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FISCAL NOTE

Drafting Number:	LLS 18-0286	Date:	February 12, 2018
Prime Sponsors:	Sen. Coram; Garcia Rep. Duran; Catlin	Bill Status:	Senate Education
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Bill Topic: SCHOOL ACCESS TO INTEROPERABLE COMMUNICATION TECH

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 checked="" type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill creates a grant program in the Department of Local Affairs (DOLA) to provide funding to schools for costs related to improving interoperable communications between schools and first responders. The bill sets a six-year annual transfer of \$7 million a year from the General Fund. There will be a corresponding ongoing state expenditure increase in DOLA through FY 2023-24.

Appropriation Summary: For FY 2018-19, the bill requires an appropriation of \$7 million to DOLA.

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

**Table 1
State Fiscal Impacts Under SB 18-158**

		FY 2018-19	FY 2019-20
Revenue	Total	-	-
Expenditures	General Fund		
	Cash Funds	up to \$7 million	up to \$7 million
	Centrally Appropriated	\$19,103	\$21,779
	Total	up to \$7,019,103	up to \$7,021,779
	Total FTE	1.3 FTE	1.5 FTE
Transfers	General Fund	(\$7 million)	(\$7 million)
	Cash Funds	\$7 million	\$7 million
	Total	\$0	\$0

Summary of Legislation

This bill creates the School Access for Emergency Response (SAFER) grant program in the Division of Local Government in DOLA. The annual grant program will provide funding to schools for interoperable communication hardware, software, equipment maintenance, and training. The bill also creates the SAFER cash fund and directs a \$7 million General Fund transfer to the cash fund each year between FY 2018-19 and FY 2023-24. The grant program is repealed July 1, 2024.

Background

The Digital Trunked Radio System (DTRS) is a statewide two-way radio system for voice communications. In Colorado, about 1,000 local, state, and federal government agencies use the system in emergency situations to improve interagency cooperation and coordination. The system processes about 103 million transmissions a year. The infrastructure of the DTRS — including equipment, software, and radio towers — allows operators to communicate with and facilitate communication between first responders. An agency may opt to use the DTRS as its primary radio system or for interoperability only, especially during first responder situations.

State Transfers

Beginning in FY 2018-19 and continuing through FY 2023-24, the bill transfers \$7 million a year from the General Fund to the SAFER Cash Fund for the SAFER grant program.

State Expenditures

This bill increases state expenditures in the DOLA by up to \$7,019,103 and 1.3 FTE in FY 2018-19 and by up to \$7,021,779 and 1.5 FTE in FY 2019-20 and future years. Costs are described in Table 2 and the discussion that follows.

**Table 2
Expenditures Under SB 18-158**

	FY 2018-19	FY 2019-20
Department of Local Affairs		
SAFER grants	6,897,630	6,896,543
Personal Services	85,764	96,067
Operating Expenses and Capital Outlay Costs	10,641	1,425
Other Costs (Legal Services, Travel, Postage)	5,965	5,965
Centrally Appropriated Costs*	19,103	21,779
FTE – Personal Services	1.3 FTE	1.5 FTE
Total Cost	\$7,019,103	\$7,021,779
Total FTE	1.3 FTE	1.5 FTE

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

Department of Local Affairs. The bill increases expenditures from the SAFER Cash Fund by up to \$7 million a year, each year from FY 2018-19 through FY 2023-24. The bill authorizes DOLA to use up to 3 percent of the money annually appropriated for the grant program, or up to \$210,000, to pay the direct and indirect costs of administering the program.

The department requires 1.5 FTE to develop and administer the grant program, including 1.0 FTE for a program manager and 0.5 FTE for a contract administrator. These positions are prorated in the first year to account for the General Fund paydate shift and the anticipated hiring date. This fiscal note assumes these costs will be paid from the appropriation to the SAFER Cash Fund.

For purposes of the grant program, the definition of school includes school districts, schools within a school district, charter schools, and Boards of Cooperative Educational Services. As a point of comparison, the same group of applicants is eligible to apply for Building Excellent Schools Today (BEST) grants. The BEST program, operated by the Colorado Department of Education, distributes an average of \$121 million a year in grant awards (based on data published in February 2017 for FY 2008-09 through FY 2015-16) and employs 15 FTE.

Governor's Office of Information Technology. The bill increases workload in the office to select and hire a vendor to work with schools to assess need and provide a solution to improve interoperable communication technology in schools.

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 \$19,103 in FY 2018-19 and \$21,779 in FY 2019-20.

School Districts

To the extent that a school or school district applies for grant funding, this bill will increase workload. The bill is expected to increase revenue for school interoperable communication equipment and training. The increase will vary by school based on the grants approved by DOLA.

Effective Date

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

State Appropriations

For FY 2018-19, the bill requires an appropriation of \$7 million from the SAFER Cash Fund to the Department of Local Affairs.

State and Local Government Contacts

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