

State Revenue

State transfers. This bill requires the annual transfer of \$5,000,000 from the General Fund to the Invasive Phreatophyte Management Grant Program Account of the Noxious Weed Management Fund from FY 2015-16 through FY 2019-20 for a total of \$25 million over 5 years.

State Expenditures

This bill increases expenditures for the Department of Agriculture by up to \$5,000,000 per year beginning in FY 2015-16 until FY 2019-20. Although the bill limits direct and indirect administrative expenditures to \$50,000 in FY 2015-16 and up to 1 percent of grant funds awarded for subsequent years, the fiscal analysis indicates that the Department of Agriculture requires \$58,661 and 0.8 FTE in FY 2015-16 and \$64,749 and 1.0 FTE in FY 2016-17 for personal services and operating costs (see the Technical Note section of this fiscal note.)

The department will add a professional level staff person to develop criteria and guidelines for the grant program, review applications, award and monitor grants, and prepare the annual and final reports. The department will have approximately \$4.9 million available for grants but the amount expended will depend on the number and size of grants awarded. Table 1 below details the expenditures required to implement the bill, including adjustment of first-year costs for the August 5, 2015, effective date.

Table 1. Expenditures Under HB15-1006		
Cost Components	FY 2015-16	FY 2016-17
Personal Services	\$53,166	\$63,799
FTE	0.8	1.0
Operating Expenses and Capital Outlay Costs	5,495	950
Grants	4,930,507	4,921,738
Centrally Appropriated Costs*	10,832	13,513
TOTAL	\$5,000,000	\$5,000,000

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

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 2.

Table 2. Centrally Appropriated Costs Under HB15-1006*		
Cost Components	FY 2015-16	FY 2016-17
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$6,711	\$8,053
Supplemental Employee Retirement Payments	4,121	5,460
TOTAL	\$10,832	\$13,513

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

Local Government Impact

Local governments within riparian areas of the state will be eligible to apply for and receive grants from the program so may see an increase in funding. The number and size of these grants will depend on the types of projects proposed by local governments. Grant funds may also be used as part of a match requirement for other state or federal funds.

Technical Note

Section 35-5.5-116.5 (3) of the bill permits the Department of Agriculture to use no more than \$50,000 in FY 2015-16 and no more than one percent of the grant funds awarded for each subsequent year to offset the costs incurred in implementing the new grant program; however, this rate is insufficient to cover the department's fixed costs to establish the new program, or the ongoing administrative cost to run the program. In addition, the calculation of administrative funds for subsequent years is based on a number that cannot be determined until after grant funds have been awarded.

Effective Date

The bill takes effect August 5, 2015, if the General Assembly adjourns on May 6, 2015, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2015-16, the Department of Agriculture requires an appropriation of \$5,000,000 from the Invasive Phreatophyte Management Grant Program Account of the Noxious Weed Management Fund and 0.8 FTE.

State and Local Government Contacts

Agriculture