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FISCAL NOTE

Drafting Number: LLS 18-0763 **Date:** February 12, 2018
Prime Sponsors: Rep. Exum; Lawrence **Bill Status:** House Business
 Sen. Aguilar; Gardner **Fiscal Analyst:** Chris Creighton | 303-866-5834
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Bill Topic: CREATE NEXT GENERATION 911 BOARD

- Summary of Fiscal Impact:**
- State Revenue (*minimal*)
 State Expenditure
 State Transfer
 - TABOR Refund
 Local Government
 Statutory Public Entity

This bill creates the Next Generation 911 board to study and develop a state Next Generation 911 plan. This bill increases state revenue, expenditures, and workload, and local government workload. These impacts continue until the board is repealed.

Appropriation Summary: For FY 2018-19, this bill requires an appropriation of \$867,532 to the Department of Public Safety.

Fiscal Note Status: This fiscal note reflects the introduced bill.

**Table 1
State Fiscal Impacts Under HB 18-1184**

	FY 2018-19	FY 2019-20
Revenue	-	-
Expenditures		
General Fund	\$311,976	\$210,881
Federal Funds*	\$555,556	\$277,778
Centrally Appropriated	\$12,483	\$13,776
Total	\$880,015	502,435
Total FTE	0.9 FTE	1.0 FTE
Transfers	-	-

* This analysis assumes the receipt of federal Next Generation 911 grant funds. If this grant is not approved, a General Fund appropriation of \$867,532 will be needed in FY 2018-19 and \$488,659 in FY 2019-20.

Summary of Legislation

This bill creates the Colorado Next Generation 911 board (board). The board consists of 23 members representing various state agencies, local governments, local organizations, and local service providers. The purpose of this board is to develop a Next Generation 911 plan for the state. More specifically, this bill requires the board to:

- commission a study to assist in the formulation of a state Next Generation 911 plan by identifying business requirements, current gaps and challenges, current and emerging technologies, and cost saving opportunities;
- review current 911 services;
- conduct a needs assessment for the implementation of Next Generation 911;
- assist with the implementation of and transition to Next Generation 911;
- coordinate stakeholder outreach;
- identify Next Generation 911 statewide costs and funding opportunities; and
- provide progress and performance reports.

The Department of Public Safety (DPS) is authorized to seek and expend gifts, grants, and donations and to purchase or contract for services for the board. Upon request, the DPS must provide office space, equipment, and staffing services for the board. On or before January 1, 2020, and each January 1 thereafter, the board must submit a report to the General Assembly summarizing the board activities. This board is scheduled to repeal September 1, 2025, and is subject to sunset review by the Department of Regulatory Agencies prior to this repeal date.

The bill specifies that the board has no regulatory authority, no authority over basic emergency services and other public utilities, and does not supercede local 911 operations.

Background and Assumptions

Next Generation 911 is based on modern internet protocol-based networks, which allow for the transmission of digital information, photos, text messages, and videos. In 2012, the Next Generation 911 Advancement Act was approved by Congress. This act provides funding for grants to be used to implement and operate 911 services and electronic-911 services; migrate to an internet protocol-enabled emergency network, and adopt and operate Next Generation 911 services and applications. These grant funds are administered by the National Telecommunications and Information Administration in the U.S. Department of Commerce and the National Highway and Safety Administration in the U.S. Department of Transportation. States are required to apply for this grant on behalf of local governments and must prepare a project budget, which includes a share in the cost of the program. The federal share is 60 percent and the state share is 40 percent.

This analysis assumes the solicitation of gifts, grants, and donations, including the Next Generation 911 Advancement Act grant, will begin in the current fiscal year, FY 2017-18, using existing DPS staff. It is also assumed that the Next Generation 911 Board will begin meeting in July of 2018. Because the bill does not create a cash fund or specify the use of a cash fund, this analysis assumes all revenue and expenditures will be General Fund.

