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Final Fiscal Note

Drafting Number: LLS 24-0418 Date: July 15, 2024
Prime Sponsors: Rep. McCluskie; Lynch Bill Status: Signed into Law
Sen. Pelton B.; Mullica Fiscal Analyst: John Armstrong | 303-866-6289
john.armstrong@coleg.gov

Bill Topic: FIRST RESPONDER EMPLOYER HEALTH BENEFIT TRUSTS

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

The bill expands eligibility for required firefighter heart and circulatory malfunction benefits to include part-time and volunteer firefighters; requires employers to participate in the multi-employer cancer trust; and creates a cardiac screening trust for peace officers. The bill will increase state expenditures beginning in FY 2024-25.

Appropriation Summary: For FY 2024-25, the bill requires and includes an appropriation of \$500,000 to multiple state agencies.

Fiscal Note Status: The final fiscal note reflects the enacted bill.

Table 1
State Fiscal Impacts Under HB 24-1219

Table with 6 columns: Category, Budget Year FY 2024-25, Out Year FY 2025-26, Out Year FY 2026-27, Out Year FY 2027-28. Rows include Revenue, Expenditures (General Fund), Transfers, and Other Budget Impacts (GF Reserve).

1 Funding for the Public Safety Cardiac Screening Trust is based on the amounts specified in the bill.

## **Summary of Legislation**

Current law requires local governments, special districts, other local employers of firefighters, and the Division of Fire Prevention and Control in the Department of Public Safety (CDPS) to provide specified health benefits to full-time firefighters for heart and circulatory malfunctions, for which the Department of Local Affairs (DOLA) provides certain reimbursements through the Firefighter Benefits Cash Fund. The bill expands this required coverage to include part-time firefighters and volunteer firefighters with at least five years of continuous employment.

Under current law, employers of firefighters may participate in a multiple employer health trust as one option for providing required cancer benefits to firefighters. Employers may alternatively self-insure, or purchase insurance to provide the benefit. This bill requires that employers participate in the multiple employer cancer benefits trust; however, if reimbursement from the state for those costs is insufficient, participation is optional.

The bill creates the Public Safety Cardiac Screening Trust for all peace officers to be screened for heart conditions. The trust has the authority to define available services, structure the program based on actuarial and other recommendations, and adopt policies and procedures for its administration. The Division of Criminal Justice in the CDPS and the DOLA will receive appropriations from the General Assembly in amounts specified in the bill and gifts, grants, or donations to reimburse employers' costs to participate in the trust, for which all state and local employers of peace officers are eligible to receive. Employers must participate in the Public Safety Cardiac Screening Trust; however, if reimbursement from the state for those costs is insufficient, participation is optional.

## **Background**

Under current law, the state and local governments participate in two multiple employer health benefit trusts, one that provides behavioral health benefits, and another that provides heart, circulatory system, and cancer health benefits. Public employers of firefighters, including local governments, special districts, and the Division of Fire Prevention and Control in the CDPS, pay contributions into the trusts in order to provide health benefits to their firefighters.

Subject to annual appropriations, DOLA reimburses public employers for the direct cost of maintaining accident insurance, self-insurance, or participation in an insurance pool or health trust. Over the last several years, the General Assembly has appropriated about \$830,000 to the Firefighters Benefits Trust Cash Fund to reimburse local employers of firefighters.

## **State Expenditures**

The bill increases General Fund expenditures by \$500,000 in FY 2024-25, \$750,000 in FY 2025-26, \$1,000,000 in FY 2026-27, and \$1,500,000 in FY 2027-28, as specified in the bill. Costs are detailed in Table 2.

**Table 2**  
**Expenditures Under HB 24-1219**

<b>Department</b>	<b>FY 2024-25</b>	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>FY 2027-28</b>
Department of Local Affairs	\$300,000	\$500,000	\$650,000	\$1,000,000
Division of Criminal Justice	\$200,000	\$250,000	\$350,000	\$500,000
<b>Total</b>	<b>\$500,000</b>	<b>\$750,000</b>	<b>\$1,000,000</b>	<b>\$1,500,000</b>

**Volunteer firefighters – Department of Local Affairs.** The bill expands eligibility for heart and circulatory benefits to volunteer and part time firefighters. Under current law, DOLA reimburses local employers for the cost to provide these benefits to full-time firefighters. Historically, DOLA has received an annual appropriation of \$830,000 for these reimbursements. The appropriation in FY 2024-25 is likely insufficient to fully reimburse employers for this cost, but future appropriations are likely sufficient and account for an increase in the number of firefighters who will participate.

**Public Safety Cardiac Screening Trust – Department of Public Safety.** Costs in Table 2 assume that the CDPS will reimburse all state and local employers of peace officers for the costs outlined above. The Division of Criminal Justice in the CDPS will also have increased workload to administer these reimbursement payments.

## 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. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

## Local Government

The bill removes the ability of a municipality to provide cancer benefits via accident insurance, self-insurance, or as part of an insurance pool and instead requires participation in a multiple employer health trust. For some municipalities that maintain one of the alternative types of coverage being eliminated, there could be a change in the employers' cost to cover employees, and the types and value of benefits provided. The bill also increases the cost of providing a heart and circulatory benefit to part-time and volunteer firefighters, and cardiac screenings to peace officers. This cost is offset by reimbursement from the Firefighters Benefits Trust Cash Fund in DOLA and from the Public Safety Cardiac Screening Trust in CDPS.

## Effective Date

The bill was signed into law by the Governor and took effect on May 29, 2024.

## State Appropriations

For FY 2024-25, the bill requires and includes General Fund appropriations of \$300,000 to the Department of Local Affairs and \$200,000 to the Department of Public Safety for use by the Division of Criminal Justice.

## State and Local Government Contacts

Counties	Fire Chiefs	Labor
Municipalities	Personnel	Public Health and Environment
Public Safety	Regulatory Agencies	

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).