

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING INCREASED EFFORTS TO ADDRESS WILDFIRE RISK, AND, IN CONNECTION THEREWITH, PROVIDING RESOURCES TO THE COLORADO STATE FOREST SERVICE TO AUGMENT ITS TECHNICAL OUTREACH CAPABILITIES AND PROVIDE LOANS AND GRANTS FOR MARKET-BASED AND FOREST TREATMENT SOLUTIONS TO REDUCE WILDFIRE RISK.

Prime Sponsors: Representative Scanlan  
Senator Gibbs

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**Summary of Amendments Made to the Bill After the 03/10/09 Legislative Council Staff Revised Fiscal Note Was Prepared**

None.

**JBC Staff Concurrence with Legislative Council Staff Fiscal Note**

**Concurs**       **Does Not Concur**       **Updated Analysis**

**Amendments/Appropriation Status**

The bill requires but does not contain an appropriation clause. Staff has prepared amendment **J.001** (attached) to add a provision appropriating the following amounts in FY 2009-10:

- ▶ \$50,000 cash funds from the Wildland-urban Interface Training Fund to the Division of Fire Safety in the Department of Public Safety for courses to directors of fire protection districts; and,
- ▶ \$49,915 cash funds and 0.5 FTE from the Stationary Sources Control Fund to the Department of Public Health and Environment for evaluation of fire permit program rules.

The other expenditures identified in the Legislative Council Staff Revised Fiscal Note are from the Healthy Forests and Vibrant Communities Fund and are continuously appropriated by the statutory provisions in the bill, and so do not require a separate appropriations clause.

**Bill Sponsor Amendments**

Staff is not aware of any sponsor amendments to be offered.

**Points to Consider**

1. As noted on page two of the Legislative Council Staff revised fiscal note, the December 2008 Legislative Council Staff revenue forecast indicates that the Operational Account of the Severance Tax Trust Fund is over-obligated for FY 2009-10, based on current law. Following the statutory procedures established by H.B. 08-1398, tier 2 expenditures from the Operational Account will be reduced proportionally to match the available revenue. This bill would increase the proportional reduction necessary for the tier 2 programs.
2. The bill establishes the Healthy Forests and Vibrant Communities Fund as a tier 2 expenditure from the Operational Account. As such, it is subject to proportional reduction if severance tax revenues to the Operational Account are insufficient. A number of the duties assigned in the bill to the Colorado State Forest Service appear to be on-going functions, including the administration of a revolving loan program. Will the Colorado State Forest Service be able to expand and contract services to match the available revenues if proportional reductions are necessary to the tier 2 expenditures?
3. Do the moneys in the Healthy Forests and Vibrant Communities Fund need to be continuously appropriated? The majority of the programs that receive allocations from the Operational Account of the Severance Tax Trust Fund are continuously appropriated, and so this bill is consistent with that practice. But, providing continuous spending authority delegates some of the General Assembly's authority to make annual budget decisions, and so the Appropriations Committee may want to discuss whether there are programmatic reasons why these moneys should be continuously appropriated.
4. The bill creates the Wildfire Risk Mitigation Revolving Fund to make startup capital loans to businesses to harvest, remove, and use beetle-killed and other timber taken to reduce wildfire risks. Presumably the sources of revenue to the Wildfire Risk Mitigation Revolving Fund are intended to be the allocations from the Healthy Forests and Vibrant Communities Fund and the repayments of the loans. However, the bill does not identify the funding sources for the new cash fund and should be more explicit in this regard.
5. The duty of the Department of Public Health and Environment to evaluate fire permit program rules is repealed July 1, 2011. Rather than appropriating 0.5 FTE (a state employee) to perform the one-time evaluation, should the legislature instruct the Department to use contract services?