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Fiscal Note

Drafting Number: LLS 21-0682 **Date:** March 23, 2021
Prime Sponsors: Sen. Rankin; Fenberg **Bill Status:** Senate Agriculture
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Bill Topic: **COLORADO FIRE COMMN RECOMMENDATIONS**

Summary of Fiscal Impact:

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

The bill creates the Colorado Coordinated Regional Mutual Aid System (CCRMAS) to provide regional and statewide coordinated response for emergency incidents. The bill requires annual transfers of General Fund money for statewide fire suppression efforts. The bill increase state expenditures annually beginning FY 2021-22.

Appropriation Summary: For FY 2021-22, the bill requires an appropriation of \$1,033,500 to the Department of Public Safety.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under SB 21-166

		Budget Year FY 2021-22	Out Year FY 2022-23
Revenue		-	-
Expenditures	General Fund	\$1,033,500	\$935,773
	Centrally Appropriated	\$156,755	\$171,307
	Total Expenditures	\$1,190,256	\$1,107,080
	Total FTE	6.4 FTE	7.0 FTE
Transfers	General Fund	(\$19,947,160)	(\$19,947,160)
	Cash Funds	\$19,947,160	\$19,947,160
	Net Transfer	\$0	\$0
TABOR Refund	General Fund	-	-

Summary of Legislation

The bill creates the State Responsibility and Large Wildland Fire Fund in the State Treasury, which is continuously appropriated to the Division of Fire Prevention and Control in the Department of Public Safety (DPS). Beginning July 1, 2021, the state treasurer must transfer from the General Fund an amount that reflects the rolling average of the state's annual share of fire suppression costs on state response to fires for the five calendar years prior to the state fiscal year in which the transfer is made.

The bill creates the Colorado Coordinated Regional Mutual Aid System (CCRMAS) in the division to provide for the coordinated initial response of emergency responders to emergency incidents. The division must establish, implement, and maintain the mutual aid system. The CCRMAS will serve four roughly equal geographic districts, each with a mutual aid coordinator to manage mutual aid plans for fire and emergency responders, and to coordinate mutual aid requests. The system must also maintain a state coordination center responsible for the overall management of regional and statewide mutual aid systems, and to oversee district coordinators.

The bill modifies the mutual aid statutes to require that an emergency response agency requested to assist another response agency retain operational control over its resources and retain liability over actions of its crews, while serving under the direction of the incident commander of the requesting agency.

Beginning FY 2022-23, the state treasurer must transfer any money in the aviation resources line of the annual general appropriations act (the Long Bill) that would otherwise revert to the General Fund into the Wildfire Preparedness Fund to be used for traditional mitigation efforts, staffing, equipment, and other purposes determined by the division to maximize spending impacts. The division must report to the Joint Budget Committee at least every three years the amounts transferred and spent.

State Transfers and Diversions

The bill creates a new transfer of state funds, and diverts unspent appropriations in the Long Bill to a cash fund, as described below.

State Responsibility and Large Wildland Fire Fund. Beginning FY 2021-22, the treasurer must transfer funds from the General Fund to the State Responsibility and Large Wildland Fire Fund. The transfer amount is equal to the five-year average of the state's fire suppression costs. Based on annual costs from 2016 to 2020, this average is estimated to be \$19,947,160 in FY 2021-22 and subsequent years, though averages are likely to change.

Wildfire Preparedness Fund. Beginning FY 2022-23, the treasurer must transfer unspent money from the aviation resources line of the Long Bill to the Wildfire Preparedness Fund, which will divert money that would otherwise revert to the General Fund. The amount of this diversion has not been estimated.

State Expenditures

The bill increases state expenditures in the DPS by \$1,190,255 and 6.4 FTE in FY 2021-22, and by \$1,107,080 and 7.0 FTE in FY 2022-23 to create and maintain the CCRMAS. Administrative expenses continue in subsequent years, in addition to continuous appropriations of about \$19 million for fire suppression. Administrative expenses of the mutual aid system are displayed in Table 2 and described below.

**Table 2
 Administrative Expenses CCRMAS**

Cost Components	FY 2021-22	FY 2022-23
Department of Public Safety		
Personal Services	\$571,459	\$623,410
Operating Expenses	\$9,450	\$9,450
Capital Outlay Costs	\$43,400	-
Additional Health & Insurance Benefits	\$2,816	\$2,816
Vehicles and Travel	\$191,697	\$191,697
Firefighter Uniforms and Equipment	\$114,679	\$8,400
Software License and Maintenance	\$100,000	\$100,000
Centrally Appropriated Costs ¹	\$156,755	\$171,307
Total	\$1,190,256	\$1,107,080
Total FTE	6.4 FTE	7.0 FTE

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

Mutual aid system. The Division of Fire Prevention and Control will employ four district mutual aid coordinators and three central coordinating staff to operate the CCRMAS. New staff costs include standard operating and capital expenses, additional health benefits pursuant to Senate Bill 20-057, vehicle and travel expenses, training, equipment, and communications. The division will also purchase a mutual aid software package with annual license and maintenance costs. New costs are from the General Fund.

Fire suppression. Based on the estimated transfer in FY 2021-22, the division will have a dedicated source of funding for fire suppression of about \$19.0 million annually; however, available funding will vary based on the average of fire suppression costs in previous years and actual expenditures will vary depending on fire suppression needs in any given year. The fiscal note does not classify expenditures from this fund as new expenditures compared to current law; rather it is a dedicated source of funding for expenses the state will likely incur due to wildfires on a regular basis.

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, supplemental employee retirement payments, and leased space are estimated to be \$156,755 in FY 2021-22, and \$171,307 in FY 2022-23.

Local Government

Since rapidly expanding emergency situations and long event durations can overwhelm local resources, state assistance with coordination and resource mobilization will be available during an emergency incident's initial stages, potentially increasing operations efficiency and response success for local emergency responders and local governments. This could potentially help local governments avoid costs that would otherwise occur without such state-level assistance.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2021-22, the bill requires a General Fund appropriation of \$1,033,500 to the Department of Public Safety, and 6.4 FTE.

State and Local Government Contacts

Public Safety