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Item 9

Proposed Statewide Cost Estimate

Government Code Sections 51175 through 51189
Health and Safety Code Sections 13108.5 and 13132.7
Statutes of 1992, Chapter 1188
Statutes of 1994, Chapter 843
Statutes of 1995, Chapter 333

Very High Fire Hazard Severity Zones

Executive Summary

On April 29, 1999, the Commission on State Mandates (“Commission”) adopted its statement of decision finding that the subject legislation imposed a reimbursable state-mandated program on counties, cities, a city and county, and special districts responsible for fire protection within a very high fire hazard severity zone.

In an effort to reduce the spread of uncontrolled fires, the Legislature enacted the test claim legislation requiring the identity of “very high fire hazard severity zones” throughout the state. The State Director of Forestry and Fire Protection is required to identify areas in the state as “very high fire hazard severity zones” and send a transmittal identifying the zones to affected local agencies. Thereafter, the test claim legislation requires local agencies to perform certain activities.

The Commission adopted the parameters and guidelines for this claim on August 26, 1999. The reimbursement period for this mandate began on July 1, 1996.

To arrive at the total statewide cost estimate:

- Staff used unaudited actual and estimated claim totals filed with the State Controller for prior fiscal years by eligible claimants.¹
- Staff projected totals for fiscal year (FY) 1999-00 and FY 2000-01 by using the FY 1998-99 estimated claim total filed by claimants with the State Controller’s Office multiplied by the implicit price deflator for that fiscal year, as forecasted by the Department of Finance.

Staff recommends that the Commission adopt the proposed statewide cost estimate of \$562,000.

¹ Current State Controller’s Office data as of March 6, 2000. The deadline for filing claims was February 28, 2000.

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Statewide Cost Estimate Calculation

Government Code Sections 51175 through 51189
Health and Safety Code Sections 13108.5 and 13132.7
Statutes of 1992, Chapter 1188
Statutes of 1994, Chapter 843
Statutes of 1995, Chapter 333

Very High Fire Hazard Severity Zones

Mandate Background

On April 29, 1999, the Commission on State Mandates (“Commission”) adopted its statement of decision finding that the subject legislation imposed a reimbursable state-mandated program on counties, cities, a city and county, and special districts responsible for fire protection within a very high fire hazard severity zone.

In an effort to reduce the spread of uncontrolled fires, the Legislature enacted the test claim legislation requiring the identity of “very high fire hazard severity zones” throughout the state. The State Director of Forestry and Fire Protection is required to identify areas in the state as “very high fire hazard severity zones” and send a transmittal identifying the zones to affected local agencies. Thereafter, the test claim legislation requires local agencies to perform certain activities.

The Commission adopted the parameters and guidelines for this claim on August 26, 1999. The reimbursement period for this mandate began on July 1, 1996.

Interested Party Comments

Staff distributed the proposed statewide cost estimate to the mailing list for this claim on March 6, 2000. Interested party comments will be reported at the hearing, if necessary.

Eligible Claimants

Counties, cities, a city and county, and special districts responsible for fire protection within a very high fire hazard severity zone.

Reimbursable Activities

For each eligible claimant, all direct and indirect costs of labor, supplies and services, and travel for the following activities only are eligible for reimbursement:

- A. Reviewing and analyzing state recommendations, maps, and other related materials.
- B. Making the information contained in the state’s recommendation identifying an area as a “very high fire hazard severity zone” available to the public in a format that is understandable and accessible to the general public. This activity includes, but is not limited to, the development of maps and overlays.

C. Adopting an ordinance, consistent with the Model Ordinance adopted by the State Fire Marshal, within 120 days of receiving the state’s recommendation, which designates the “very high fire hazard severity zones” and describes the required maintenance standards in those designated areas. This activity includes the following:

1. Drafting and adoption of an ordinance.
2. Publication of the ordinance.

The activities listed in Components A, B and C are eligible for reimbursement any time the state updates its recommendations through the creation of new zones, or by changing the boundaries of existing zones.

D. Sending additional notification of the maintenance requirements imposed by Government Code section 51182 to property owners and occupiers on an annual basis.

1. Development of a manual or computer database or file for the names and addresses of owners and occupiers of property within “very high fire hazard severity zones” to the extent such information is not already maintained by the claimant. (One-time activity)
2. Input of names and addresses of owners and occupiers of property within “very high fire hazard severity zones” in the database or file. (One-time activity)
3. Updating the database or file containing the names and addresses of owners and occupiers of property within “very high fire hazard severity zones” to the extent such information is not already maintained by the claimant.
4. Development of the notice describing the maintenance requirements imposed by Government Code section 51182. (One-time activity)
5. Mailing the notice describing the maintenance requirements imposed by Government Code section 51182 to owners and occupiers of property within “very high fire hazard severity zones” on an annual basis.

Assumptions

Staff made the following assumptions:

- The claiming data is accurate, although unaudited.
- There will not be any late claims filed.²

² If the Legislature appropriates the amount of the statewide cost estimate and actual claims exceed this amount, the State Controller’s Office will prorate the claims. If the deficiency funds are not appropriated in the Budget Act, the Controller will report this information to the legislative budget committees and the Commission. The Commission will then include the deficiency in its report to the Legislature in order to ensure that it is included in the next claims bill.

Methodology

To arrive at the total statewide cost estimate:

- Staff used unaudited actual and estimated claim totals filed with the State Controller for prior fiscal years by eligible claimants.³
- Staff projected totals for FY 1999-00 and FY 2000-01 by using the FY 1998-99 estimated claim total filed by claimants with the State Controller's Office multiplied by the implicit price deflator for that fiscal year, as forecasted by the Department of Finance.

Recommendation

Staff recommends that the Commission adopt the proposed statewide cost estimate of \$562,000 for costs incurred in complying with the provisions set forth in Government Code sections 51175 through 51189, Health and Safety Code sections 13108.5 and 13132.7, Statutes of 1992, Chapter 1188, Statutes of 1994, Chapter 843, and Statutes of 1995, Chapter 333.

Following is a breakdown of actual and estimated total costs per fiscal year:

<u>FISCAL YEAR</u>	<u>TOTAL ESTIMATE ACTUAL & PROJECTED</u>
1996-97	\$197,610
1997-98	\$110,343
1998-99	\$82,758
1999-00 (2.1%)*	\$84,496
2000-01 (2.3%)*	\$86,439
Total	\$561,646
Statewide Cost Estimate Total	\$562,000

*Implicit Price Deflator as projected by the Department of Finance.

Because the reported costs are prior to audit and partially based on estimates, the statewide cost estimate of \$561,646 has been rounded to \$562,000.

³ Current State Controller's Office data as of March 6, 2000. The deadline for filing claims was February 28, 2000.