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Final Fiscal Note

Drafting Number: LLS 22-0131 Date: August 10, 2022
Prime Sponsors: Rep. Snyder; Froelich Sen. Rankin; Ginal Bill Status: Signed into Law
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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. It increases state expenditures in FY 2022-23 only.

Appropriation Summary: For FY 2022-23, the bill includes an appropriation of \$5.0 million for use by the Colorado State Forest Service.

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

Table 1 State Fiscal Impacts Under HB 22-1323

Table with 4 columns: Category, Sub-category, Budget Year FY 2022-23, and Out Year FY 2023-24. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (General Fund Reserve).

1 Funds appropriated in FY 2022-23 are further appropriated in FY 2023-24 for the same purpose.

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 several areas of nursery operations, including the addition of full time professional nursery staff. 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 The bill is repealed January 1, 2025.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 \$5.0 million FY 2022-23 from the General Fund. Any remaining appropriation may be used in FY 2023-24. Expenditures are shown in Table 2 and detailed below.

**Table 2
Expenditures Under HB 22-1323**

	FY 2022-23
Colorado State Forest Service	
Personal Services	\$124,943
Operating Expenses	\$2,700
Capital Outlay Costs	\$18,600
Other Costs	-
Update and Expand Greenhouses	\$4,111,257
Shade Structure Improvement and Expansion	\$550,000
Capacity & Infrastructure Analysis	\$40,000
Growing Container Supplies	\$152,500
Centrally Appropriated Costs ¹	\$31,239
Total Cost	\$5,031,239
Total FTE	2.0 FTE

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

Personal services. Upgrading and expanding the greenhouses, shade houses, and growing container supply infrastructure is anticipated to increase annual production and expedite planting response times to post-fire and flood events. The CSFS is required to add professional nursery 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 was signed into law by the Governor on June 8, 2022 and it took effect on August 9, 2022.

State Appropriations

For FY 2022-23, the bill includes an appropriation of \$5,000,000 from the General Fund to the Department of Higher Education for use by the Colorado State Forest Service.

State and Local Government Contacts

Forest Service

Natural Resources