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Fiscal Note

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Prime Sponsors: Sen. Jaquez Lewis; Cutter Bill Status: Senate Agriculture
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Bill Topic: FORESTRY AND WILDFIRE MITIGATION WORKFORCE

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

The bill creates and expands timber, forest health, and wildfire mitigation workforce development and education programs. The bill includes a state transfer, increases state expenditures, and may impact local government expenditures on an ongoing basis.

Appropriation Summary: For FY 2023-24, the bill requires an appropriation of \$1.56 million to the Department of Higher Education. The Wildfire Mitigation Capacity Development Fund is continuously appropriated to the Department of Natural Resources.

Fiscal Note Status: The fiscal note reflects the introduced bill, which was recommended by the Wildfire Matters Review Committee.

Table 1
State Fiscal Impacts Under SB23-005

Table with 4 columns: Category, Current Year FY 2022-23, Budget Year FY 2023-24, Out Year FY 2024-25. Rows include Revenue, Expenditures (General Fund, Cash Funds, Total Expenditures), Transfers (General Fund, Cash Funds, Net Transfer), and Other Budget Impacts (General Fund Reserve).

Summary of Legislation

The bill creates and expands timber, forest health, and wildfire mitigation workforce development and education programs.

Workforce development program. The bill creates the Timber, Forest Health, and Wildfire Mitigation Industries Workforce Development Program in the Colorado State Forest Service (CSFS) to provide incentives to businesses and non-profit entities to hire interns through partial reimbursement of the cost to employ the intern. The internship program may reimburse a qualified timber business up to 50 percent of the actual cost to employ the intern. The CSFS must adopt procedures for administering the program, including criteria for selecting qualified business and internships.

Forestry education programs. The bill allows Colorado Mountain College to create a new forestry program, and the State Board for Community Colleges and Occupational Education (board) to expand an existing forestry program and create a new forestry program within the community college system. The bill specifies criteria for Colorado Mountain College and the board to consider in deciding where to locate the new forestry programs.

In FY 2023-24 and FY 2024-25, the Department of Higher Education (DHE) must enter into a fee-for-service contract with the community college system to create a new forestry program and expand an existing forestry program. The department must also provide a state grant to create a new forestry program at Colorado Mountain College. State funds may be used for program design and administrative expenses, and the acquisition of a harvesting simulator that is shared between community colleges and local district college forestry programs.

Wildland fire prevention and mitigation educators. The bill creates the Recruitment of Wildland Fire Prevention and Mitigation Educators Program in the community college system. The program will provide money to institutions that offer a wildland fire prevention and mitigation degree, certificate, or course to attract and retain qualified educators and to train potential educators. The board must submit a report on the program to the Wildfire Matters Review Committee by January 1, 2024, and each year thereafter.

The bill requires that the General Assembly appropriate \$250,000 from the General Fund in FY 2023-24 and FY 2024-25 for this program, of which one percent may be used for administrative costs. The program may also receive gifts, grants, and donations.

Wildfire Mitigation Capacity Development Fund. On June 30, 2023, and each year thereafter, the bill transfers \$1.0 million from the General Fund to the Wildfire Mitigation Capacity Development Fund in the Department of Natural Resources.

Educational materials. The bill requires CSFS to develop educational materials related to career opportunities in forestry, wildfire risk management for high school counselors to provide to students. Materials must be developed in consultation with the Department of Natural Resources, the Division of Fire Prevention and Control in the Department of Public Safety (DPS), and timber industry representatives.

State Transfers

Beginning on June 30, 2023, the bill transfers \$1.0 million annually from the General Fund to the Wildfire Mitigation Capacity Development Fund.

State Expenditures

The bill increases state expenditures in multiple state agencies by \$2.56 million in FY 2023-24 and \$2.15 million in FY 2024-25 and ongoing from the General Fund and the Wildfire Mitigation Capacity Development Cash Fund. Expenditures are shown in Table 2 and detailed below.

