Fiscal Note

Legislative Council Staff

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BILL 1: APPLYING ARTIFICIAL INTELLIGENCE TO FIGHT WILDFIRE

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Fiscal note status: The fiscal note reflects the bill draft requested by the Wildfire Matters Review Committee.

Summary Information

Overview. The bill requires the Department of Public Safety to study and develop applications of artificial intelligence to fight wildfires.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- State Expenditures

Appropriations. For FY 2025-26, the bill requires total appropriations of $7.6 million to the Department of Public Safety and Office of Information Technology.

Table 1
State Fiscal Impacts

Type of Impact[1]	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	$0	$0
State Expenditures	up to $7,610,637	$85,068
Transferred Funds	$0	$0
Change in TABOR Refunds	$0	$0
Change in State FTE	0.8 FTE	1.0 FTE

[1] Fund sources for these impacts are shown in the table below. Up to $7.5 million in expenditures in the Department of Public Safety, shown in FY 2025-26 above, may occur in either FY 2025-26 or FY 2026-27.

Table 1A
State Expenditures

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	up to $7,592,722	$66,525
Cash Funds	$0	$0
Federal Funds	$0	$0
Centrally Appropriated	$17,915	$18,543
Total Expenditures	**up to $7,610,637**	**$85,068**
Total FTE	**0.8 FTE**	**1.0 FTE**

Summary of Legislation

The bill requires the General Assembly to appropriate $7.5 million in FY 2025-26 to the Division of Fire Prevention and Control (DFPC) in the Department of Public Safety (CDPS). This appropriation is to study and develop applications of artificial intelligence (AI) to assist in fighting wildfires. This appropriation may be spent through FY 2026-27.

At a minimum, these applications must be able to produce map data that classifies wildfire fuel, lightning event ignition predictions, ongoing wildfire perimeters, and wildfire spread predictions. The CDPS is authorized to contract with a third party that at the time of contracting has developed such AI tools. Finally, the CDPS is authorized to seek, accept, and expend gifts, grants, and donations for these purposes.

Background and Assumptions

At the August 13, 2024 meeting of the Wildfire Matters Review Committee, the committee received a presentation on wildfire fighting AI applications that had been developed with the participation of the DFPC. These applications were being used by the DFPC as part of a pilot program that is set to expire. Without additional funding, the DFPC will no longer be able to use these applications. The fiscal note assumes that the appropriation required in the bill is intended to fund a contract for the continued use of these applications.

State Revenue

The bill may increase revenue to the Department of Public Safety from gifts, grants, and donations to support the use of wildfire AI technology. At this time, no source of such funding has been identified.

State Expenditures

The bill increases state expenditures by up to $7.6 million in FY 2025-26 and $85,000 in FY 2026-27. These costs will be incurred in the Department of Public Safety and the Office of Information Technology as shown in Table 2 and described in the sections below. Costs are paid from the General Fund.

Table 2
State Expenditures
All Departments

Department	Budget Year FY 2025-26	Out Year FY 2026-27
Department of Public Safety	up to $7,500,000	$0
Office of Information Technology	$110,637	$85,068
Total Costs	**up to $7,610,637**	**$85,068**

Department of Public Safety

The CDPS will contract for wildfire fighting AI applications from a third party using the required $7.5 million appropriation. It is assumed that this funding will be used to support the contracted applications through FY 2026-27. For informational purposes, expenditures are shown in FY 2025-26 only, but may be spread over two fiscal years based on the roll-forward spending authority granted in the bill.

Office of Information Technology

The OIT will coordinate with the CDPS to ensure that any AI applications acquired are consistent with current requirements for the use of this technology by the state. For FY 2025-26 only, project management staff is needed to consult with the CDPS as applications are selected. Starting in FY 2026-27, project coordination staff is needed for ongoing support of any applications developed or selected. First-year staff costs are prorated for a September 2025 start date, and amounts include standard operating and capital outlay costs.

Table 2A
State Expenditures
Office of Information Technology

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
Personal Services	$85,028	$65,245
Operating Expenses	$1,024	$1,280
Capital Outlay Costs	$6,670	$0
Centrally Appropriated Costs	$17,915	$18,543
Total Costs	**$110,637**	**$85,068**
Total FTE	**0.8 FTE**	**1.0 FTE**

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 may include employee insurance, supplemental employee retirement payments, leased space, and indirect cost assessments, are shown in the expenditure table(s) above.

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 2025-26, the bill requires the following appropriations from the General Fund:

- $7,500,000 to the Department of Public Safety; and
- $92,722 and 0.8 FTE to the Office of Information Technology.

Departmental Difference

The CDPS estimates that the bill requires an additional FY 2025-26 General Fund appropriation of $366,298 and 2.6 FTE, which increases to $556,442 and 5.1 FTE in FY 2026-27. The department estimate is based on the assumption that the bill increases workload for the CDPS by requiring the CDPS to study and develop wildfire fighting AI applications, and is permissive regarding the option to contract with a third party for these applications.

As discussed in the Background and Assumptions sections above, this fiscal note assumes that the CDPS can use funding provided in the bill to contract with a third party to continue the use of AI applications previously piloted. Thus, no additional resources are needed for the CDPS to develop additional applications and these additional costs are not included. Should the CDPS decide not to contract with a third party, it is assumed that the required $7.5 million appropriation is sufficient to pursue alternative approaches.

State and Local Government Contacts

Department of Public Safety   Office of Information Technology