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Final Fiscal Note

Drafting Number: LLS 24-1097 Date: June 27, 2024
Prime Sponsors: Rep. Bird; Sirota Bill Status: Signed into Law
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Bill Topic: BROADBAND INFRASTRUCTURE CASH FUND FOR DOC

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

Budget package bill. The bill transfers money to the newly created Broadband Infrastructure Cash Fund in the Department of Corrections to increase broadband access in DOC facilities. Starting in FY 2024-25, the bill increases state expenditures.

Appropriation Summary: For FY 2024-25, the bill includes an appropriation of \$4.6 million to the Department of Corrections.

Fiscal Note Status: This final fiscal note reflects the enacted bill. The bill was recommended by the Joint Budget Committee as part of the FY 2024-25 budget package

Table 1
State Fiscal Impacts Under HB 24-1386

Table with 4 columns: Category, Sub-category, Budget Year FY 2024-25, and Out Year FY 2025-26. Rows include Revenue, Expenditures (General Fund, Cash Funds, Centrally Appropriated, Total Expenditures, Total FTE), Transfers (General Fund, Cash Funds, Net Transfer), and Other Budget Impacts (General Fund Reserve).

1 The bill includes an appropriation of \$4.6 million in FY 2024-25. The fiscal note assumes this amount will be spent equally over three fiscal years, as detailed in Table 2. Actual expenditures will depend on project completion timelines. FY 2025-26 staff is assumed to require General Fund.

Summary of Legislation

The bill creates the Broadband Infrastructure Cash Fund within the Department of Corrections (DOC) to install broadband infrastructure at select DOC facilities and complexes, as outlined in Table 3. The bill transfers \$4.6 million to the fund and appropriates the funding to the DOC.

State Transfers

In FY 2024-25, the bill transfers \$4.6 million from the General Fund to the newly created Broadband Infrastructure Cash Fund. On July 1, 2027, the bill transfers any unexpended funding in the Broadband Infrastructure Cash Fund to the General Fund.

State Expenditures

The bill increases expenditures in the DOC by \$1.6 million in FY 2024-25 and FY 2025-26, and \$1.5 million in FY 2026-27, primarily paid from the Broadband Infrastructure Cash Fund, with staffing costs in FY 2025-26 paid from the General Fund. Expenditures are shown in Table 2 and discussed below.

**Table 2
Expenditures Under HB 24-1386**

	FY 2024-255	FY 2025-26	FY 2026-27
Department of Corrections			
Personal Services	\$66,787	\$74,280	-
Operating Expenses	\$935	\$1,039	-
Capital Outlay Costs	\$3,050	-	-
Broadband Infrastructure (See Table 3) ¹	\$1,494,220	\$1,494,220	\$1,494,220
Centrally Appropriated Costs ²	\$17,308	\$19,239	-
Total	\$1,582,301	\$1,588,778	\$1,494,220
Total FTE	0.9 FTE	1.0 FTE	-

¹ The fiscal note shows equal spending of the \$4.5 million transfer for broadband infrastructure in each year. Actual expenditures will depend on project completion timelines and may vary from the amounts shown above.

² The appropriation clause for FY 2024-25 includes centrally appropriated costs in the appropriation.

Department of Corrections. DOC expenditures include hiring term-limited planning staff and installation of broadband infrastructure at facilities.

- **Staff.** From FY 2024-25 through FY 2025-26, the DOC requires 1.0 FTE to help design and plan the instillation of broadband infrastructure. Costs in FY 2024-25 are prorated for an August start date and paid from the Broadband Infrastructure Cash Fund. FY 2025-26 costs will be paid from the General Fund. The DOC also requires 1.0 FTE project manager to coordinate and lead the projects, which is currently included in the 2024 Long Bill.

- **Broadband infrastructure.** From FY 2024-25 through FY 2026-27, cash fund expenditures in the DOC will increase to install the broadband infrastructure at the DOC facilities outlined in the bill, which are shown in Table 3. The fiscal note shows equal spending in each of the three years; however, actual expenditures from the cash fund will depend on the speed of installation at each facility. Estimated total cost of broadband infrastructure installation at each DOC facility is outlined in Table 3.

**Table 3
 Broadband Infrastructure Costs Per Facility**

Facility	Cost
Denver Reception and Diagnostic Center	\$1,077,931
Fremont Correctional Facility	\$1,222,333
Denver Women’s Correctional Facility	\$666,095
Buena Vista Correctional Complex	\$1,042,656
San Carlos Correctional Facility	\$473,686
Three-year Total	\$4,482,661
<i>Per-year average</i>	<i>\$1,494,220</i>

Centrally appropriated costs. In FY 2024-25, central costs are appropriated in the bill, rather than through the annual budget process. In FY 2025-26, these costs will be addressed through the annual budget process. These costs include employee insurance and supplemental employee retirement 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.

Effective Date

This bill was signed into law by the Governor and took effect on April 18, 2024.

State Appropriations

For FY 2024-25, the bill includes an appropriation of \$4,570,741 from the Broadband Infrastructure Cash Fund to the Department of Corrections, and 0.9 FTE.

State and Local Government Contacts

Corrections Joint Budget Committee Staff

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](#).