are several methods of cost sharing authorized for use by CAL FIRE Incident Commanders (IC). Traditionally, agencies agreed to share costs on an incident either using a percentage share of burned acreage or based on the IC's perceived level of each agency's responsibilities. However, the increasing cost and complexity of

suppression, as objectives, have led to the need for more refined cost sharing tools for a structured documentation process. These changes in methodology affect unified command incidents. A cost share portfolio, or "tool box," has been developed that allows fire managers definite choices of methodologies, based on the characteristics of the incident and on the support staff available to assist the IC. The options range from a simple derivative of the old "agreement between ICs" concept to a sophisticated "cost apportionment" process that objectively calculates a percentage of costs that each involved agency will assume. The choices open to an IC are varied and demand only that when a shared-cost incident occurs, the financial responsibility each agency shares is arrived at intelligently and is documented well for accountability and billing.

An emerging area of policy interest between the department and its federal cooperators involves the issue of threat to structures from wildland fires. Although situations will vary and the need to exercise judgment is paramount, the CAL FIRE IC should remember that all wildland fire suppression agencies bear a moral responsibility to provide some level of life and property protection from wildland fires on or emanating from their jurisdictional responsibility. CAL FIRE's jurisdictional involvement in an incident does not automatically mean that all such costs default to the department. One test of the situation is to ask the cooperating agency's IC or representative what life and property protection that agency would have provided if CAL FIRE had not been involved in the incident.

Cost share agreements will be reviewed by a Unit Chief, the Region Fire Control Officer, and the Region Deputy Chief of Management Services. Review will generally occur after execution of the agreement, but for high-cost or potentially controversial cost share fires, the Unit and/or Region may choose to review the agreement as it is being developed.

The intent of the review is to identify whether the portfolio of cost share methods is working well for the department, whether instructions are clear and can be followed well in actual application, and whether further training (or assistance, for incidents in progress) is required to implement the department's cost sharing goals. The review team will report its findings no less than annually to the Assistant Deputy Director for Management Services for policy refinement or additional action. See also [Section 3862](#) on developing fiscal data for the cost share agreement.

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