Advancing sustainable funding for wildfire and watershed resilience

WWIRC
WILDFIRE AND WATERSHED
INITIATIVE FOR RESILIENT COLORADO

THE NEED

Colorado's forests are essential to our water supply, public safety, rural communities, and outdoor recreation economy. Today, our forests face growing threats from drought, insect outbreaks, and increasingly severe wildfires.

- **More than half of Coloradans** now live in areas where forest health directly affects community safety and water security.
- **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**.
- **$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.
- **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.**
    - *Beyond the $200m annual need for forest and watershed treatments*, there is also the critical need for community planning, structure hardening, and other built environment strategies.

SUCCESS STORIES

Colorado has already demonstrated that prioritized, proactive forest treatment works to reduce risk and support more effective response and recovery.

- **Denver Water's Forests to Faucets** program has at least 5 demonstrated instances where ignitions *did not* grow into catastrophic wildfires because of forest treatment work that had been undertaken - saving lives, property, and source water at a fraction of the cost compared to post-fire recovery.
- In 2018, **the Buffalo Mountain fire**, near Silverthorne, was burning straight for homes and infrastructure when it hit a fuel break that was part of earlier forest management. This fire would have caused an estimated $1 billion in damage if the fuel break had not stopped the fire.

FUNDING OPPORTUNITIES

Current investments in Colorado's wildfire resilience and forest and watershed health are meaningful but remain well below the estimated $200 million annual need. Closing the funding gap requires a coordinated portfolio of public and private sector funding solutions at all scales.

- **State:** Enhance state wildfire funding programs to better match the scale of need and provide a reliable foundation for leveraging additional investment.
- **Federal:** Champion the continued need for federal investment while strengthening state and local capacity to match, secure, and deploy it.
- **Local:** Expand local investment in forest restoration and wildfire mitigation to better protect communities, watersheds, and critical infrastructure.
- **Utility:** Encourage utility investment in wildfire risk reduction and watershed protection to safeguard essential infrastructure and improve community resilience.
- **Private:** Leverage private-sector investment through innovative partnerships that help scale restoration efforts and leverage public dollars.
- **Markets:** Grow Colorado's forest restoration economy through wood-product markets, workforce development, processing infrastructure, and environmental markets to lower treatment costs, reduce the $200m annual stewardship need, and support rural jobs and economies.

The forest restoration economy's role in building a more resilient Colorado

THE OPPORTUNITY

The Forest Restoration Economy frames restoration as a long-term economic engine rather than an emergency expense. By aligning policy, procurement, financing, workforce development, and market demand, Colorado can convert restoration byproducts into high-value, carbon-smart materials such as mass timber, biochar, wood-fiber insulation, and engineered composites. Colorado already has many of the necessary tools through existing economic development, workforce, energy, agriculture, and natural resource programs that must be reinforced to function effectively at scale. Forest economy opportunities and markets are a key strategy complementing other public and private forest resilience funding strategies at all scales and will require coordinated leadership at the state level to align policy, funding, and implementation across agencies and sectors.

Investment in the Forest Restoration Economy:

- Reduces pre-fire forest treatment stewardship costs and post-fire recovery costs.
- Creates rural employment and economic opportunity.
- Supports housing affordability.
- Protects source watersheds and water supply.
- Attracts private investment into restoration infrastructure and innovation.
- Supports agricultural resilience through watershed protection, soil health, drought adaptation, and restoration-derived products.

PRIORITY POLICY ACTIONS

1. ***Build Markets for Restoration Materials***
   Colorado imports approximately $7.5 billion in wood products annually, roughly 88% of total consumption, while much of the material removed during restoration projects is burned, wasted, or hauled away. Creating stronger markets for Colorado-sourced wood products with support for tax-based incentives, long-term financing mechanisms, de-risking investment, state procurement policies, and building code updates can lower restoration costs, support rural jobs, and strengthen local manufacturing.
2. ***Invest in Processing Infrastructure and Market Access***
   Support maintenance of existing infrastructure and development of new sort yards, small-log mills, transportation hubs, and regional restoration centers to reduce treatment costs, improve feedstock reliability, and unlock private investment in wood-based manufacturing.
3. ***Grow a Year-Round Restoration Workforce***
   Invest in workforce training, housing solutions, and industry partnerships that create stable, year-round employment in forest restoration, wood products manufacturing, and watershed management. This strengthens rural economies while building the capacity needed to address Colorado's growing risk.
4. ***Create Environmental Market Frameworks***
   Support carbon, watershed, resilience, biodiversity, and other environmental markets through standardized measurement, reporting, verification, environmental benefit accounting frameworks, and federal policy opportunities to position Colorado's forests and wood products as verified environmental assets, opening new low-value biomass revenue streams from environmental markets that can fund restoration at scale.
5. ***Pilot and Scale Through Innovation***
   Launch a Colorado Wood Products Innovation Hub to test, certify, and commercialize restoration-based products. Use pilot procurement projects to de-risk early adoption and accelerate market growth

Learn more at www.wwirc-wildfire.org.