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REVISED FISCAL NOTE

(replaces fiscal note dated February 12, 2018)

Drafting Number: LLS 18-0286
Prime Sponsors: Sen. Coram; Garcia
Rep. Duran; Catlin

Date: March 8, 2018
Bill Status: Senate Appropriations
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Bill Topic: SCHOOL ACCESS TO INTEROPERABLE COMMUNICATION TECH

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

This bill creates a grant program in the Department of Public Safety (DPS) to provide funding to schools for costs related to improving interoperable communications between schools and first responders. The bill sets a five-year annual transfer of \$7 million a year from the General Fund. There will be a corresponding ongoing state expenditure increase in DPS through FY 2022-23.

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

Fiscal Note Status: This fiscal note has been revised to reflect the introduced bill, as amended by the Senate Education Committee.

Table 1
State Fiscal Impacts Under SB 18-158

		FY 2018-19	FY 2019-20
Revenue	Total	-	-
Expenditures	General Fund	up to \$7 million	up to \$7 million
	Cash Funds	\$31,568	\$34,359
	Centrally Appropriated		
	Total	up to \$7,031,568	up to \$7,034,359
	Total FTE	2.3 FTE	2.5 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 Homeland Security and Emergency Management in the DPS. 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 2022-23. The grant program is repealed July 1, 2023.

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. The DTRS is managed by the Governor's Office of Information Technology.

State Transfers

Beginning in FY 2018-19 and continuing through FY 2022-23, 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 DPS by up to \$7,031,568 and 2.3 FTE in FY 2018-19 and by up to \$7,034,359 and 2.5 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 Public Safety		
SAFER grants	6,857,354	6,859,788
Personal Services	126,352	137,837
Operating Expenses and Capital Outlay Costs	16,294	2,375
Centrally Appropriated Costs*	31,568	34,359
FTE – Personal Services	2.3 FTE	2.5 FTE
Total Cost	\$7,031,568	\$7,034,359
Total FTE	2.3 FTE	2.5 FTE

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

Department of Public Safety. The bill increases expenditures from the SAFER Cash Fund by up to \$7 million a year, each year from FY 2018-19 through FY 2022-23. The bill authorizes DPS 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 2.5 FTE for Grant Specialists III to develop and administer the grant program. These positions are prorated in the first year to account for the General Fund paydate shift. This fiscal note assumes these costs will be paid from the appropriation to the SAFER Cash Fund. The department estimates that there are more than 2,000 eligible grant applicants. If between 5 and 10 percent of those eligible submit a grant application in each year of the program, each FTE will be responsible for reviewing between 50 and 75 grants annually. Additionally, the department anticipates that the grant specialists hired to administer the program will assist schools in preparing grant applications and be responsible for monitoring grant awards on an ongoing basis until project closeout.

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. In order to select a qualified vendor, the office plans to assess existing technologies at some eligible schools.

The bill may increase expenditures in the office. Some parts of the DTRS are at or near capacity. If grants are made in regions of the state where the DTRS is at capacity, there will be costs associated with adding transmitters, licenses, software, and hardware. These costs are indeterminate. This fiscal note assumes that the costs will either be included in grant awards or requested through the regular budget process in future years.

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 \$31,568 in FY 2018-19 and \$34,359 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 DPS.

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 Public Safety.

State and Local Government Contacts

Information Technology

Local Affairs

Public Safety