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Fiscal Note

Drafting Number: LLS 22-0227 Date: February 9, 2022
Prime Sponsors: Rep. Michaelson Jenet; Jodeh Sen. Priola; Hansen Bill Status: House HHS
Fiscal Analyst: Aaron Carpenter | 303-866-4918 Aaron.Carpenter@state.co.us

Bill Topic: COLORADO NONPROFIT SECURITY GRANT PROGRAM

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

The bill creates the Colorado Nonprofit Security Grant Program to provide grants to nonprofit organizations that did not receive a grant under the Federal Nonprofit Security Grant Program. Starting in FY 2022-23, the bill will increase state expenditures on an ongoing basis.

Appropriation Summary: For FY 2022-23, the bill requires an appropriation of \$1.5 million to the Department of Public Safety.

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

Table 1
State Fiscal Impacts Under HB 22-1077

Table with 4 columns: Category, Sub-category, Budget Year FY 2022-23, and Out Year FY 2023-24. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (General Fund Reserve).

## Summary of Legislation

The bill creates the Colorado Nonprofit Security Grant Program within the Department of Public Safety (DPS) to provide grants to nonprofit organizations who applied for, and did not receive, a grant under the Federal Nonprofit Security Grant Program administered by the Federal Emergency Management Agency (FEMA). No later than August 30, 2022, the DPS must promulgate rules for the program, including application periods and grant eligibility. The DPS must begin accepting grant applications by December 1, 2022. Grant awards are limited to \$50,000 per organization. After receiving a grant, organizations must provide reporting to the DPS, including a project implementation plan, quarterly progress reports, a summary report upon completion of the project, and any reimbursement request. Finally, the bill requires the General Assembly to appropriate \$1.5 million from the General Fund to the DPS for the grant program.

## Background

The Federal Nonprofit Security Grant Program provides funding to nonprofits that are at high risk of a terrorist attack for physical security enhancements and other security related activities. In Colorado, 51 nonprofit organizations applied for a total of \$6,579,875, but only 10 nonprofit organizations were approved, receiving a combined total of \$1,113,774. Applications for the federal funding were routed through the DPS.

## State Expenditures

The bill increases state expenditures in the DPS by \$1.5 million per year starting in FY 2022-23 from the General Fund. Costs are shown in Table 2 and detailed below.

**Table 2**  
**Expenditures Under HB 22-1077**

	FY 2022-23	FY 2023-24
<b>Department of Public Safety</b>		
Personal Services	\$84,387	\$92,059
Operating Expenses	\$1,350	\$1,350
Capital Outlay Costs	\$6,200	-
Grant Funding	\$1,408,063	\$1,406,591
Centrally Appropriated Costs <sup>1</sup>	\$16,591	\$18,280
<b>Total Cost</b>	<b>\$1,516,591</b>	<b>\$1,518,280</b>
<b>Total FTE</b>	<b>0.9 FTE</b>	<b>1.0 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Department of Public Safety.** The DPS requires 1.0 FTE to develop grant program policies, applications and forms; generate grant agreements; review and approve reimbursements; provide technical assistance; and monitor compliance. Staffing costs include operating and capital outlay costs, and first-year costs are prorated for the General Fund pay date shift. The remaining funds will be available for grants.

**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 shown in Table 2.

## Other Budget Impacts

**General Fund reserve.** Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve beginning in FY 2022-23. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by \$225,000 per year starting in FY 2022-23, which will decrease the amount of General Fund available for other purposes.

## Effective Date

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

## State Appropriations

For FY 2022-23, the bill requires a General Fund appropriation of \$1,500,000 to the Department of Public Safety and 1.0 FTE.

## Departmental Difference

The DPS estimates that the bill will require \$1.7 million per year beginning in FY 2022-23. This estimate includes \$1.5 million in grant funding, 2.0 FTE to administer the grant program, and associated travel costs, with the assumption that DPS costs are in addition to grant funding, and that outreach and technical assistance will require two dedicated staff. The fiscal note assumes that the funding level in the bill will cover all associated costs. Further, it assumes that because applicants already applied for federal grants through the DPS, outreach efforts should be minimal and that 1.0 FTE is sufficient to manage a grant program of this size.

## State and Local Government Contacts

Information Technology

Public Safety