

**STATE
FISCAL IMPACT**

Drafting Number: LLS 13-0120 **Date:** January 28, 2013
Prime Sponsor(s): Rep. Gerou **Bill Status:** House Judiciary
 Sen. Nicholson; Roberts **Fiscal Analyst:** Alex Schatz (303-866-4375)

TITLE: CONCERNING STATEWIDE ALL-HAZARDS RESOURCE MOBILIZATION, AND, IN CONNECTION THEREWITH, CLARIFYING THE POWERS AND DUTIES OF THE DEPARTMENT OF PUBLIC SAFETY WITH RESPECT TO THE STATEWIDE ALL-HAZARDS RESOURCE MOBILIZATION PLAN AND SPECIFYING HOW MOBILIZED ENTITIES RECEIVE REIMBURSEMENT FOR EXPENSES INCURRED BY RENDERING ASSISTANCE.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Expenditures General Fund *	\$260,114*	\$153,309*
FTE Position Change	2.8 FTE	3.0 FTE
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2013-2014: See State Appropriations section.		
Local Government Impact: See Local Government Impact section.		

* Costs for potential reimbursements to owners of mobilized equipment are not estimated. General Fund expenditures will exceed amounts shown if other sources of reimbursement funding are not available for incidents in FY 2013-14 and FY 2014-15. For additional discussion, see the 'State Expenditures - Reimbursements' section.

Summary of Legislation

Under current law, the Office of Emergency Management (OEM) in the Department of Public Safety (DPS) must prepare a statewide system for mobilizing emergency response resources from multiple jurisdictions in anticipation of large-scale emergencies. This bill, recommended by the **Lower North Fork Wildfire Commission**, requires the director of the OEM to develop and maintain specific procedures for mobilization, allocation, tracking, demobilization, reimbursement, and other functions within that system.

In response to certain large-scale emergencies, the executive director of the DPS is responsible for mobilizing resources according to the statewide plan. Authority for a mobilization requires a request by a local emergency manager or the governor, and also requires the executive director to find that local resources will be inadequate to address a given incident. The executive director, in consultation with the OEM State Resource Coordinator (SRC) and the local incident commander, is also responsible for declaring an end to each mobilization.

The bill directs that state, local, and tribal jurisdictions mobilized pursuant to the statewide resource mobilization plan, and participating in a mutual aid or a similar intergovernmental agreement, are eligible for appropriate federal and state funds from the time of mobilization through demobilization. Procedures for timely reimbursement are developed by the director of the OEM in consultation with the Governor's Office of State Planning and Budgeting (OSPB).

Background

The goal of a resource mobilization system is to deploy the maximum (or optimal) number of available resources (e.g., vehicles, specialized equipment) to respond to an emergency in the shortest amount of time. Local jurisdictions frequently enter into mutual aid agreements and other intergovernmental relationships to ensure that adequate resources will be available if an incident exceeds the capacity of local resources. In practice, local jurisdictions have a wide range of risk tolerance in deploying resources and varying effectiveness at obtaining and rendering aid when large incidents occur.

Under House Bill 12-1283, the Division of Fire Prevention and Control (DFPC), also in the DPS, assumed responsibility from the Colorado State Forest Service (CSFS) for maintaining 268 agreements with other agencies, covering approximately 780 pieces of equipment and forming the basis for current interjurisdictional responses to large wildfires. These agreements will continue to be maintained by DFPC, but do not cover all hazards.

Statewide, a total of between 7,000 and 9,000 piece of equipment must be inventoried and placed under agreements for the statewide all-hazards resource mobilization plan to fulfill the requirements of the bill. All new agreements are the responsibility of the OEM, which currently employs 1.0 FTE as a resource mobilization coordinator.

The Disaster Emergency Fund (DEF) is the primary source of state funding for wildfire control and other emergency response activities. The average total annual expenditure over the past ten years from the DEF is approximately \$10.2 million, ranging from a low of \$215,000 in 2009 to a high of \$47.0 million in 2012.

State Expenditures

Developing and maintaining a statewide mobilization plan will increase General Fund expenditures in the Department of Public Safety by \$260,114 and 2.8 FTE in FY 2013-14 and by \$153,309 and 3.0 FTE per year thereafter. Under the bill, the department's workload increases to inventory and negotiate reimbursement rates and related terms of agreement for at least 7,000 pieces of equipment. In addition, the department must manage dispatch and reimbursement programs for a wide range of large-scale emergency response scenarios. This increased workload will be addressed with an additional 3.0 FTE, consisting of two new resource mobilization specialists and one new program assistant.

