



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated April 22, 202)

Drafting Number:	LLS 22-0176	Date:	May 6, 20222
Prime Sponsors:	Rep. Cutter; Valdez D. Sen. Ginal;	Bill Status:	Senate Second Reading
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Bill Topic: WILDFIRE MITIGATION AND RECOVERY

Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill requires the Colorado State Forest Service to develop a publicly accessible statewide carbon accounting framework and a forest carbon co-benefit framework for project level forest management. The bill includes three transfers from the General Fund to wildfire mitigation cash funds. The bill increases ongoing state expenditures beginning in FY 2022-23.

Appropriation Summary: For FY 2022-23, the bill requires and includes an appropriation of \$95,407 to the Healthy Forests and Vibrant Communities Fund in the Department of Higher Education.

Fiscal Note Status: This revised fiscal note reflects reengrossed bill, as amended by the Senate Appropriations Committee.

**Table 1
State Fiscal Impacts Under HB 22-1012**

		Budget Year FY 2022-23	Out Year FY 2023-24
Revenue		-	-
Expenditures	Cash Funds	\$7,295,407	\$102,655
	Centrally Appropriated	\$13,926	\$15,398
	Total Expenditures	\$7,309,333	\$119,767
	Total FTE	0.8 FTE	1.0 FTE
Transfers	General Fund	(\$7,200,000)	-
	Cash Funds	\$7,200,000	-
	Net Transfer	\$0	-
Other Budget Impacts	General Fund Reserve	\$14,311	\$15,398

Summary of Legislation

The bill requires the Colorado State Forest Service to develop a publicly accessible statewide carbon accounting framework that yields carbon stock and flux estimates for ecosystems by county and forest cover type and wood products. The State Forest Service will also develop a forest carbon co-benefit framework for project-level forest management practices, including wildfire mitigation. The State Forest Service will use this framework to train practitioners in adaptive management practices including wildfire mitigation, and will provide technical expertise to assist industry and landowners with carbon inventories and monitoring.

State Transfer

The bill creates the following statutory transfers in FY 2022-23:

- \$3.0 million from the General Fund to the Healthy Forests and Vibrant Communities Fund;
- \$2.2 million from the General Fund to the Forest Restoration and Wildfire Risk Mitigation Grant Program Cash Fund; and
- \$2.0 million from the General Fund to the Wildfire Mitigation Capacity Development Fund.

State Expenditures

The bill increases expenditures in the State Forest Service and the Department of Natural Resources by \$7.3 million and 0.8 FTE in FY 2022-23 and \$119,767 and 1.0 FTE in FY 2023-24 and ongoing from the several cash funds noted below. Expenditures are shown in Table 2 and detailed below.

**Table 2
 Expenditures Under HB 22-1012**

Cost Components	FY 2022-23	FY 2023-24
Department of Higher Education—Forest Service		
Personal Services	\$65,887	\$79,065
Operating Expenses	\$1,080	\$1,350
Capital Outlay Costs	\$6,200	-
Travel and Training	\$22,240	\$22,240
Wildfire Mitigation ²	\$7,200,000	
Centrally Appropriated Costs ¹	\$13,926	\$17,112
Total	\$7,309,333	\$119,767
Total FTE	0.8 FTE	1.0 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

² \$2,000,000 is from the Wildfire Mitigation Capacity Development Fund in the Department of Natural Resources

Department of Higher Education – Forest Service. The Forest Service will hire 1.0 FTE forest climate and carbon manager to develop the statewide carbon accounting framework, develop the forest carbon co-benefit framework, provide training to practitioners, and provide technical expertise to industry and landowners with carbon inventories and monitoring. Work will involve engagement with stakeholders, carbon and climate data production and analysis, ongoing maintenance of the framework, development of training materials, and promotion of the framework.

The Forest Service will also have an increase in expenditures from the continuously appropriated Healthy Forests and Vibrant Communities Fund and the Forest Restoration and Wildfire Risk Mitigation Grant Program Cash Fund by \$5.2 million to increase funding to existing wildfire mitigation programs. Other costs include a vehicle lease, mileage, travel and standard operating and capital outlay costs. Personal services costs reflect a September 1 start date and will be paid from the Healthy Forests and Vibrant Communities Fund.

Department of Natural Resources. The Department of Natural Resources (DNR) will have an increase expenditures of \$2.0 million from the Wildfire Mitigation Capacity Development Fund. Money in the fund is continuously appropriated to DNR to support wildfire mitigation related efforts.

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 include employee insurance and supplemental employee retirement payments, are shown in Table 2.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve beginning in FY 2022-23. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1.

Effective Date

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

State Appropriations

For FY 2022-23, the bill requires and includes a General Fund appropriation of \$95,407 to the Healthy Forests and Vibrant Communities Fund. The fund is continuously appropriated for use by the Colorado State Forest Service in the Department of Higher Education. Other spending under the bill in the State Forest Service and Department of Natural Resources are also from continuously appropriated funds.

State and Local Government Contacts

Colorado State Forest Service