



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2025 Biennium

### Bill information:

HB0883 - Generally revise state finance (Jones, Llew )

**Status:** As Amended in House Committee

- Significant Local Gov Impact     
  Needs to be included in HB 2     
  Technical Concerns  
 Included in the Executive Budget     
  Significant Long-Term Impacts     
  Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<b>Expenditures:</b>					
General Fund	\$152,000,000	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$30,000,000	\$30,000,000	\$0	\$0
<b>Revenue:</b>					
General Fund	\$0	\$0	\$0	\$0	\$0
State Special Revenue	\$152,000,000	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>(\$152,000,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** HB 883 as amended changes the process for transfers from general fund into the fire suppression fund, requiring an initial transfer of \$152 million from general fund in FY 23. HB 883 requires the fund balance be brought to an amount equal to 6% of all general fund appropriations in the second year of each biennium thereafter. HB 883 changes how statutory appropriations are determined within the fund: allowing a standing appropriation to continue only for fire suppression costs, and setting maximum appropriations, only in the biennium beginning July 1, 2023, for specific non-suppression purposes as described in 76-13-150, section (4)(b) through (4)(h).

### FISCAL ANALYSIS

#### Assumptions:

- Section 2 of the bill requires a \$152 million transfer from general fund prior to the end of FY 23 that is anticipated to result in a fund balance of approximately \$186 million on July 1, 2023. This fund balance is expected to exceed the minimum balance of 3% of all general fund appropriations for FY 25, estimated to be \$90 million, allowing for a total of approximately \$60 million in specific statutory appropriations for non-suppression purposes to occur beginning in FY 24.

2. As described in section 1, subsection (7), a statutory appropriation up to an amount equal to 1% of all general fund appropriation for FY 25, estimated to be \$30 million, is assumed to become available on July 1, 2023, or soon thereafter, for certain non-suppression purposes as described in subsection (4)(b) through (4)(g).
3. The Department of Natural Resources and Conservation (DNRC) envisions utilizing this funding to support the accomplishment of forest management goals through implementation of Forest Action Plan projects on state, tribal, and private lands, and Good Neighbor Authority (GNA) projects on federal lands. Project activities would include fuels reduction and mitigation, forest restoration, forest management, support for collaborative groups, and the purchase and development of additional fire suppression equipment for local government resources in county cooperatives.
4. Expenses are anticipated to include Personal Services for Modified FTE to administer contracts and grants; oversee projects; engage with interagency counterparts to coordinate projects and programs; perform fuels management activities such as prescribed fire and mitigation; and develop fire suppression equipment. Operating expenses would likely consist primarily of contracted services to accomplish forest management goals on the ground and provide National Environmental Protection Act (NEPA) analysis and support through the GNA program. Capital Equipment budget would allow for purchase of vehicles for field staff and for purchase and development of fire suppression equipment. Grants would be awarded for projects intended to mitigate wildfire risk through fuels reduction and other forest management priorities.
5. As described in section 1, subsection (8), a statutory appropriation up to an amount equal to 0.5% of all general fund appropriation for FY 25, estimated to be \$15 million, is assumed to become available for the purpose described in subsection (4)(h) on July 1, 2023, and the same amount again on July 1, 2024.
6. The increase in fire preparedness funding would allow the DNRC to increase the overall number and variety of resources available to respond to wildfires throughout critical periods in the fire year; support high-priority fuel reduction projects to protect communities from wildfire; and participate in prescribed fire projects to achieve more resilient landscapes.
7. Fire preparedness expenses are anticipated to include Personnel Services for Modified FTE to oversee the development and acquisition of ground, aerial and support firefighters and mitigation resources; administer contracts; and ensure appropriate tactical application of resources. Operating expenses would include contracted assets that bolster program capacity and preparedness, including both ground-based and aviation resources. Capital Equipment budget would allow for the purchase and upgrade of DNRC and county cooperative-operated wildfire suppression equipment, apparatus, and airframes, with a focus on modernizing assets and elevating readiness, reliability, and response capability.

	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<b><u>Fiscal Impact:</u></b>					
<b><u>Expenditures:</u></b>					
Personal Services	\$0	\$3,000,000	\$3,000,000	\$0	\$0
Operating Expenses	\$0	\$18,000,000	\$18,000,000	\$0	\$0
Equipment	\$0	\$4,000,000	\$4,000,000	\$0	\$0
Grants	\$0	\$5,000,000	\$5,000,000	\$0	\$0
Transfers	\$152,000,000	\$0	\$0	\$0	\$0
<b>TOTAL Expenditures</b>	<u>\$152,000,000</u>	<u>\$30,000,000</u>	<u>\$30,000,000</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Funding of Expenditures:</u></b>					
General Fund (01)	\$152,000,000	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$30,000,000	\$30,000,000	\$0	\$0
<b>TOTAL Funding of Exp.</b>	<u>\$152,000,000</u>	<u>\$30,000,000</u>	<u>\$30,000,000</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Revenues:</u></b>					
General Fund (01)	\$0	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$152,000,000	\$0	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<u>\$152,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>					
General Fund (01)	(\$152,000,000)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$152,000,000	(\$30,000,000)	(\$30,000,000)	\$0	\$0



Sponsor's Initials

Date



Budget Director's Initials

4-5-23

Date