



Legislative  
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**FINAL  
FISCAL NOTE**

**Drafting Number:** LLS 18-1228      **Date:** August 24, 2018  
**Prime Sponsors:** Sen. Neville T.; Moreno      **Bill Status:** Signed into Law  
 Rep. Neville P.; Bridges      **Fiscal Analyst:** Kerry White | 303-866-3469  
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**Bill Topic:** SCHOOL SECURITY DISBURSEMENT PROGRAM

**Summary of Fiscal Impact:**

<input checked="" type="checkbox"/> State Revenue ( <i>minimal</i> )	<input checked="" type="checkbox"/> TABOR Refund ( <i>minimal</i> )
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill creates 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 by \$30 million between FY 2018-19 and FY 2020-21, and increases local government revenue and expenditures by a similar amount over the same period.

**Appropriation Summary:** The bill requires and includes an appropriation of \$30 million to the Department of Public Safety in FY 2018-19.

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

**Table 1  
State Fiscal Impacts Under SB 18-269**

	FY 2018-19	FY 2019-20	FY 2020-21
<b>Revenue</b>	-	-	-
<b>Expenditures</b>	General Fund	\$30 million	
<b>Transfers</b>	-	-	-
<b>TABOR Refund</b>	-	-	-

## **Summary of Legislation**

This bill creates the School Security Disbursement Program in the Department of Public Safety (DPS). The purpose of the program is to provide funding to local education providers (defined as a school district, a charter school, an institute charter school, or a board of cooperative services) to improve security within public schools. The program repeals effective July 1, 2021.

**Financial terms.** The bill creates the School Security Disbursement Program Account (account) within the existing School Safety Resource Center Cash Fund. The account is funded with an appropriation of \$29.5 million in FY 2018-19, which is continuously appropriated to the DPS to implement the program. DPS may expend up to 1 percent of this appropriation for administrative expenses. Any amount remaining in the account when the program repeals is credited to the School Safety Resource Center Cash Fund. The bill also requires that, effective July 1, 2018, the State Treasurer credit \$500,000 to the fund for distribution to the Division of Homeland Security and Emergency Management to fund the activities of House Bill 18-1413.

**Use of funds.** A local education provider must apply to the DPS for funding, providing certain information in its request. The DPS is responsible for creating program rules, reviewing and approving applications, and issuing disbursements. The DPS is required to give priority to applicants that commit to providing financial resources to match the amount of the disbursements. Funds may be used by a local education provider for:

- capital construction that improves the security of a public school facility or vehicle from threats of physical harm;
- training in student threat assessment;
- training for on-site school resource officers employed by the local education provider as of the bill's effective date; and
- school emergency response training for all school building staff.

**Reporting.** On or before August 1, 2019, and by August 1 each year thereafter until the program repeals, each local education provider that received funds in the previous school year must submit a report to the DPS specifying the amount received; the source and amount of matching funds, if applicable; 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 beginning in 2019, and submit a written summary on or before January 15, 2020, and each January 15 thereafter until the program repeals, to the education committees of the General Assembly.

## **State Revenue**

Beginning in FY 2018-19 and to the extent that improvements are made to school facilities, state cash fund revenue from fees will increase for the Division of Fire Prevention and Control in the DPS for additional plan reviews, inspections, and permits. As of this writing, it is unknown how many schools will choose to make improvements and the amount of any increased revenue has not been estimated. Fee revenue is calculated based on total project valuation and is credited to the Public School Construction and Inspection Fund.

## **TABOR Impact**

This bill increases state revenue from inspection fees, which will increase the amount of money required to be refunded under TABOR for FY 2018-19 and FY 2019-20. Since the bill increases the TABOR refund obligation without a corresponding change in General Fund revenue, the amount of money available in the General Fund for the budget will decrease by an identical amount. State revenue subject to TABOR is not estimated for years beyond FY 2019-20.

## **State Expenditures**

This bill increases state General Fund expenditures by \$30.0 million between FY 2018-19 and FY 2020-21. To administer the grant program, the DPS will hire a third-party administrator for an assumed contract amount of approximately \$562,500 over the three-year disbursement period. This amount is based on similar programs within the department and assumes a pool of at least 200 applications per year. The remaining \$29.0 million will be distributed to local education providers over the same three-year period. Workload will also increase for the DPS to create any program rules, issue a request for proposals, and to submit the required reports to the General Assembly. No appropriations are required for these efforts. Refer to the Technical Note section of this analysis for more information about administrative costs.

In addition, \$500,000 is credited to the School Security Disbursement Program Account for distribution to the Division of Homeland Security and Emergency Management in the DPS to fund House Bill 18-1413.

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, they will be requested through the annual budget process.

## **Local Government**

If improvements are made to school facilities, county permit fee revenue may also increase. This amount has not been estimated.

## **School Districts**

This bill increases revenue and expenditures for local education providers that apply for school security-related funding. The amount of the impact to a particular jurisdiction depends on the number of requests and whether or not matching funds are provided. Workload will also increase to prepare applications and submit reports to the DPS. The fiscal note assumes up to \$29.0 million will be provided to schools from the DPS between FY 2018-19 and FY 2020-21.

## **Technical Note**

The bill limits administrative costs to 1 percent of the total appropriation, which is \$300,000. However, the fiscal note assumes that, in accordance with other grant programs administered by third parties and the DPS, the size of the potential pool of applications, the length of the grant program funding period, and federal standards which specify administrative costs should be up to 2 percent of total program costs, that the DPS requires a total of \$562,500 to administer the program.

**Effective Date**

The bill was signed into law by the Governor and took effect on June 6, 2018.

**State Appropriations**

The bill requires and includes an appropriation of \$29.5 million General Fund in FY 2018-19 for continuous appropriation to the Department of Public Safety until the program is repealed. The bill also includes an appropriation of \$500,000 to the DPS to fund House Bill 18-1413.

**State and Local Government Contacts**

Education	Information Technology
Public Safety	School Districts