



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill # HB0066

Title: Establish fund for fire suppression costs

Primary Sponsor: Hawk, R.

Status: As Introduced

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

	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>
Expenditures:				
General Fund	\$ 25,000,000	\$ 13,736,955	\$ 13,736,955	\$ 14,080,378
Federal Special Revenue	\$ 29,572,020	\$ 29,572,020	\$ 30,311,320	\$ 31,069,103
Revenue:				
General Fund	\$ -	\$ -		\$ -
Federal Special Revenue	\$ 40,835,065	\$ 29,572,020	\$ 29,967,897	\$ 30,717,093
Net Impact-General Fund Balance	<u>\$ (25,000,000)</u>	<u>\$ (13,736,955)</u>	<u>\$ (13,736,955)</u>	<u>\$ (14,080,378)</u>

Description of fiscal Impact:

HB 66 would provide up to \$25 million annually for a fire suppression fund to pay annual state fire suppression costs.

FISCAL ANALYSIS

Assumptions:

- For the purposes of this fiscal note, a seven year average for fire suppression costs and federal reimbursements (adjusted by throwing out the high and the low years) has been used. Annual state fire costs equal \$13,344,945 and costs reimbursed by the federal government equal \$15,835,065. Total annual average fire suppression costs equal \$29,180,010. Actual costs incurred would be dependent on the particular fire season.
- \$15,835,065 would be reimbursed in FY 2008 and FY 2009. \$16,230,942 would be reimbursed in FY 2010 and \$16,636,715 in FY 2011. Remaining funds to bring the suppression fund up to \$25 million would be transferred from the general fund.
- The full \$25 million start-up would be transferred in FY 2008 as no reimbursement would have been received in the beginning of the fiscal year.
- A 2.5% inflation factor has been used for FY 2010 and FY 2011.
- Funds are statutorily appropriated to the department for fire suppression costs only.

	<u>FY 2008</u> <u>Difference</u>	<u>FY 2009</u> <u>Difference</u>	<u>FY 2010</u> <u>Difference</u>	<u>FY 2011</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$ 29,572,020	\$ 29,572,020	\$ 30,311,320	\$ 31,069,103
Transfers	\$ 25,000,000	\$ 13,736,955	\$ 13,736,955	\$ 14,080,378
TOTAL Expenditures	<u>\$ 54,572,020</u>	<u>\$ 43,308,975</u>	<u>\$ 44,048,275</u>	<u>\$ 45,149,481</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$ 25,000,000	\$ 13,736,955	\$ 13,736,955	\$ 14,080,378
Federal (03)	\$ 29,572,020	\$ 29,572,020	\$ 30,311,320	\$ 31,069,103
TOTAL Funding of Exp.	<u>\$ 54,572,020</u>	<u>\$ 43,308,975</u>	<u>\$ 44,048,275</u>	<u>\$ 45,149,481</u>
<u>Revenues:</u>				
General Fund (01)	\$ -	\$ -	\$ -	\$ -
Federal (03)	\$ 40,835,065	\$ 29,572,020	\$ 29,967,897	\$ 30,717,093
TOTAL Revenues	<u>\$ 40,835,065</u>	<u>\$ 29,572,020</u>	<u>\$ 29,967,897</u>	<u>\$ 30,717,093</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$ (25,000,000)	\$ (13,736,955)	\$ (13,736,955)	\$ (14,080,378)
Federal Funds (03)	\$ 40,835,065	\$ 29,572,020	\$ 29,967,897	\$ 30,717,093

Technical Notes:

1. The definition of the federal special revenue fund in 17-2-102, MCA, does not allow general fund. General fund transfers should more appropriately be made to a state special revenue fund.

Sponsor's Initials

Date

Budget Director's Initials

Date