



Fiscal Note

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HB 26-1310: WILDFIRE RESILIENCY GRANT MONEY

Prime Sponsors:

Rep. Story

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Summary Information

Overview. The bill makes transfers money from the Wildfire Mitigation Capacity Development Fund to the Wildfire Resilient Homes Grant Program Cash Fund and outlines specific appropriation requirements.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis beginning FY 2027-28:

- State Revenue
- State Expenditures
- State Transfers
- TABOR Refunds

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29	Out Year FY 2029-30
State Revenue	\$0	-\$15,000	-\$165,000	-\$265,000
State Expenditures	\$0	-\$15,000	-\$1,385,976	-\$3,761,779
Transferred Funds	\$0	\$601,500	\$398,574	-\$1,992,042
Change in TABOR Refunds	\$0	-\$15,000	Not estimated	Not estimated
Change in State FTE	0.0 FTE	0.2 FTE	0.2 FTE	0.2 FTE

The bill both creates and reduces transfers between multiple cash funds that are made via appropriations set annually by the General Assembly. This will shift spending between these funds, which will, over time, reduce expenditures based on the mechanism of the transfer included in the bill.

**Table 1A
 State Transfers**

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29	Out Year FY 2029-30
Severance Tax Operational Fund	\$0	\$0	\$1,220,976	\$3,496,779
Wildfire Mitigation Capacity Dev. Fund	\$0	-\$601,500	-\$2,840,526	-\$5,001,516
Wildfire Resilient Homes Grant Prog. CF	\$0	\$601,500	\$1,619,550	\$1,504,737
Net Transfer	\$0	\$0	\$0	\$0

The bill reduces transfers from the Severance Tax Operational Fund to the Wildfire Mitigation Capacity Development Fund and creates new transfers from the Wildfire Mitigation Capacity Development Fund to the Wildfire Resilient Homes Grant Program Cash Fund. These transfers are made via appropriations.

**Table 1B
 State Expenditures**

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29	Out Year FY 2029-30
General Fund	\$0	\$0	\$0	\$0
Severance Tax Operational Fund	\$0	\$0	\$0	\$0
Wildfire Mitigation Capacity Dev. Fund	\$0	-\$616,500	-\$3,005,526	-\$5,266,516
Wildfire Resilient Homes Grant Prog. CF	\$0	\$601,500	\$1,619,550	\$1,504,737
Federal Funds	\$0	\$0	\$0	\$0
Centrally Appropriated	\$0	\$0	\$0	\$0
Total Expenditures	\$0	-\$15,000	-\$1,385,976	-\$3,761,779
Total FTE	0.0 FTE	0.2 FTE	0.2 FTE	0.2 FTE

Summary of Legislation

Beginning in FY 2027-28, the bill requires the General Assembly to appropriate a specific amount of money from the Wildfire Mitigation Capacity Development Fund in the Department of Natural Resources (DNR) to the Wildfire Resilient Homes Grant Program Cash Fund in the Department of Public Safety (CDPS). The amount appropriated to the Wildfire Resilient Homes Grant Program Cash Fund each year is based on the amount of money used to fund grants from the Wildfire Mitigation Capacity Development Fund, as follows:

- for FY 2027-28, at least 10 percent of the amount used for grants in FY 2026-27;
- for FY 2028-29, at least 30 percent of the amount used for grants in FY 2027-28; and
- for FY 2029-30 and future years, at least 50 percent of the amount used for grants in FY 2028-29.

Correspondingly, the bill sets the amount that the General Assembly is required to appropriate to the Wildfire Mitigation Capacity Development Fund, based on the amount appropriated in the prior fiscal year, as follows

- for FY 2027-28, up to 90 percent of the amount used for grants in FY 2026-27;
- for FY 2028-29, up to 70 percent of the amount used for grants in FY 2027-28; and
- for FY 2029-30 and future years, up to 50 percent of the amount used for grants in FY 2028-29.

In awarding grants from the Wildfire Resilient Homes Grant Program Cash Fund, CDPS must prioritize homeowners who are income-qualified or who lack the ability to perform structure hardening work because of age, disability, or illness.

Background and Assumptions

Wildfire Resilient Homes Grant Program

[House Bill 23-1273](#) established the Wildfire Resilient Homes Grant Program in the CDPS for homeowners to receive grants for retrofitting projects to make homes or structures more resilient to wildfires. The bill included a one-time General Fund transfer of \$100,000 to the fund. In 2024, the CDPS paid out about \$50,000 to grant recipients. Since the cash fund is annually appropriated and CDPS did not receive spending authority in FY 2024-25, the remaining funds have gone unexpended to date.