State Revenue

Beginning in the current fiscal year, FY 2017-18 and continuing until the board is repealed, this bill increases state General Fund revenue from gifts, grants, and donations. At the time of this writing no source of gifts and donations has been identified. Gifts, grants, and donations are not subject to TABOR.

State Expenditures

This bill increases state General Fund and Federal Fund expenditures in the Department of Public Safety by \$880,015 and 0.9 FTE in FY 2018-19 and \$502,435 and 1.0 FTE in FY 2019-20 and future years until the board is repealed. State agency workload is also increased. These impacts are shown in Table 2 and discussed below.

**Table 2
Expenditures Under HB 18-1184**

	FY 2018-19	FY 2019-20
Department of Public Safety		
Personal Services	\$50,872	\$55,496
Operating Expenses and Capital Outlay Costs	\$5,558	\$950
Board Member Expense Reimbursement	\$33,324	\$33,324
Education and Outreach Training	-	\$10,000
Federal Next Generation 911 Grant Share	\$555,556	\$277,778
State Next Generation 911 Grant Share	\$222,222	\$111,111
Centrally Appropriated Costs*	\$12,483	\$13,776
FTE – Personal Services	0.9 FTE	1.0 FTE
Total Cost	\$880,015	\$502,435
Total FTE	0.9 FTE	1.0 FTE

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

Personal services. Beginning in FY 2018-19, the DPS requires 1.0 FTE for a program assistant staff to support the board. Duties include providing administrative support for the board which is expected to meet monthly, developing and researching board meeting agenda items, answering questions and providing information to over 100 public safety stakeholders, developing outreach and educational materials, and report writing. Costs in the first year are prorated for the General Fund paydate shift.

Expense reimbursement. Members of the board serve without compensation, but may be reimbursed for expenses incurred in the performance of their duties. Assuming monthly meetings, travel reimbursement for 23 board members is expected to total \$33,324 per year for 12 meetings. This includes mileage, per diem, and lodging for an estimated 6 board members traveling from outside of the Denver metro area.

Education and outreach. Beginning in FY 2019-20, education and outreach training will be provided throughout the state to all stakeholders on the Next Generation 911 plan and to assist with the implementation of the plan. This will cost \$10,000 for the production of training materials and outreach training travel.

Next Generation 911 Grant funding. The board will apply for a federal Next Generation 911 grant and federal grant funds in the amount of \$555,556 in FY 2018-19 and \$277,778 in FY 2019-20 will be expended. The Next Generation 911 grant requires a 40 percent state share; \$222,222 in FY 2018-19 and \$111,111 in FY 2019-20. Grant funds received are to be used a Next Generation study and will not cover the personal services, expense reimbursement, and outreach costs identified in this analysis. If this grant is not received, additional appropriations will be requested through the budget process to conduct the study.

Next Generation 911 board. Beginning in FY 2018-19 and continuing until the board is repealed, this bill increases workload for the members of the board. This includes staff from the departments of Public Safety and Regulatory Agencies, and the Office of Information Technology.

Department of Regulatory Agencies. This bill increases workload for the Department of Regulatory Agencies in FY 2024-25, to conduct of sunset review of the Next Generation 911 board. This workload can be accomplished within existing appropriations.

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. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$12,483 in FY 2018-19 and \$13,776 in FY 2019-20.

Local Government

Similar to the state, this bill also increases local government workload for participation on the board. This includes a police, sheriff, fire, county, municipal, and special district representative. Workload will also increase to help the board review current 911 services, study Next Generation 911, and to provide local input on the development of a Next Generation 911 plan. Future costs may be incurred to implement the Next Generation 911 plan at the local level. These costs have not been estimated.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2018-19, this bill requires a General Fund appropriation of \$311,976 and an allocation of 0.9 FTE and spending authority for \$555,556 in Federal Funds to the Department of Public Safety. If the Next Generation 911 federal grant is not received, for FY 2018-19 this bill will require a General Fund appropriation of \$867,532 to the Department of Public Safety.

State and Local Government Contacts

Counties
Municipalities
Sheriffs

Governor
Public Safety
Special Districts

Information Technology
Regulatory Agencies