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Fiscal Note

Drafting Number: LLS 22-0650 **Date:** February 9, 2022
Prime Sponsors: Rep. Van Winkle; Neville **Bill Status:** House Education
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Bill Topic: **SCHOOL SECURITY DISBURSEMENT PROGRAM RECREATION**

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input checked="" type="checkbox"/> School District

This bill recreates a program in the Department of Public Safety to disburse funds to local education providers to make school security-related improvements. It increases state expenditures through FY 2031-32, and increases school district revenue and expenditures over the same period.

Appropriation Summary: For FY 2022-23, the bill requires an appropriation of \$10.0 million to the Department of Public Safety.

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

Table 1
State Fiscal Impacts Under HB22-1120

		Budget Year FY 2022-23	Out Year FY 2023-24
Revenue		-	-
Expenditures	Cash Funds	\$10,000,000	\$10,000,000
	Centrally Appropriated	\$18,280	\$18,280
	Total Expenditures	\$10,018,280	\$10,018,280
	Total FTE	1.0 FTE	1.0 FTE
Transfers¹	General Fund	(\$10,000,000)	(\$10,000,000)
	Cash Funds	\$10,000,000	\$10,000,000
	Net Transfer	\$0	\$0
Other Budget Impacts	General Fund Reserve	\$1,500,000	\$1,500,000

¹ This transfer reflects an appropriation of General Fund to the School Safety Resource Center Cash Fund. This appropriation is required in order to credit the amounts specified in the bill from the fund to the School Security Disbursement Program Account. See State Transfer section for more detail.

Summary of Legislation

This bill recreates the School Security Disbursement Program in the Department of Public Safety (DPS). The program provides funding to local education providers (LEPs) to improve security in public schools, and is repealed effective July 1, 2032.

The bill recreates the School Security Disbursement Program Account (program account) within the existing School Safety Resource Center Cash Fund (cash fund). The State Treasurer must annually credit \$10 million to the program account from the amount appropriated to the cash fund. The program account is continuously appropriated to the DPS, and the department may use up to one percent of the amount credited to the account for administrative expenses.

An LEP must apply to the DPS for funding and provide specified information in the request. The DPS must review and approve applications and disburse funds. Funds may be used for:

- capital construction to improve the security of a public school facilities or vehicles;
- training for threat assessment;
- on-site school resource officers; and
- staff training.

An LEP that received funds in the previous school year must report to the DPS the amount received, the source and amount of any matching funds, and the purposes for which the funds were used. The DPS must include a summary of the program's outcomes in its annual SMART Act hearing and prepare a written report for the education committees of the General Assembly.

Background

The School Safety Disbursement Program was created by Senate Bill 18-269. The program was established with a \$30 million General Fund appropriation to DPS. The program repealed July 1, 2021. According to the DPS's budget request, the School Safety Resource Center Cash Fund is estimated to have a balance of \$1.0 million at the beginning of FY 2022-23.

State Transfers

The bill requires an annual appropriation of \$10 million from the General Fund to the School Safety Resource Center Cash Fund. This appropriation is required in order to credit the amounts specified in the bill from the fund to the School Security Disbursement Program Account. The General Assembly may choose to appropriate money to the fund on a different schedule, as long as there is sufficient fund balance to credit the required amount to the program account each year through FY 2031-32.

State Expenditures

This bill increases state cash fund expenditures for DPS by \$10 million annually for ten years, from FY 2022-23 through FY 2031-32, for a total of \$100 million. Because the bill requires that \$10.0 million annually be credited to the program account, this fiscal note assumes the General Assembly must appropriate at least \$10 million each year to the School Safety Resource Center Cash Fund. Detailed state expenditures are shown in Table 2 and described below.

Table 2
Expenditures Under HB 22-1120

	FY 2022-23	FY 2023-24
Department of Public Safety		
Personal Services	\$92,059	\$92,059
Operating Expenses	\$1,350	\$1,350
Capital Outlay Costs	\$6,200	-
School Safety Disbursements	\$9,900,391	\$9,906,951
Centrally Appropriated Costs ¹	\$18,280	\$18,280
FTE – Personal Services	1.0 FTE	1.0 FTE
Total Cost	\$10,018,280	\$10,018,280
Total FTE	1.0 FTE	1.0 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Administration. To administer the disbursement program, the DPS will add 1.0 FTE Grant Administrator to update program rules and application forms, conduct outreach, provide technical assistance to grantees, coordinate the application process, review and award grants, prepare reports, and conduct other administrative tasks. If improvements are made to school facilities, workload may also increase for the Division of Fire Prevention and Control to conduct additional plan reviews and inspections. If additional appropriations are required for the division, they will be addressed through the annual budget process.

School safety distributions. The remaining \$9.9 million will be distributed annually to LEPS.

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 \$1,500,000 in FY 2022-23 and in FY 2023-24, which will decrease the amount of General Fund available for other purposes.

School District

This bill increases revenue and expenditures for LEPs that apply for school security-related funding. The size of the impact depends on the number of requests made to DPS, and whether or not matching funds are provided. Workload will also increase to prepare applications and submit reports.

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 \$10.0 million to the School Safety Resource Center Cash Fund in the DPS. The cash fund is continuously appropriated to the DPS.

State and Local Government Contacts

Education
Public Safety

Information Technology
School Districts