

**STATE and LOCAL  
FISCAL IMPACT**

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<b>Drafting Number:</b> LLS 09-0126	<b>Date:</b> January 26, 2009
<b>Prime Sponsor(s):</b> Sen. Kopp Rep. Scanlan; Levy	<b>Bill Status:</b> Senate Judiciary <b>Fiscal Analyst:</b> David Porter (303-866-4375)

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**TITLE:** CONCERNING INCENTIVES FOR VOLUNTEER FIREFIGHTERS.

<b>Fiscal Impact Summary</b>	<b>FY 2009-2010</b>	<b>FY 2010-2011</b>
<b>State Revenue</b>		
<b>State Expenditures</b> General Fund	\$ 1,896,982	\$ 1,642,572
<b>FTE Position Change</b>	0.7 FTE	0.7 FTE
<b>Effective Date:</b> The bill is effective 90 days following final adjournment of the General Assembly unless a referendum petition is filed (August 4, 2009, if final adjournment is May 6, 2009).		
<b>Appropriation Summary for FY 2009-2010:</b> See State Appropriations section.		
<b>Local Government Impact:</b> None.		

**Summary of Legislation**

This bill, recommended by the interim committee on Wildfire Issues in Wild Land-urban Interface Areas, establishes several incentives for volunteer firefighters. It creates a program to provide volunteer firefighters with college tuition vouchers. To be considered for a voucher, a volunteer firefighter must be a full- or part-time student, complete at least 36 hours of training each year, and agree to serve as a volunteer firefighter for at least 4 years after completing their education. The Division of Fire Safety, Department of Public Safety (DPS) will work with the State Board for Community Colleges and Occupational Education to establish the tuition voucher program for up to three credits per academic year. In addition to the tuition voucher program, the DPS is responsible for a grant program that will provide money for volunteer firefighters and fire departments to conduct training on fighting fires in wildland-urban interface areas.

The bill also establishes a program to reimburse volunteer firefighters for up to \$250 of equipment costs in calendar years 2009, 2010, and 2011 (FY 2009-10, FY 2010-11, and FY 2011-12). Volunteer firefighters must maintain a minimum of 36 hours of training each year to qualify for the program and cannot claim the rebate in more than 2 consecutive years. The Department of Revenue oversees the rebate program.

**State Expenditures**

Total state expenditures under SB09-021 are \$1.9 million and 0.7 FTE in FY 2009-10 and \$1.6 million and 0.7 FTE in FY 2010-11. Costs are in the Department of Revenue for volunteer firefighter rebates. Table 1 and the discussion that follows provides more detail about the bill's costs.

<b>Table 1. Volunteer Firefighter Equipment Rebate Costs</b>		
<b>Cost Components</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>
Equipment Rebates	\$1,594,750	\$1,594,750
Personal Services	29,961	29,961
<i>FTE</i>	<i>0.7</i>	<i>0.7</i>
Operating Expenses and Capital Outlay	4,325	665
Rebate Form Design and Programming	250,000	–
Document Processing	11,946	11,946
<b>TOTAL</b>	<b>\$1,890,982</b>	<b>\$1,637,322</b>

**Department of Revenue (\$1,890,982 and 0.7 FTE).** The volunteer firefighter equipment rebate program will result in General Fund expenditures of approximately \$1.9 million in FY 2009-10 and FY 2010-11. Expenditures continue through FY 2011-12, although fewer firefighters will be eligible as the rebate cannot be used in more than 2 consecutive years.

The cost of the rebate program is comprised of the rebated funds (\$1,594,750) and implementation costs (\$296,232 and 0.7 FTE in FY 2009-10). Rebate costs are based on the following assumptions:

- ▶ there are 9,450 volunteer firefighters in Colorado;
- ▶ approximately 75 percent of the volunteer firefighters meet the requirement of 36 hours of training annually (7,088);
- ▶ 90 percent (6,379) of eligible firefighters will take advantage of the rebate program; and
- ▶ rebates will typically be at the maximum level of \$250.

Implementation costs arise as the department will be responsible for developing the rebate process, forms, and rules. Once developed, the department will process and verify rebate requests. Costs in FY 2009-10 include both development and processing costs. Costs in FY 2010-11 and FY 2011-12 are only for processing rebate requests. The following assumptions are used in developing these costs:

- ▶ programming costs are for 1,250 hours at \$200.00 per hour;
- ▶ processing costs are \$11,946 and include data processing tasks, initial review, and any follow-up correspondence with the applicant; and

- ▶ FY 2011-12 costs will be lower as many volunteer firefighters will have used the 2 consecutive years of eligibility allowed by the bill.

Programming costs are based on adding a volunteer firefighter equipment rebate component to the new automated tax system, GenTax, similar to the property heat/rent/tax rebate program.

**Department of Public Safety (\$0).** The DPS is responsible for issuing tuition vouchers and oversight of a grant program for training. Since the bill does not include an appropriation for the grant or voucher program, no expenditures are included in this fiscal note. However, the sections that follow provide an example of program costs for an appropriation of \$100,000.

*Example of Grant and Tuition Program for \$100,000 and 0.5 FTE.* If \$100,000 were provided for tuition vouchers and the grant program, DPS expenditures are for oversight and would include the costs shown in Table 2.

<b>Table 2. Expenditures Under SB09-021 Assuming \$100,000 in Funding</b>		
<b>Cost Components</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>
Personal Services	\$26,081	\$ 26,081
<i>FTE</i>	0.5	0.5
Operating Expenses and Capital Outlay	3,089	475
Tuition Voucher Program	8,100	8,100
Grant Program	<u>62,730</u>	<u>65,344</u>
<b>TOTAL</b>	<b>\$100,000</b>	<b>\$100,000</b>

Costs are based on the following assumptions and conditions:

- ▶ the grant program will be appropriated \$100,000, of which \$62,730 will be available to firefighters and fire chiefs for training;
- ▶ direct and indirect costs of \$29,170 will be paid from the \$100,000 in grants;
- ▶ 30 students will apply for tuition waivers for both fall and spring semesters; and
- ▶ tuition waivers will average \$270 per student for a total of \$8,100.

The 0.5 FTE in the DPS will be responsible for processing both grant applications and tuition vouchers. Approximately one quarter of the employee's time will be spent working with students and institutions to verify that the tuition reimbursement requirements are fulfilled. The remainder of the employee's time will be spent coordinating with firefighters and fire departments for training grant activities. Grant activities will be more time-consuming and include class approval, grant application processing, and technical assistance to grant recipients.

**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.

<b>Table 2. Expenditures Not Included Under SB09-021*</b>		
<b>Cost Components</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$4,792	\$4,792
Supplemental Employee Retirement Payments	873	1,114
<b>TOTAL</b>	<b>\$5,665</b>	<b>\$5,906</b>

*\*More information is available at: [http://www.state.co.us/gov\\_dir/leg\\_dir/lcsstaff/2009/comsched/CommonPolicies2009.pdf](http://www.state.co.us/gov_dir/leg_dir/lcsstaff/2009/comsched/CommonPolicies2009.pdf)*

**Local Government Impact**

If grant moneys are provided, fire departments can offset costs for training on issues of fighting fires in wildland-urban interface areas.

**State Appropriations**

The Department of Revenue requires a General Fund appropriation of \$1,890,982 and 0.7 FTE.

**Departments Contacted**

Higher Education      Public Safety      Revenue      Local Affairs