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FISCAL NOTE

Drafting Number: LLS 18-0750 Date: February 8, 2018
Prime Sponsors: Sen. Jahn; Crowder Bill Status: Senate SVMA
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Bill Topic: VETERANS OUTDOOR TERRAIN RESTORATION GRANT PROGRAM

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

The bill creates a grant program to assist veterans. The bill increases state expenditures beginning in FY 2018-19 and continuing in subsequent years. State revenue may also increase from private gifts, grants, or donations.

Appropriation Summary: \$278,354 General Fund to the Department of Veterans and Military Affairs.

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

Table 1
State Fiscal Impacts Under SB 18-112

Table with 3 columns: Category, FY 2018-19, FY 2019-20. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated), Total, Total FTE, and Transfers.

Summary of Legislation

This bill creates the Veterans Outdoor Terrain Restoration and Recreation Mental Health Grant Program in the Department of Military and Veterans Affairs (DMVA). The program will give grants to for-profit and not-for-profit organizations that provide services for veterans to engage in outdoor restoration or recreation activities to ensure the health and well-being of the participants. The bill lists some of the allowable outdoor activities for which grant funding may be awarded.

No later than January 1, 2019, the DMVA is required to adopt rules for program administration, including criteria for determining grant eligibility, application and grant distribution procedures, and the specified activities that may or may not receive funding from the program. The DMVA will also prepare an annual report to the General Assembly concerning program activities.

The bill creates the Veterans Outdoor Terrain Restoration and Recreation Mental Health Grant Program Cash Fund. Money in the fund is from private gifts, grants, or donations, and from money appropriated by the General Assembly. The DMVA may use up to five percent of the money annually appropriated to the fund for administrative expenses.

State Revenue

The bill authorizes the DMVA to solicit and accept gifts, grants, and private donations for the grant program. No amount of this funding has been identified.

State Expenditures

A grant program meeting the requirements of this bill is expected to increase state expenditures by at least \$282,889 and 0.5 FTE beginning with FY 2018-19, and continuing in subsequent fiscal years. There is limited data available to identify the organizations that will be eligible to apply for grants, or the types of outdoor grant activities that funding may support to ensure the mental health and well being of veteran participants. Expenditures in Table 2 are a generic estimate of the minimal amount of funding to create a viable grant program meeting the bill's minimum requirements; however, these estimates may change as additional information becomes available, or if the bill is amended to provide more specificity. Personal service costs are prorated to reflect the bill's August 8 effective date.

**Table 2
Expenditures Under SB 18-112**

	FY 2018-19	FY 2019-20
Department of Military and Veteran Affairs		
Personal Services	\$20,676	\$25,270
Operating Expenses and Capital Outlay Costs	\$5,178	\$475
Postage, Document Management, Travel	\$2,500	\$2,500
Grant Awards	\$250,000	\$250,000
Centrally Appropriated Costs*	\$4,535	\$5,616
FTE – Personal Services	0.4 FTE	0.5 FTE
Total Cost	\$282,889	\$283,861
Total FTE	0.4 FTE	0.5 FTE

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

Grant administration. The DMVA will have increased costs to create the program, establish eligibility requirements and application procedures, determine evaluative criteria, solicit grant applicants, award grants, provide technical assistance, report grant activity, and ensure accountability and compliance. Assuming the DMVA issues 25 grant awards of \$10,000 each, the department will need 0.5 FTE grants administrator, and associated costs, beginning with FY 2018-19.

Grant awards. Assuming the program makes 25 annual grants of \$10,000 to eligible organizations, total grant funding is \$250,000.

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 \$4,535 in FY 2018-19 and \$5,616 in FY 2019-20.

Technical Note

The bill specifies that no more than five percent of the amount appropriated to the cash fund may be used for administrative expenses. If the General Assembly appropriates \$278,354 for the program, the DMVA is authorized to spend \$13,918 (five percent of the total); however, the DMVA will require approximately \$33,000 in FY 2018-19 to create and administer the grant program, excluding centrally appropriated costs.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2018-19, the bill requires a General Fund appropriation of \$278,354 to the Veterans Outdoor Terrain Restoration and Recreation Mental Health Grant Program Cash Fund, which is reappropriated to the DMVA.

State and Local Government Contacts

Law Military Affairs