



**Colorado
Legislative
Council
Staff**

HB17-1306

**FINAL
FISCAL NOTE**

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0670 **Date:** September 14, 2017
Prime Sponsor(s): Rep. McLachlan; Exum **Bill Status:** Signed into Law
 Sen. Coram; Donovan **Fiscal Analyst:** Clare Pramuk (303-866-2677)

BILL TOPIC: TEST LEAD IN PUBLIC SCHOOLS' DRINKING WATER

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019	FY 2019-2020
State Revenue	Potential increase. See State Revenue section.		
Cash Funds			
State Expenditures	<u>\$453,256</u>	<u>\$414,321</u>	<u>\$414,005</u>
Cash Funds	431,803	396,675	396,385
Centrally Appropriated Costs	21,453	17,646	17,620
FTE Position Change	1.3 FTE	1.2 FTE	1.2 FTE
Appropriation Required: \$431,803 - Department of Public Health and Environment (FY 2017-18).			
Future Year Impacts: None, beyond FY 2019-20.			

Summary of Legislation

This bill authorizes the Colorado Department of Public Health and Environment (CDPHE) to establish a grant program to test for lead in drinking water in public schools that receive drinking water from public water systems. The CDPHE may specify testing protocols and guidelines and provide technical assistance. The CDPHE is required to give priority to the oldest elementary schools. The CDPHE may develop and apply secondary criteria established through rules promulgated by the Water Quality Control Commission. CDPHE is required to provide an annual report to the public health committees of the General Assembly and apply its best efforts to complete all testing and analysis by June 30, 2020.

A public school that receives a grant is required to either enter into a contract that requires compliance with the CDPHE's testing protocols when having the testing conducted or to follow CDPHE's testing protocols and provide the test samples to CDPHE's laboratory or a laboratory certified by the CDPHE. The public school is required to provide the test results to its local public health agency, its water supplier, its school board, and CDPHE.

The grant program is conditioned upon funding being available in the Water Quality Improvement Fund. The bill includes an appropriation of \$300,000 for grants and \$140,000 for implementing the grant program for FY 2017-18 and authorizes the same funding amounts through FY 2019-20.

State Revenue

This bill may increase state cash fund revenue from fees for the CDPHE laboratory to test water samples under the grant program. It is unknown how many samples will be directed to the CDPHE laboratory versus private laboratories, so no estimate is included in the fiscal note. For reference, the cost to test a water sample for lead is \$20.50, which is deposited into the Laboratory Cash Fund. The number of samples taken per school will depend on the number of taps in the school.

State Expenditures

This bill increases expenditures for the Department of Public Health and Environment by \$453,256 and 1.3 FTE in FY 2017-18, \$414,321 and 1.2 FTE in FY 2018-19, and \$414,005 and 1.2 FTE in FY 2019-20 from the Water Quality Improvement Fund. Costs for the grant program end June 30, 2020. Program costs are shown in Table 1 and explained below.

Assumptions. The fiscal note assumes that the balance of the Water Quality Improvement Fund will be sufficient to fund the grant program and that implementation will begin July 1, 2017.

Table 1. Expenditures Under HB17-1306			
Cost Components	FY 2017-18	FY 2018-19	FY 2019-20
Personal Services	\$121,290	\$88,335	\$88,045
FTE	1.3 FTE	1.2 FTE	1.2 FTE
Operating Expenses and Capital Outlay Costs	5,938	1,140	1,140
Travel	4,575	7,200	7,200
Grants	300,000	300,000	300,000
Centrally Appropriated Costs*	21,453	17,646	17,620
TOTAL	\$453,256	\$414,321	\$414,005

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

The CDPHE will utilize a total of 1.3 FTE of existing staff and a temporary environmental specialist to implement the grant program in FY 2017-18 and 1.2 FTE for the following two years. The tasks associated with implementation include:

- updating Water Quality Control Commission regulations to add lead testing;
- developing a lead testing protocol;
- developing the grant program requirements;
- providing technical assistance remotely and on-site; and
- compiling test findings and developing reports.

The CDPHE laboratory may have a workload increase to test water samples from schools. The number of samples that the CDPHE laboratory will receive is unknown, so no estimate of increased workload or costs has been identified. If additional appropriations are required, those will be requested through the annual budget process.

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.

Cost Components	FY 2017-18	FY 2018-19	FY 2019-20
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$10,585	\$9,731	\$9,731
Supplemental Employee Retirement Payments	10,868	7,915	7,889
TOTAL	\$21,453	\$17,646	\$17,620

Local Government and School District Impact

The bill will increase workload for school districts that seek grant funding and for those that are awarded grants to comply with the grant program requirements. Local public health agencies will also have an increase in workload to review the results of water testing, but this is expected to be minimal.

Should a school test positive for lead, the school district or local government will have increased costs for remediation of lead contamination.

Effective Date

The bill was signed into law by the Governor and took effect on June 8, 2017.

State Appropriations

For FY 2017-18, the bill includes an appropriation to the Department of Public Health and Environment for \$440,000 from the Water Quality Improvement Fund, and an allocation of 1.0 FTE. The fiscal note indicates that CDPHE requires an appropriation of \$431,803 and an allocation of 1.3 FTE for FY 2017-18.

State and Local Government Contacts

Counties	Education
Information Technology	Public Health and Environment