The OEM will incur a one-time cost of \$108,000 to upgrade its resource inventory and tracking technology. The Office of Information Technology (OIT) will coordinate a contract to add new functionality to the CONNECT online resource mobilization tool and to create interoperability with WebEOC, an online tool for incident management. These software improvements are necessary to implement a reimbursement system consistent with the bill.

Costs to the OEM, in the DPS's Division of Homeland Security and Emergency Management (DHSEM) are summarized in Table 1.

Cost Components	FY 2013-14	FY 2014-15
Personal Services	\$132,275	\$147,579
FTE	2.8	3.0
Operating Expenses and Capital Outlay	19,839	5,730
Software Upgrades (OIT contract)	108,000	
TOTAL	\$260,114	\$153,309

OSP.B. Consultation with DPS to develop reimbursement procedures results in a minimal increase in OSPB workload. The OSPB will perform its duties under the bill within existing appropriations.

Other agencies. In tandem with HB 12-1283, the bill expands the scope of state coordination and response in various emergency situations, identifying and mobilizing resources for all hazards, natural and man-made. This may increase demands upon various response teams organized by state agencies. For example, the Department of Corrections (DOC) currently deploys its State Wildland Inmate Fire Team (SWIFT) to wildfires; other DOC response teams, in addition to SWIFT, may be mobilized under the scope of an all-hazards response. The DOC and other agencies with an emergency response role will experience increased costs based on the timing, nature, and frequency of such mobilizations, and will seek budget adjustments as needed through the annual budget process.

Reimbursements. The bill makes jurisdictions eligible for reimbursement of expenses associated with the mobilization of resources, but it does not specify a source of funding for this reimbursement other than "appropriate federal and state funds." While resource mobilization is inextricably linked with expenditures from the Disaster Emergency Fund, under current law the commitment of funds from the DEF requires prior action by the governor. Pass-through federal funding will typically be determined on an incident-by-incident basis. A General Fund appropriation is necessary for any immediate increase in state expenditures under the bill, including the funding of reimbursements. Based on unpredictable year-to-year need and the potential for other funding sources at the time of an incident, the fiscal note does not estimate an amount or a General Fund appropriation for reimbursements.

Efficiencies. Expenditures from the DEF are reduced as more efficient resource mobilization is expected to reduce overall state costs for emergency response. Academic study of fire suppression strategies, for example, suggests that a "direct attack," focusing on early containment, may reduce wildfire response costs by up to 50 percent. Conservatively, and based on the wide variation in hazard conditions in Colorado, the fiscal note assumes cost efficiencies of at least 3 percent against total spending of \$10.2 million from the DEF in a typical recent year. This estimate is illustrative, and the fiscal note does not reduce the DEF appropriation for FY 2013-14.

Expenditures Not Included

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 summarized in Table 2.

Table 2. Expenditures Not Included Under HB 13-1031*		
Cost Components	FY 2013-14	FY 2014-15
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$17,165	\$18,396
Supplemental Employee Retirement Payments	8,119	10,021
TOTAL	\$25,284	\$28,417

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

Local Government Impact

Local governments are eligible for expense reimbursements, increasing revenue to fire agencies that respond more regularly to calls outside their jurisdiction as a result of the bill. A minimal effect on local government expenditures results from streamlining resource mobilizations and providing greater certainty that local agencies will receive reimbursement for rendering aid in large incidents. The bill reduces administrative workload associated with local governments mobilizing resources. Similar to statewide costs for emergency response, more efficient upfront mobilization of resources may reduce overall local government costs by limiting the severity and duration of emergency incidents.

State Appropriations

In FY 2013-14, the Department of Public Safety requires a General Fund appropriation of \$260,114 and 3.0 FTE. Of this amount, \$108,000 is reappropriated to the Office of Information Technology.

Departmental Differences

The fiscal note does not provide funding to promote OEM's existing resource mobilization coordinator from a General Professional III to a General Professional IV. This promotion implies a pay increase of \$10,056 per fiscal year.

According to the DPS, the bill requires the resource mobilization coordinator to serve in a program manager position. Program managers in the DHSEM, including OEM, are generally compensated at the General Professional IV level.

The fiscal note finds that the bill requires the State Resource Coordinator (SRC) to be the director of OEM, or his or her designee. During a mobilization, the SRC is responsible for making joint command decisions with the commander of the host jurisdiction. The bill does not require delegation of the OEM director's role as SRC, and the fiscal note assumes that if the director's workload, available expertise within the OEM staff, or other factors experienced during the implementation of the statewide resource mobilization plan warrant delegation of the SRC role, this will be determined in a future annual budget process.

Departments Contacted

Public Safety
Governor
Military and Veterans Affairs
Law

Office of State Planning and Budgeting
Local Affairs
Corrections