



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated March 28, 2022)

Drafting Number:	LLS 22-0189	Date:	April 14, 2022
Prime Sponsors:	Sen. Ginal; Story Rep. Cutter; Will	Bill Status:	House Trans. & Local Govt.
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Bill Topic: **RESOURCES FOR VOLUNTEER FIREFIGHTERS**

Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill modifies the allowable uses of grant funding in the Department of Public Safety related to firefighter health and safety and creates a multiple employer behavioral and mental health benefit trust. It creates an annual transfer from the General Fund and increases state expenditures on an ongoing basis.

Appropriation Summary: For FY 2022-23, the bill includes an appropriation of \$5.0 million to the Local Firefighter Safety and Disease Prevention Cash Fund.

Fiscal Note Status: The fiscal note reflects the reengrossed bill. The bill is recommended by the Wildfire Matters Review Committee.

**Table 1
State Fiscal Impacts Under SB 22-002**

		Budget Year FY 2022-23	Out Year FY 2023-24
Revenue		-	-
Expenditures	Cash Funds	up to \$5,000,000	up to \$5,000,000
	Total Expenditures	up to \$5,000,000	up to \$5,000,000
Transfers¹	General Fund	(\$5,000,000)	(\$5,000,000)
	Cash Funds	\$5,000,000	\$5,000,000
	Net Transfer	\$0	\$0
Other Budget Impacts	General Fund Reserve	\$750,000	\$750,000

¹ The bill transfers funding from the General Fund via an annual appropriation to the program cash fund.

Summary of Legislation

Local fire department reimbursements. This bill makes local fire departments eligible for reimbursement for wildland fire suppression activities, including equipment costs and volunteer firefighter compensation, from the Governor’s Emergency Fund and the Wildland Fire Cost Recovery Fund. A fire department is eligible for reimbursement if it is solely or primarily staffed by volunteers, the wildland fire exceeds the capabilities of that department to control or extinguish, and the mutual aid period for that fire has ended. Reimbursement is administered by the Division of Fire Prevention and Control (DFPC) in the Department of Public Safety.

Local Firefighter Safety and Disease Prevention Grant Program. The bill expands the allowable uses of funds from the grant program cash fund to include replacement or disposal of damaged or obsolete equipment, and reimbursements to a multiple employer behavioral health trust. In FY 2022-23, total reimbursements to the trust may not exceed \$1.0 million.

In awarding grants, the DFPC must prioritize grantees that demonstrate the greatest need for funding to ensure the safety of firefighters, a loss of tax revenue due to decreased assessment values as a result of recent wildland fires, or that rely primarily or solely on volunteer firefighters. The DFPC may use a portion of program funds to purchase and distribute protective equipment and training directly to local governments and volunteer fire departments. The DFPC must submit an annual report concerning program activities.

The General Assembly must annually appropriate \$5.0 million from the General Fund to the grant program cash fund. The DFPC must annually report on expenditures to the Wildfire Matters Review Committee (WMRC). No later than September 1, 2032, Joint Budget Committee (JBC) staff must review the grant program and make a recommendation to the JBC and the WMRC on funding adjustments.

Firefighter Behavioral Health Benefits Trust. The bill creates a multiple employer health benefits trust (the trust) to provide behavioral health care services to firefighters, sponsored and maintained by one or more entities of state or local government for the benefit of the entities’ employees. Public employers of firefighters, including local governments, special districts, and the DFPC must pay contributions into the trust in order to provide behavioral health care services to its firefighters.

Employers are only required to participate if the trust has sufficient funding to fully reimburse the cost of the program. The DFPC must reimburse the trust for the direct costs of providing the program from the Local Firefighter Safety and Disease Prevention Cash Fund. No later than October 1, 2024, the trust and the DFPC must submit a report to the Wildfire Matters Review Committee on implementation of the trust.

State Transfers

The bill requires that the General Assembly annually appropriate \$5.0 million from the General Fund to the Local Firefighter Safety and Disease Prevention Fund.

State Expenditures

Beginning FY 2022-23, the bill increases state expenditures by \$5.0 million annually in the DFPC. Expenditures are from the Local Firefighter Safety and Disease Cash Fund, which receives an annual appropriation from the General Fund.

Department of Public Safety. The bill increases expenditures in the DPS by up to \$5.0 million per year starting in FY 2022-23, based on the amount annually transferred to the Local Firefighter Safety and Disease Prevention Cash Fund. Awarding additional money through the grant program is not expected to increase administrative costs in the DFPC. Funds in the Local Firefighter Safety and Disease Prevention Cash Fund are continuously appropriated to the DPS and current law allows up to three percent of funds to be used for administrative expenses.

Local fire department reimbursements. The bill makes volunteer fire departments eligible for reimbursement from Governor's Emergency Fund and the Wildland Fire Cost Recovery Fund. Reimbursements will depend on the number of wildfires, responding agencies, and other factors, and have not been estimated.

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 \$750,000 in both FY 2022-23 and FY 2023-24, which will decrease the amount of General Fund available for other purposes.

Local Government

The bill may increase administrative costs for some local governments seeking new sources of grant funding to support local fire suppression, and to participate in the new health benefits trust. These impacts will vary geographically and only for those jurisdictions and fire events that meet qualifying parameters. Jurisdictions receiving grant funding will have additional revenue to offset fire suppression costs.

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 appropriates \$5.0 million from the General Fund to the Local Firefighter Safety and Disease Prevention Cash Fund. Money in the cash fund is continuously appropriated to the Department of Public Safety.

State and Local Government Contacts

Counties
Public Safety

Local Affairs
Sheriffs

Municipalities