Colorado Strategic Wildfire Action Program

The Colorado Strategic Wildfire Action Program ([COSWAP](#)) in DNR is fully funded through the Wildfire Mitigation Capacity Development Fund, which supports wildfire risk reduction efforts in Colorado through grants via two main programs: Workforce Development Grants and Landscape Resilience Investments. Grants are provided to support individuals seeking entry-level experience in wildfire mitigation and forestry and for landscape-fuels reduction projects.

The Wildfire Mitigation Capacity Development Fund receives funding primarily from two sources: an annual transfer from the General Fund (\$1 million) and an annual appropriation of severance taxes (\$5 million). The fund also received interest and other income (\$465,000), which offset current administrative costs for the program (\$450,000). Thus, the program is assumed to fund about \$6 million in grants in FY 2026-27, which serves as the baseline for transfer calculations under this bill.

It is assumed that the appropriation to the Wildfire Mitigation Capacity Development Fund that is limited by the bill is the annual appropriation from the Severance Tax Operational Fund, as the Wildfire Mitigation Capacity Development Fund itself is continuously appropriated to DNR.

Table 2 below shows the assumed amounts available for COSWAP grants each year under the bill, based on the required adjustments to appropriations. These impacts are described in more detail in the State Transfer section.

Table 2
Amount Available for COSWAP Grants under HB 26-1310

Fiscal Year of Grant Release	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
General Fund Transfer to Wildfire Mitigation Capacity Development Fund	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Interest Earnings and Other Adjustments	\$465,000	\$450,000	\$300,000	\$200,000
Appropriation from Severance Tax Operational Fund to Wildfire Mitigation Capacity Dev. Fund (as reduced by HB 26-1310)	\$5,000,000	\$5,000,000	\$3,779,024	\$1,503,221
Administrative Costs	-\$450,000	-\$450,000	-\$450,000	-\$450,000
Appropriation to Wildfire Resilient Homes Grant Program (as required under HB 26-1310)	\$0	-\$601,500	-\$1,619,550	-\$1,504,737
Amount Available for COSWAP Grants	\$6,015,000	\$5,398,500	\$3,009,474	\$748,484

State Revenue

By reducing transfers from the Severance Tax Operation Fund to the Wildfire Mitigation Capacity Development Fund, the bill reduces the amount held in that fund that accrues interest earnings each year. This is projected to decrease state revenue by about \$15,000 in FY 2027-28, \$165,000 in FY 2028-29, \$265,000 in FY 2029-30, and increasing amounts in future years.

Correspondingly, the bill may increase interest earnings on the revenue if it is held in the Severance Tax Operation Fund longer. However, any interest earnings will depend on spending decisions by the General Assembly and has not been estimated.

State Transfers

The bill creates new transfers from the Wildfire Mitigation Capacity Development Fund in DNR to the Wildfire Resilient Homes Grant Program Cash Fund in CDPS, and reduces transfers from the Severance Tax Operational Fund to the Wildfire Mitigation Capacity Development Fund in DNR. These impacts are described below. Because the bill reduces money available each year to make COSWAP grants from the Wildfire Mitigation Capacity Development Fund, the percentages upon which the transfers are based apply to a smaller value each year.

The net impact of the changes in transfers is that:

- additional funding will be available for wildfire resiliency home grants;
- reduced funding will be available for wildfire mitigation capacity grants; and
- additional funding will remain in the Severance Tax Operational Fund.

New Transfers to Wildfire Resilient Homes Grant Program

Beginning in FY 2027-28, the bill directs a specific percent of dollars each year from the Wildfire Mitigation Capacity Development Fund in DNR to the Wildfire Resilient Homes Grant Program in CDPS, based on the amount of funding used for COSWAP grants in the prior fiscal year. Estimates for the specific transfer amounts are outlined in Table 3A. The exact amount transferred between the two funds will depend on the prior fiscal year’s grant funding expenditures, which is estimated in Table 2 above.

**Table 3A
 Estimated Transfers from DNR to CDPS**

Fiscal Year	Prior Year COSWAP Grants	Percent Directed in the Bill	Minimum Amount Transferred
FY 2026-27	\$6,015,000	N/A	\$0
FY 2027-28	\$6,015,000	10 percent	\$601,500
FY 2028-29	\$5,398,500	30 percent	\$1,619,550
FY 2029-30 and ongoing	\$3,009,474	50 percent	\$1,504,737

Reduced Transfer from Severance Tax Operational Fund to DNR

Based on the estimate annual COWAP grants calculated in Table 2 above, the bill is expected to reduce transfers from the Severance Tax Operational Fund to the Wildfire Mitigation Capacity Development Fund, as shown in Table 3B.

