


Colorado Legislative Council Staff Fiscal Note
FINAL
FISCAL NOTE

Drafting Number: LLS 09-0419
Prime Sponsor(s): Sen. Morse
 Rep. Peniston

Date: June 9, 2009
Bill Status: Signed into Law
Fiscal Analyst: David Porter (303-866-4375)

TITLE: CONCERNING AN INCREASE IN THE MOTOR VEHICLE REGISTRATION FEE TO FUND THE EMERGENCY MEDICAL SERVICES ACCOUNT WITHIN THE HIGHWAY USERS TAX FUND, AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.

Fiscal Impact Summary	FY 2009-2010	FY 2010-2011
State Revenue		
Cash Funds		
Highway Users Tax Fund (HUTF)		
CSTAR Account*	\$ 917	\$ 917
Emergency Medical Services Account	4,913,923	4,913,923
State Expenditures		
Cash Funds		
Highway Users Tax Fund (HUTF)	\$ 4,913,923	\$ 4,913,923
FTE Position Change	3.0 FTE	3.0 FTE
Effective Date: The bill was signed by the Governor and became law on May 19, 2009.		
Appropriation Summary for FY 2009-2010: See State Appropriations section.		
Local Government Impact: See Local Government Impact section.		

* No separate appropriation for this cost is required because of ongoing appropriations to the Department of Revenue for computer programming provided in the Long Bill.

Summary of Legislation

This bill increases a motor vehicle registration fee from \$1 to \$2. The fee increase is credited to the emergency medical services account within the Highway Users Tax Fund.

Background

The emergency medical services account is used to help support the state's emergency medical and trauma network. The account is administered by the Department of Public Health and Environment and supports local emergency service providers through grants. Activities carried out by the department include providing the following:

- ▶ funding for local and regional needs related to the replacement of aging and inadequate equipment and systems;
- ▶ technical assistance to designated trauma centers and facilities; and
- ▶ assistance to ambulance services providing hospitals with data.

The program is currently managing approximately \$4.9 million.

State Revenue

State revenue will increase by an estimated \$4.9 million in FY 2009-10 and FY 2010-11. Revenue is based on an additional \$1.00 charged on motor vehicle registration, as discussed in the section that follows.

Fee Impact on Individuals, Families or Business. Section 2-2-322, C.R.S., requires legislative service agency review of measures which create or increase any fee collected by a state agency. Fee revenue of \$4,913,923 results from a \$1.00 fee change on 4,892,923 vehicles and 21,000 Colorado-based carriers. This estimate is based on 2007 actual registrations and assumes flat growth for the next couple of years. Table 1 below identifies the fee impact of this bill.

Table 1. Fee Impact on Individuals, Families or Business					
Type of Fee	Current Fee	Proposed Fee	Fee Change	Number Affected	Total Fee Impact
Motor Vehicles	\$1	\$2	\$1	4,892,923	\$4,892,923
Colorado-based Carriers	\$1	\$2	\$1	21,000	21,000
TOTAL					\$4,913,923

State Expenditures

State expenditures will increase by an estimated \$4.9 million and 3.0 FTE in FY 2009-10 and FY 2010-11. Expenditures will be incurred by the Department of Public Health and Environment and the Department of Revenue. Table 1 and the discussion that follows provides greater detail on expenditures.

Department of Public Health and Environment – \$4,913,923 and 3.0FTE. The bill does not change the existing statutory requirements of the Department of Public Health and Environment, but it provides \$4,913,923 in new funding to fulfill the statutorily authorized program. The department will oversee the distribution of an additional \$4.7 million in grants. The department will require 3.0 FTE to oversee the grant program as follows:

- ▶ *Grant Administration (1.0 FTE)* — monitoring the grant application process including initial applications, evaluation, and processing of grant moneys;
- ▶ *Data Reporting Technical Assistance (1.0 FTE)* — provide technical assistance to local ambulance services to use department's prehospital care data reporting system; and
- ▶ *Nurse Consultant (1.0 FTE)* — provide technical assistance to designated trauma centers.

Costs associated with expansion of the grant program will be drawn from the grant revenue. The remainder will be available for grants.

Table 1. Expenditures under SB09-002		
Cost Components	FY 2009-10	FY 2010-11
Personal Services	\$182,372	\$182,372
<i>FTE</i>	<i>3.0</i>	<i>3.0</i>
Operating Expenses	2,850	2,850
Capital Outlay	16,914	—
Travel	13,598	13,598
TOTAL	\$215,734	\$198,820
GRANT FUNDS REMAINING	<u>\$4,698,189</u>	<u>\$4,715,103</u>
GRAND TOTAL	\$4,913,923	\$4,913,923

* *Estimate of grant funds available does not account for costs classified as "Expenditures Not Included," discussed in the section that follows.*

Expenditures beyond personal services are summarized as follows:

- ▶ *Operating Expenses* – routine operating costs and telephone service;
- ▶ *Capital Outlay* – one-time costs for furniture and computer equipment; and
- ▶ *Travel* – expenses for hotel (\$90 per night), mileage (250 miles at \$0.53 miles per trip), and per diem (\$39 per day) for a total of 52 trips. All travel is to provide on-site technical assistance by either the nurse consultant or the data reporting expert.

Department of Revenue – \$927 one-time. Computer programming costs of approximately \$900 will be incurred by the Department of Revenue. These costs are to adjust the CSTARs motor vehicle system to increase the fee from \$1.00 to \$2.00. These costs will be covered within the department's current appropriations.

Expenditures Not Included

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. The centrally appropriated costs subject to this policy are summarized in Table 2.

Table 2. Expenditures Not Included Under SB09-002*		
Cost Components	FY 2009-10	FY 2010-11
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$20,538	\$20,538
Supplemental Employee Retirement Payments	5,311	6,782
Indirect Costs (associated with employees and grant administration)	104,030	101,644
TOTAL	\$129,879	\$128,964

**More information is available at: http://www.state.co.us/gov_dir/leg_dir/lcsstaff/2009/comsched/CommonPolicies2009.pdf*

Local Government Impact

Local governmental entities, such as Fire Departments, will be able to apply for a pool of an additional \$4.9 million in emergency services grants. Emergency Medical Service providers will also be eligible for grant moneys.

State Appropriations

This fiscal note requires an appropriation of \$4,913,923 and 3.0 FTE from the emergency medical services account of the Highway Users Tax Fund to the Department of Public Health and Environment in FY 2009-10.

Departments Contacted

Revenue Public Health and Environment