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Fiscal Note

Drafting Number: LLS 22-0131
Prime Sponsors: Rep. Snyder; Froelich
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Bill Status: House Energy & Environment
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Bill Topic: UPDATES TO STATE FOREST SERVICE TREE NURSERY

- Summary of Fiscal Impact:
- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

The bill requires upgrades and improvements to the Colorado State Forest Service tree nursery in Fort Collins.

Appropriation Summary: For FY 2022-23, the bill requires an appropriation of \$8,236,243 to the Colorado State Forest Service.

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

Table 1
State Fiscal Impacts Under HB 22-1323

Table with 5 columns: Category, Budget Year FY 2022-23, Out Year FY 2023-24, Out Year FY 2024-25. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total Expenditures, Total FTE), and Transfers (Other Budget Impacts).

Summary of Legislation

The bill requires that the Colorado State Forest Service (CSFS) upgrade and improve its seedling tree nursery to expand capacity and contribute to reforestation efforts. The bill requires physical upgrades and improvements in all areas of nursery operations, including the purchase of new vehicles and the addition of full time nursery managers. The CSFS must contract with management and reforestation professionals to analyze the nursery’s capacity and knowledge investments to better address reforestation needs in response to wildfire, flood, insect, and disease events. The General Assembly is required to appropriate money in FY 2022-23 to fund improvements, hire managers and conduct the capacity and expertise analysis. The CSFS must provide annual reports to the Wildfire Matters Review Committee. The bill is repealed January 1, 2025.

State Expenditures

The bill increases state expenditures in the CSFS by \$8.3 million in FY 2022-23, by \$1.5 million in FY 2023-24, and by \$0.9 million in FY 2024-25 from the General Fund. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under HB 22-1323

	FY 2022-23	FY 2023-24	FY 2024-25
Colorado State Forest Service			
Personal Services	\$124,943	\$166,593	\$166,593
Operating Expenses	\$2,700	\$3,375	\$3,375
Capital Outlay Costs	\$18,600	-	-
Other Costs	-	-	-
Update and Expand Greenhouses	\$7,500,000	-	-
Shade Structure Improvement and Expansion	\$550,000	-	-
Capacity & Infrastructure Analysis	\$40,000	-	-
Bare Root Field Updates	-	\$1,300,000	-
Growing Container Supplies	-	-	\$152,500
Seed Cooler	-	-	\$500,000
Delivery Trucks	-	-	\$120,000
Centrally Appropriated Costs ¹	\$31,239	\$39,985	\$39,985
Total Cost	\$8,267,482	\$1,509,953	\$982,453
Total FTE	2.0 FTE	2.5 FTE	2.5 FTE

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

Personal services. Upgrading and expanding the greenhouses, shade houses, and bareroot infrastructure is anticipated to double annual production and expedite planting response times to post-fire and flood events. The CSFS is required to add nursery management staff to oversee improvements, manage purchasing, and administer the vendor contract to conduct the capacity and infrastructure analysis. Additional nursery specialists are also required to manage the increased production of seedlings in the expanded greenhouse and fields. Personal services costs are prorated for the General Fund pay date shift and the bill's presumed September 1, 2022, effective date.

Other costs. Estimated costs for nursery improvements are the results of research conducted by nursery staff. The CSFS solicited an estimate of costs from various vendors for necessary greenhouse improvements, seed coolers, and delivery trucks. The estimate for the shade house and field upgrades are based on costs of materials and equipment used for upgrades to the nursery over the past few fiscal years.

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, which will decrease the amount of General Fund available for other purposes.

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 a General Fund appropriation of \$8,236,243 to the Colorado State Forest Service, and 2.0 FTE.

State and Local Government Contacts

Forest Service

Natural Resources