**Table 2
Expenditures Under SB23-005**

Cost Components	FY 2023-24	FY 2024-25
Colorado State Forest Service		
Administrative Costs (0.5 FTE)	\$39,384	\$40,152
Internship Reimbursements	\$75,000	\$75,000
Educational Materials	\$15,000	-
CSFS Subtotal	\$129,384	\$115,152
Department of Higher Education		
Wildland Fire Educator Program	\$250,000	\$250,000
New and Expanded Forestry Programs	\$1,080,650	\$780,650
Forestry Harvesting Simulator	\$100,000	-
DHE Subtotal	\$1,430,650	\$1,030,650
Department of Natural Resources		
Wildfire Mitigation Projects and Grants	\$1,000,000	\$1,000,000
DNR Subtotal	\$1,000,000	\$1,000,000
Total	\$2,560,034	\$2,145,802

Colorado State Forest Service. The bill requires the CSFS to adopt rules and administer an internship program in partnership with the timber industry. Creating the program will require administrative costs, equivalent to 0.5 FTE, to develop application procedures, establish review and evaluation criteria for internship reimbursement requests, and to manage and track reimbursements for program accountability. Total reimbursement funding is at the discretion of the General Assembly. Assuming that the CSFS awards 15 reimbursements annually at \$5,000 each, reimbursements from the program are \$75,000.

CSFS will also require \$15,000 in FY 2023-24 only to develop educational materials on the career opportunities in forestry and wildfire risk mitigation, to be distributed to high school guidance counselors and students. New CSFS costs are paid from the General Fund.

Department of Higher Education. The bill increases costs for Colorado Mountain College and the community college system.

- **New and expanded forestry programs.** The bill specifies that the state will cover two years of costs to expand an existing forestry program and create two new forestry programs, estimated as follows:
 - \$250,000 per year to expand a forestry degree program at a community college;
 - \$770,650 in FY 2023-24 only, and \$470,650 ongoing, to create a new forestry degree program at a community college; and
 - \$60,000 per year to offer a fuel mitigation and wildland fire certificate at Colorado Mountain College, aimed at concurrent enrollment students.

One-time costs for a new degree program include space and equipment, and ongoing costs for new and expanded programs include staffing, equipment rentals, contracted instruction, speakers, and travel. In subsequent years, these programs will be funded through the higher education allocation formula and institutional revenue.

- **Harvesting simulator.** The bill requires the purchase of one forestry harvesting simulator, to be shared between the two new programs. The preliminary estimate for the simulator is \$100,000. The fiscal note assumes this will be funded through the community college system fee-for-service contract.
- **Community college system – educator retention and training.** The bill provides \$250,000 in FY 2023-24 and FY 2024-25 to the community college system for the Recruitment of Wildland Fire Prevention and Mitigation Educators Program. The board must distribute the money to community colleges, area technical colleges, and local district colleges to attract, train, and retain educators. The fiscal note assumes that any administrative expenses to distribute the funds will be minimal.

Department of Natural Resources. The bill transfers \$1.0 million annually to the Wildfire Mitigation Capacity Development Fund for certain purposes specified in statute, which include funding and coordinating fuel reduction and wildfire mitigation projects, supporting workforce development, assessing wildfire mitigation efforts, and associated administrative costs. The new funds are assumed to be spent beginning in FY 2023-24, and the exact distribution of funds between projects and grants will be determined by DNR. In addition, DNR will have workload to coordinate with CSFS on the development of educational materials.

Department of Public Safety. The bill increases workload for the Division of Fire Prevention and Control in DPS to coordinate with CSFS on the development of educational materials for high school students. No change in appropriations is required.

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. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amount in Table 1, which will decrease the amount of General Fund available for other purposes.

Local Government

The bill increases funding for wildfire mitigation projects and workforce development, which may be distributed to local governments in the form of grants, coordination, or technical support.

Effective Date

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

State Appropriations

In FY 2023-24, the bill requires the following appropriations from the General Fund to the Department of Higher Education:

- \$129,384 for use by the Colorado State Forest Service at Colorado State University;
- \$250,000 to be allocated to the State Board for Community Colleges and Occupational Education;
- \$1,120,650 for a fee-for-service contract with the State Board for Community Colleges and Occupational Education; and
- \$60,000 for state grants to Colorado Mountain College.

The Wildfire Mitigation Capacity Development Fund is continuously appropriated to the Department of Natural Resources.

State and Local Government Contacts

Forest Service
Natural Resources

Higher Education
Public Safety

Information Technology