

Colorado Legislative Council Staff Fiscal Note

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 15-1000
Prime Sponsor(s): Sen. Grantham
 Rep. Young

Date: March 27, 2015
Bill Status: Senate Appropriations
Fiscal Analyst: Alex Schatz (303-866-4375)

BILL TOPIC: PROVIDE STATE FUNDING TO MAP NATURAL HAZARD AREAS

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017	FY 2017-2018
State Revenue	Minimal increase. See State Revenue section.		
Revenue Change Cash Funds			
State Transfers	\$0	\$0	\$0
General Fund	(3,800,000)	(2,400,000)	(670,000)
Cash Funds	3,800,000	2,400,000	670,000
State Expenditures	<u>\$3,800,000</u>	<u>\$2,400,000</u>	<u>\$670,000</u>
Cash Funds	3,787,002	2,386,487	656,230
Centrally Appropriated Costs**	12,998	13,513	13,770
FTE Position Change	1.0 FTE	1.0 FTE	1.0 FTE
Appropriation Required: None. See State Appropriations section.			

* This summary shows changes from current law under the bill for each fiscal year. Transfers result in no net change to state revenue. Parentheses indicate a decrease in funds.

** These costs are not included in the bill's appropriation. See the State Expenditures section for more information.

Summary of Legislation

This bill, **recommended by the Joint Budget Committee**, creates a three-year program for state funding of natural hazard mapping by the Colorado Water Conservation Board (CWCB) in the Department of Natural Resources (DNR). The bill creates the Natural Hazard Mapping Fund, authorized to receive a total of \$6.9 million in annual General Fund transfers over the course of the next three fiscal years, as well as gifts, grants, and donations. The cash fund is continuously appropriated to the CWCB.

The types of natural hazard mapping authorized include floodplains, erosion zones, and debris flows, and the collection of related data. Mapping efforts for floodplains are directed toward updating existing floodplain maps and creating maps where none exist. The mapping of erosion zones and debris flows may involve interagency coordination to develop mapping methodologies and land use policies based on hazard mapping. The CWCB may develop a prioritized list of mapping projects for erosion zones and debris flows.

The bill is repealed on July 1, 2018. All unused moneys in the Natural Hazard Mapping Fund revert to the General Fund at the time of repeal.

Background

After extensive flooding in Colorado in September 2013, the state established the Colorado Recovery Office to manage state and local response to the floods, including long-term planning and resiliency efforts. As part of these efforts, the Floodplain Management Subcommittee recommended a hazard mapping project that would reflect actual, updated conditions in Colorado and provide a framework for land use and other decision-making in areas likely to be affected by future flooding, erosion, and debris flow events. The recommended hazard mapping project would update floodplain maps in certain watersheds most affected by the September 2013 flooding, digitize floodplain maps for 28 counties, and develop tools to predict erosion and debris flow.

State Revenue

The bill creates a new cash fund, the Natural Hazard Mapping Fund, authorized to receive gifts, grants, and donations, as well as specified transfers from the General Fund.

Natural Hazard Mapping Fund. State revenue may increase if gifts, grants, and donations are collected by the Natural Hazard Mapping Fund. Because there is no known source of gifts, grants, and donations as of this writing, this new state revenue is assumed to be minimal.

State transfers. A total of \$6,870,000 in statutory transfers commence in FY 2015-16 with a transfer of \$3,800,000 from the General Fund to the Natural Hazard Mapping Fund on July 1, 2015. Transfers occur annually in FY 2016-17 (\$2,400,000 on July 1, 2016) and FY 2017-18 (\$670,000 on July 1, 2017).

State Expenditures

The bill increases state cash fund expenditures by \$6.9 million between FY 2015-16 and FY 2017-18. As summarized in Table 1, anticipated expenditures in each fiscal year correspond with the amount transferred into the Natural Hazard Mapping Fund in that year: \$3.8 million in FY 2015-16, \$2.4 million in FY 2016-17, and \$670,000 in FY 2017-18. All expenditures are paid from the Natural Hazard Mapping Fund.

Table 1. Expenditures Under SB 15-245			
Cost Components	FY 2015-16	FY 2016-17	FY 2017-18
Personal Services	\$63,800	\$63,800	\$63,800
FTE	1.0	1.0	1.0
Operating Expenses/Capital Outlay	10,953	6,250	6,250
Contractual Services	3,712,249	2,316,437	586,180
Centrally Appropriated Costs*	12,998	13,513	13,770
TOTAL	\$3,800,000	\$2,400,000	\$670,000

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

Assumption. The CWCB will contract for technical services and project management as needed. Contractors for these professional services may be private vendors, nonprofit organizations, or other state agencies (e.g., the Colorado Geological Survey).

CWCB. The CWCB will contract for mapping services from third-party vendors and incur costs to administer the natural hazard mapping program. The CWCB will hire a full-time project coordinator starting in FY 2015-16. The administrative budget includes standard operating costs and a travel budget to visit project partners and mapping sites. The remainder of the cash fund balance is dedicated to contractor costs for mapping services and is assumed to be obligated in the fiscal year it becomes available. Table 2 provides estimated expenditures by CWCB over the three-year duration of the bill.

Floodplain Mapping Update	\$4,465,000
Floodplain Map Digitization	750,000
Erosion Zone Mapping	700,000
Project Management	400,000
Data Collection	555,000
TOTAL	\$6,870,000

Other state agencies. Other state agencies may be involved in the mapping program if the CWCB elects to engage in interagency work. The bill contemplates a CWCB partnership with the Department of Local Affairs to development model land use codes. The Colorado Geological Survey (in the Department of Higher Education at the Colorado School of Mines) may provide expertise in natural hazards and mapping standards for interagency panels. In addition to the Division of Water Resources in the DNR, other state departments that may participate in the mapping program, based on subject matter expertise, include the Departments of Agriculture, Higher Education, Local Affairs, Public Health and Environment, Public Safety, Transportation, and the Governor's Office of Information Technology. The participants in this program will already be engaged in related work and the workload to convene panels or other collaborative efforts will not require new appropriations.

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. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 3.

Cost Components	FY 2015-16	FY 2016-17	FY 2017-18
Employee Insurance (Health, Life, Dental, and Disability)	\$8,053	\$8,053	\$8,053
Supplemental Employee Retirement Payments	4,945	5,460	5,717
TOTAL	\$12,998	\$13,513	\$13,770

*More information is available at: <http://colorado.gov/fiscalnotes>

Local Government Impact

The bill increases workload for some local governments, while also reducing both short- and long-term costs for local governments.

The workload of local government staff will increase to participate in CWCB working groups, and local government expenditures may increase to process floodplain map amendments and revisions through FEMA using mapping products generated by the bill. These local government expenditures are conditional on the local government's determination to participate in the mapping program or to obtain new jurisdictional floodplain maps.

By providing state funding for floodplain mapping and other hazard studies, the bill may reduce short-term costs for local governments that would otherwise fund FEMA map revisions and amendments with local funding in the next three fiscal years. The bill also helps local governments reduce long-term costs by identifying critical vulnerabilities in flooding and other hazard situations. The bill may improve the effectiveness of hazard planning and mitigate losses to public infrastructure and other local government facilities when flooding does occur.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

The bill increases FTE and expenditures in the Department of Natural Resources. However, no appropriation is required in this bill, as all expenditures are from a continuously appropriated cash fund.

State and Local Government Contacts

Joint Budget Committee Staff
Public Safety
Counties

Natural Resources
Special Districts
Fire Chiefs

Local Affairs
Municipalities
Sheriffs