

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING HEALTHY FORESTS, AND, IN CONNECTION THEREWITH, CREATING THE WILDFIRE MITIGATION AND RECOVERY GRANT PROGRAM.

Prime Sponsors: Reps. Cutter and Valdez D.
Sens. Ginal and Lee

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Appropriation Items of Note

Appropriation Required, Amendment in Packet

General Fund Impact

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 01/17/22.

	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
XXX	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

The Energy & Environment Committee Report (02/17/22) includes amendments to the bill that move the statutory location of the grant program created by the bill to make it a new component of the existing Forest Restoration and Wildfire Risk Mitigation Grant Program administered by the Colorado State Forest Service. With this change, the appropriation for the program would be to the Forest Restoration and Wildfire Risk Mitigation Grant Program Cash Fund, which is continuously appropriated for use of the Colorado State Forest Service at Colorado State University. Appropriations into continuously appropriated cash funds do not have associated FTE notations. In addition, funding for the new position required by the bill would not be subject to the "paydate shift", slightly increasing the required appropriation for FY 2022-23 to a total of \$52,460 General Fund. Consistent with the original fiscal note, grants for the new program are assumed to come from existing appropriations for the Forest Restoration and Wildfire Risk Mitigation Grant Program, so the only cost for the program is for a new position. Legislative Council Staff concurs with this analysis.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment
J.002	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001 Staff has prepared amendment **J.001** (attached) to add a provision appropriating \$52,460 General Fund to the Forest Restoration and Wildfire Risk Mitigation Grant Program Cash Fund for FY 2022-23. The Department of Higher Education is responsible for the accounting related to this appropriation.

J.002 Bill Sponsor amendment **J.002** (attached) replaces the content of the Energy and Environment Committee Report with a provision that strikes everything below the bill's enacting clause and replaces earlier provisions with new requirements. *Note: this amendment incorporates L.004, which was previously distributed to the Committee, and adds related appropriations.* The new provisions require the Colorado State Forest Service, on and after September 1, 2022, to develop a publicly accessible statewide carbon accounting framework that yields carbon stock and flux estimates for ecosystems and wood products. It also requires the Colorado State Forest Service to develop a forest carbon co-benefit framework for project-level forest management practices. This framework is to be used to train forest management practitioners in adaptive forest management practices.

Legislative Council Staff and Joint Budget Committee Staff agree that the fiscal impact of the bill on the Colorado State Forest Service, would be as follows.

Department of Higher Education Colorado State Forest Service at Colorado State University		
	FY 2022-23	FY 2023-24
Personal Services	\$65,887	\$79,065
Operating Expenses	1,080	1,350
Capital Outlay Costs	6,200	0
Vehicle Mileage	6,000	6,000
Vehicle Lease	6,240	6,240
Travel	10,000	10,000
Centrally Appropriated Costs ¹	13,926	17,112
FTE – Personal Services	0.8 FTE	1.0 FTE
Dept. Subtotal	\$109,333	\$119,767

¹ Appropriations for Centrally Appropriated Costs are not included for a program's first year.

The new provisions are included in the statutory section that creates programs supported by the Healthy Forests and Vibrant Communities Fund, which is continuously appropriated for use of the Colorado State Forest Service at Colorado State University. Legislative Council Staff and Joint Budget Committee Staff agree that appropriations for this bill should therefore be made to this cash fund.

The amendment provides an appropriation of \$95,407 General Fund (total in the table above excluding centrally appropriated amounts) to the Healthy Forests and Vibrant Communities Fund.

The Committee may adopt either J.001 or J.002 but should not adopt both.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2022-23 based on the March 2022 Legislative Council Staff revenue forecast. The budget package includes two set-asides:

- \$40.0 million General Fund for bills that create ongoing obligations; and
- \$900.0 million General Fund for bills that create one-time obligations in FY 2022-23.

The \$40.0 million *appropriations* set-aside includes an additional \$6.0 million General Fund to provide a 15.0 percent General Fund reserve for those appropriations. The \$900.0 million *obligations* set-aside does not include an additional amount for a General Fund reserve and, assumes, but does not require, that obligations be addressed through statutory transfers rather than appropriations. Therefore *appropriations* from the \$900.0 million set-aside require an additional 15.0 percent to maintain the statutory General Fund reserve.

This bill creates an ongoing obligation and requires a General Fund appropriation of \$52,460, or \$109,333 if sponsor amendment J.002 is adopted, for FY 2022-23, reducing the \$40.0 million set aside by the same amount. With sponsor amendment J.002, this amount is expected to increase to \$119,767 in FY 2023-24 and ongoing.