**Table 3B
 Estimated Reduction in Transfers from Severance Tax Operational Fund to DNR**

Fiscal Year	Prior Year COSWAP Grants	Percent Directed in the Bill	Maximum Amount Transferred	Change from Current Transfer (\$5 million)
FY 2026-27	\$6,015,000	N/A	\$5,000,000	\$0
FY 2027-28	\$6,015,000	90 percent	\$5,000,000	\$0
FY 2028-29	\$5,398,500	70 percent	\$3,779,024	-\$1,220,976
FY 2029-30 and ongoing	\$3,009,474	50 percent	\$1,503,221	-\$3,496,779

Per Section 39-29-109.3(1)(g)(V), C.R.S., up to \$5 million of severance taxes are appropriated to the Wildfire Mitigation Capacity Fund. Since the maximum transfer amount (90 percent of \$6 million, or \$5.4 million) is greater than \$5 million, there is no expected reduction in transfers for FY 2027-28.

State Expenditures

On net, the bill reduces state cash fund expenditures by \$15,000 in FY 2027-28, \$1.4 million in FY 2028-29, and \$3.8 million in FY 2029-30, and increasing amounts in future years. This net reduction occurs after accounting for reduced grants funding from the Wildfire Mitigation Capacity Development Fund in DNR and increased grants from the Wildfire Resilient Homes Grant Program Cash Fund in CDPS.

Table 4
State Expenditures
All Departments

Department	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29	Out Year FY 2029-30
Department of Public Safety	\$0	\$601,500	\$1,619,550	\$1,504,737
Department of Natural Resources	\$0	-\$616,500	-\$3,005,526	-\$5,266,516
Total Costs	\$0	-\$15,000	-\$1,385,976	-\$3,761,779

Department of Public Safety

Expenditures in CDPS will increase beginning in FY 2027-28 by about \$600,000, \$1.6 million in FY 2028-29, and \$1.5 million in FY 2029-30 and future years. These costs are paid from the Wildfire Resilient Homes Grant Program Cash Fund, which is subject to annual appropriation by the General Assembly. These costs are discussed below and outlined in Table 4A.

Staff

Beginning FY 2027-28, CDPS requires 0.2 FTE Accountant to administer the distribution of grant funds and manage the increased volume of grant awards resulting from the increased funding available.

Grants

After accounting for administrative expenses, it is estimated that about \$580,000 in FY 2027-28 and \$1.5 million in FY 2028-29 and future years for home resiliency grants.

Centrally Appropriated Costs

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which may include employee insurance, supplemental employee retirement payments, indirect cost assessments, and other costs, are shown in the table above.

**Table 4A
 State Expenditures
 Department of Public Safety**

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29	Out Year FY 2029-30
Personal Services	\$0	\$14,682	\$14,682	\$14,682
Grants	\$0	\$582,552	\$1,600,602	\$1,485,789
Centrally Appropriated Costs	\$0	\$4,266	\$4,266	\$4,266
Total Costs	\$0	\$601,500	\$1,619,550	\$1,504,737
Total FTE	0.0 FTE	0.2 FTE	0.2 FTE	0.2 FTE

Department of Natural Resources

Expenditures in DNR will decrease beginning in FY 2027-28 by about \$617,000, \$3.0 million in FY 2028-29, and \$5.3 million in FY 2029-30 and in future years for COSWAP grants.

Department of Corrections

Expenditures in DOC may decrease for the State Wildland Inmate Fire Team (SWIFT), which is funded by grants through COSWAP in DNR from the Wildfire Mitigation Capacity Development Fund. The SWIFT receives about \$1.8 million in funding annually from DNR grants. The exact change in expenditures will depend on how DNR awards grants with the dollars remaining for COSWAP recipients.

TABOR Refunds

The bill is expected to decrease the amount of state revenue required to be refunded to taxpayers by the amounts shown in Table 1. This estimate assumes the December 2025 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2027-28. Because TABOR refunds are paid from the General Fund, decreased cash fund revenue will increase the amount of General Fund available to spend or save in FY 2027-28, and any future years when the state is over its revenue limit.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Corrections

Public Safety

Natural Resources

Treasury

Personnel