



Sustainable Funding for Wildfire and Watershed Resilience in Colorado

Needs + Opportunities

June 2026 - DRAFT

What's at Stake



- Colorado's forests are essential to our public safety, water supply, infrastructure, public safety, rural communities, and outdoor recreation economy.
 - **More than half of Coloradans** now live in areas where forest health directly affects community safety and water security.
 - **Up to 80 percent of Colorado residents** rely on forested watersheds for their municipal water supplies.
 - Colorado's **outdoor recreation economy generates \$65.8 billion annually.**
- Catastrophic wildfires pose a growing risk to Colorado.
- Forest and watershed resilience investments—including landscape-scale treatments, fuel breaks, and riparian and floodplain improvements—support risk reduction while improving response and recovery outcomes.

Sources: Colorado State Forest Action Plan (Colorado State Forest Service, 2020), Colorado State Forest Health Issues Report (Colorado State Forest Service, 2023), 2023 Statewide Comprehensive Outdoor Recreation Plan (SCORP) (Colorado Parks and Wildlife 2023)

Statewide Funding Need



- **Approximately 10% of Colorado's 24 million acres of forest need urgent attention** to address critical issues of wildfire risk, watershed protection, and forest health, with an estimated cost of **\$4.2 billion in treatments needed.**
- **\$150 million to \$200 million per year over the next 25-30 years is needed to address forest and watershed treatment needs for the top 10% of priority acres.**
 - There are additional, interconnected needs related to structural hardening, community planning, and other built environment adaptation strategies.
- **Proactive mitigation** provides a return on investment of avoided costs of response and recovery.
 - Forest and watershed treatments return up to \$7 for every \$1 invested
 - When considering the broader economic and workforce impacts of resilience investments, total benefits can be significantly higher, up to \$13 per \$1 invested.
- **These needs span both public and private lands.** Of the 10% of highest priority forested acres identified in the 2020 Colorado Forest Action Plan:
 - 58% are Federal
 - 2% are State
 - 40% are Other (Tribal, Local, NGO/Land Trust, Private Conservation, Private)

Sources: Colorado Forest Action Plan (CSFS), Colorado State Forester, Hjerpe et al 2024, U.S. Chamber of Commerce et. Al., 2024)

About WWIRC

The **Wildfire and Watershed Initiative for Resilient Colorado (WWIRC)** advances statewide sustainable public-private funding to enhance the pace and scale of wildfire risk reduction and watershed resilience.

Catastrophic wildfire significantly impacts Colorado's economy, safety, watersheds, infrastructure, and communities.



Funding Pathways



Current investments in Colorado wildfire resilience and forest and watershed health are meaningful but remain well below the estimated need of up to \$200 million annually. Closing the funding gap will require a coordinated portfolio of solutions:

- **State**
- **Federal**
- **Local public funding + special district funding**
- **Utilities (water, energy)**
- **Private funding (corporate and philanthropic)**
- **Forest restoration economy (wood markets, resilience markets)**

