



Legislative Council Staff

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Revised Fiscal Note

(replaces fiscal note dated January 21, 2022)

Drafting Number: LLS 22-0189 Date: March 28, 2022
Prime Sponsors: Sen. Ginal; Story Bill Status: Senate Appropriations
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Bill Topic: RESOURCES FOR VOLUNTEER FIREFIGHTERS

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

The bill modifies grant programs in the Department of Public Safety related to fire prevention and creates a firefighter health benefit trust program in the Department of Local Affairs.

Appropriation Summary: For FY 2022-23, the bill requires appropriations totaling \$5.0 million to cash funds in the Department of Public Safety and the Department of Local Affairs.

Fiscal Note Status: The fiscal note reflects the introduced bill, as revised by the Senate Local Government Committee. The bill is recommended by the Wildfire Matters Review Committee.

Table 1
State Fiscal Impacts Under SB 22-002

Table with 4 columns: Category, Sub-category, Budget Year FY 2022-23, and Out Year FY 2023-24. Rows include Revenue, Expenditures, Transfers, and Other Budget Impacts.

1 The bill requires that this funding be transferred from the General Fund to the program cash funds via an appropriation each year.

## **Summary of Legislation**

**Local Fire Department Reimbursements.** This bill makes local fire departments eligible for reimbursement for wildland fire suppression activities, including equipment costs and volunteer firefighter compensation, from the Governor’s Emergency Fund and the Wildland Fire Cost Recovery Fund. A fire department is eligible for reimbursement if it is solely or primarily staffed by volunteers, the wildland fire exceeds the capabilities of that department to control or extinguish, and the mutual aid period for that fire has ended. Reimbursement is administered by the Division of Fire Prevention and Control (DFPC) in the Department of Public Safety.

**Local Firefighter Safety and Disease Prevention Grant Program.** The bill expands the allowable uses of funds from the grant program cash fund to include replacement or disposal of damaged or obsolete equipment. In awarding grants, the DFPC must prioritize grantees that demonstrate the greatest need for funding to ensure the safety of volunteer and seasonal firefighters. Grantees should also demonstrate a loss of tax revenue due to decreased assessment values as a result of a wildland fire in the previous five years. The DFPC may use a portion of program funds to purchase and distribute protective equipment and training directly to local governments and volunteer fire departments. The DFPC must submit an annual report concerning program activities.

The General Assembly must annually appropriate \$4.0 million from the General Fund to the grant program cash fund. No later than September 1, 2032, Joint Budget Committee (JBC) staff must review the grant program and make a recommendation to the JBC and the Wildfire Matters Review Committee on adjustments to funding.

**Firefighter Behavioral Health Benefits Program.** The bill creates a multiple employer health benefits trust (trust) to provide behavioral health care services to firefighters, administered by the Department of Local Affairs (DOLA). Employers of firefighters, including local governments, special districts, and the DFPC must pay contributions into the trust in order to provide behavioral health care services to its firefighters. The trust has the authority to adopt policies and procedures for administering the fund, including contribution rates and benefit levels.

The bill creates the Firefighter Behavioral Health Benefit Program Cash Fund, which is continuously appropriated to DOLA to operate the trust, and reimburse employers for the direct costs of paying contributions to the fund. Employers are only required to participate if the trust has sufficient funding to fully reimburse the cost of the contribution. The General Assembly must annually appropriate \$1.0 million from the General Fund to the trust cash fund. No later than September 1, 2032, Joint Budget Committee (JBC) staff must review the trust and make a recommendation to the JBC and the Wildfire Matters Review Committee on adjustments to funding.

## **State Transfers**

The bill requires that the General Assembly annually appropriate \$4.0 million to the Local Firefighter Safety and Disease Prevention Fund and \$1.0 million to the Firefighter Behavioral Health Benefit Program Cash Fund. These appropriations are from the General Fund.

**State Expenditures**

Beginning FY 2022-23, the bill increases state expenditures by \$5.0 million annually, including \$4.0 million in the DPS and \$1.0 million in DOLA from various cash funds.

**Department of Public Safety.** The bill increases expenditures in the DPS by up to \$4.0 million per year starting in FY 2022-23, based on the amount annually transferred to the Local Firefighter Safety and Disease Prevention Cash Fund. Awarding additional money through the grant program is not expected to increase administrative costs in the DFPC. Funds in the Local Firefighter Safety and Disease Prevention Cash Fund are continuously appropriated to the DPS and current law allows up to three percent of funds to be used for administrative expenses.

**Department of Local Affairs.** The bill increases expenditures in the DOLA by at least \$1.0 million annually to operate the new multiple employer health trust. Under current law, DOLA administers the Firefighter Cardiac Benefit Program to reimburse insurance policy and trust costs for firefighting agencies. Based on staff administrative costs for that program, including one-time computer programming in FY 2022-23, this bill is estimated to increase costs for the department as shown in Table 2.

**Table 2  
 Expenditures Under SB 22-002**

	FY 2022-23	FY 2023-24
<b>Department of Local Affairs</b>		
Personal Services	\$29,615	\$29,615
Operating Expenses	\$675	\$675
Capital Outlay Costs	\$6,200	-
Computer Programming	\$79,392	-
Trust Fund Benefits	\$884,118	\$969,710
Centrally Appropriated Costs <sup>1</sup>	\$12,343	\$12,481
<b>Total Cost</b>	<b>\$1,012,343</b>	<b>\$1,012,481</b>
<b>Total FTE</b>	<b>0.5 FTE</b>	<b>0.5 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**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 beginning in FY 2022-23. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by \$750,000 in both FY 2022-23 and FY 2023-24, which will decrease the amount of General Fund available for other purposes.

## **Local Government**

The bill may increase administrative costs for some local governments seeking new sources of grant funding to support local fire suppression, and to participate in the new health benefits trust. These impacts will vary geographically and only for those jurisdictions and fire events that meet qualifying parameters. Jurisdictions receiving grant funding will have additional revenue to offset fire suppression costs.

## **Effective Date**

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

## **State Appropriations**

For FY 2022-23, the bill requires the following General Fund appropriations:

- \$4.0 million to the Local Firefighter Safety and Disease Prevention Cash Fund; and
- \$1.0 million to the Firefighter Behavioral Health Benefit Program Cash Fund.

Money in these funds are continuously appropriated to the Department of Public Safety, and to the Department of Local Affairs, respectively, and no additional appropriation is required.

## **State and Local Government Contacts**

Counties  
Public Safety

Local Affairs  
Sheriffs

Municipalities