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REVISED FISCAL NOTE

(replaces fiscal note dated January 21, 2020)

Drafting Number: LLS 20-0034
Prime Sponsors: Sen. Coram, Rep. Wilson

Date: February 3, 2020
Bill Status: Senate Finance
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Bill Topic: SMART SCHOOL BUS SAFETY PILOT PROGRAM

- Summary of Fiscal Impact: State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, School District

The bill creates the Smart School Bus Safety Pilot Program and increases state expenditures for three years beginning in FY 2020-21.

Appropriation Summary: For FY 2020-21, the bill requires an appropriation of \$6.0 million to the Department of Public Safety.

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

Table 1
State Fiscal Impacts Under SB 20-052

Table with 4 columns: Category, FY 2020-21, FY 2021-22, FY 2022-23. Rows include Revenue, Expenditures (General Fund), Transfers, and TABOR Refund.

## **Summary of Legislation**

The bill creates the Smart School Bus Safety Pilot Program in the Department of Public Safety (DPS). The program provides grants to school districts and charter schools to equip buses with software and hardware that enable the bus to communicate directly with first responders via voice communication and silent duress alarm. Grants may also be used for public education concerning transportation safety, driver training, equipment maintenance, and the operation of a website or other online service for notifications to parents.

The DPS is required to enter into a third party agreement with a program administrator to manage the pilot program pursuant to rules adopted by the department. The bill includes criteria for selecting the program administrator, and the allowable uses of funds by the administrator. Grants must provide funding to schools and districts for three years. Schools and districts receiving grants must consult with and receive support from the program administrator. Grant recipients are required to report minimum information to the program administrator each year of the grant. The administrator must also report grant program performance to the DPS. DPS is required to include this information in presentations during SMART Act hearings. The program is repealed July 31, 2024.

For FY 2020-21, FY 2021-22, and FY 2022-23, the bill requires that the General Assembly appropriate \$2.0 million to the DPS for the program.

## **State Revenue**

The bill authorizes the DPS to accept gifts, grants, and private donations to support the pilot program. No amount of private funding has been identified. State revenue from private sources is not subject to TABOR revenue limitations.

## **State Expenditures**

The bill increases state expenditures by \$2.0 million in FY 2020-21, FY 2021-22, and FY 2022-23. The DPS will serve as a pass through entity and provide any appropriation from the General Assembly to the third party administrator, who will use a portion of the funding for administrative expenses and mandatory requirements, and distribute the remaining funding in grants to school districts.

The DPS has an increase in workload to adopt rules for the program, issue an RFP, select a program administrator, and make annual reports. These efforts can be accomplished within existing appropriations.

No information is currently available to estimate how funding allocated to the third-party administrator will be used for administrative expenses or other allowable expenditures. For this reason, it is unknown what amount of the appropriation will be distributed in grants to school districts, and what amount will cover administrative expenses. This fiscal note will be updated when additional information becomes available.

**School District**

Grants from the program increase a school district's revenue and expenditures.

**Effective Date**

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

**State Appropriations**

For FY 2020-21, the bill requires a General Fund appropriation of \$2.0 million to the Department of Public Safety.

**State and Local Government Contacts**

Education      Information Technology      Law      Public Safety