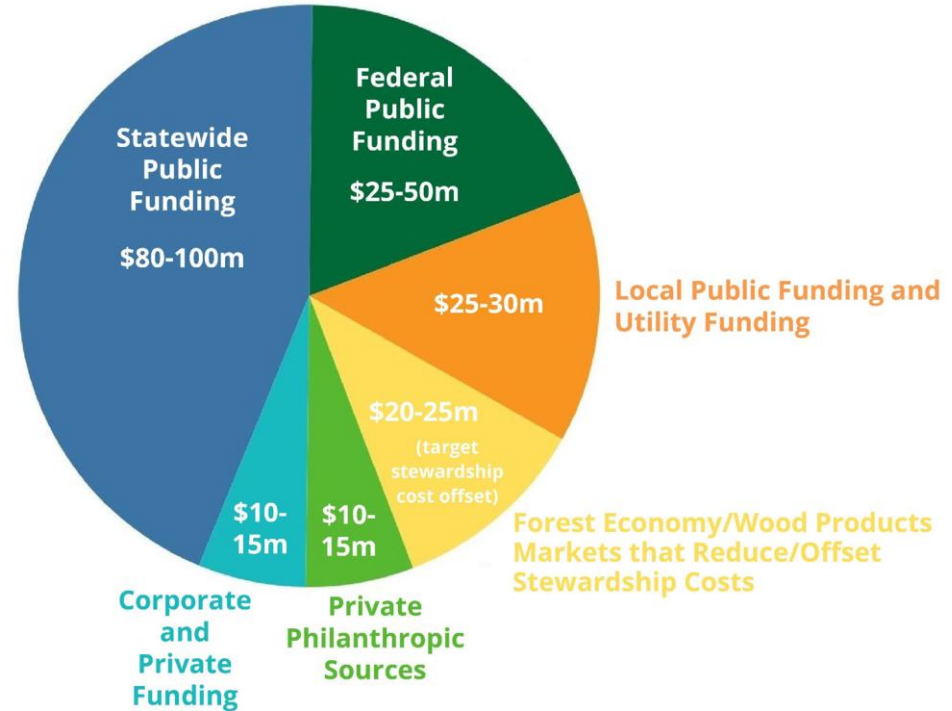
Pathway to \$200m



WWIRC envisions addressing the \$200 million annual need for forest and watershed treatments through a mix of existing, expanded, and new public and private funding, alongside market-based offsets and reductions to treatment costs.

While ambitious, this investment reflects the scale and urgency of the challenge and the need for sustained, reliable funding for wildfire resilience.

Total Annual Need \$200m



Colorado State Funding



Current Programs & Funding

- Colorado Strategic Wildfire Action Program (COSWAP), Healthy Forests–Vibrant Communities (HFVC), Forest Restoration and Wildfire Risk Mitigation (FRWRM), and Wildfire Ready Watersheds (WRW)
- Approximately \$20–25 million annually in state grant funding from the above programs (varies annually)

Opportunities

- Expand and align existing grant programs
- State revolving funds for water protection through green infrastructure projects
- Voter-approved tax retention and use measures
- Tax credits and incentives
- State pooled fund for wildfire resilience
- Multi-benefit opportunities (wildfire, water, conservation, recreation, etc.)

Key Considerations

- Demand significantly exceeds available funding for current programs like COSWAP and FRWRM
- Flexible and sustained state investment can provide a foundation for leveraging federal, local, and private funding

Federal Funding



Current Programs & Funding

- Community Wildfire Defense Grant Program: ~\$26.3M (FY2025)
- Joint Chiefs' Landscape Restoration Partnership: ~\$2.6M (FY2025)
- Collaborative Forest Landscape Restoration Program: ~\$6M (FY2024)
- Wildfire Crisis Strategy: ~\$170.4M (2022–2024)

Opportunities

- Sustain (or ideally increase) federal grant opportunities
- Economic development, workforce development, infrastructure, and innovation programs
- Federal loans and loan guarantees
- Tax incentives supporting resilience investments

Key Considerations

- Funding often requires local match and reimbursement
- Future federal funding levels may decline
- State and local capacity is essential to secure and deploy available resources

Local Government + Utility Funding



Current Funding Mechanisms

- General obligation bonds
- Voter-approved property, sales, and use taxes
- Tax-retention initiatives
- Conservation and water district initiatives
- Utility grants, rate- and fee-based investments
- Millions of dollars generated for local resilience efforts

Opportunities

- Additional counties, municipalities, and utilities using tools listed above
- Multi-benefit investments (wildfire, water, conservation, recreation, etc.)
- Forest improvement districts
- State revolving fund financing

Key Considerations

- Critical source of local investment and community ownership
- Insufficient to meet statewide needs independently
- Most effective when paired with state, federal, and private funding

Private Funding



Current Programs & Funding

- Philanthropic giving and foundation grants
- Corporate contributions
- Public-Private Pooled funds – RESTORE (statewide), community foundations
- Public-Private financing

Opportunities

- Expand use of Forest Resilience Bonds and similar financing approaches
- Beneficiary-pay and cost-sharing models
- Resilience market investments (water, risk reduction, carbon, etc.)
- Insurance incentives for risk reductions

Key Considerations

- Can help align investments with project beneficiaries
- Valuable source of flexible and catalytic capital
- Most effective when complementing and unlocking public funding sources

Restoration Economy + Market Development



Current Programs & Funding

- Forest restoration activities support rural economies and local employment
- Existing wood utilization and forest products infrastructure and innovation provide a base for growth

Expansion Opportunities

- Markets for small-diameter and residual wood
- Processing infrastructure and transportation hubs
- Workforce development and innovation
- Market-based resilience investment frameworks

Key Considerations

- Strong markets can reduce forest treatment costs
- Revenue generation improves project feasibility
- A viable wood products sector can help scale restoration over the long term

Implementation Capacity + Funding Access



Current Challenge

- Funding availability alone is insufficient to meet implementation needs

Expansion Opportunities

- Technical assistance for project prioritization and development
- Flexible match requirements
- Streamlined grant administration and delivery
- Workforce development and local capacity building

Key Considerations

- Capacity constraints can limit use of available funding
- Permitting and policy barriers can slow implementation
- Sustained local capacity is needed to identify, prioritize, socialize, and deliver projects



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