

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 14-0996
Prime Sponsor(s): Rep. Gerou
Sen. Lambert

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Bill Status: House Appropriations
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SHORT TITLE: STATE TOXICOLOGY LABORATORY

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue		<u>\$2,089,776</u>
Cash Funds	See State Revenue section.	\$2,089,776
State Expenditures	<u>\$1,796,592</u>	<u>\$2,089,776</u>
General Fund	\$1,796,592	\$0
Cash Funds	0	\$2,089,776
FTE Position Change	5.2 FTE	15.5 FTE
Appropriation Required: \$1,796,592 - Department of Public Safety (FY 2014-15)		

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

Recommended by the Joint Budget Committee, this bill requires the Colorado Bureau of Investigation (CBI) in the Department of Public Safety (DPS) to operate a state toxicology laboratory on or before July 1, 2015. The purpose of the new laboratory is to assist local law enforcement agencies in the enforcement of laws for driving under the influence (DUI) of alcohol or drugs. The CBI is authorized to recover its direct and indirect costs through fees for the services performed. Fees are to be credited to the newly created State Toxicology Laboratory Fund. The bill makes an appropriation of \$1.1 million General Fund to pay the capital costs for the laboratory and up to \$2.1 million cash funds from the State Toxicology Laboratory Fund and 15.5 FTE for the operation of the laboratory.

The bill requires that a portion of moneys annually appropriated to the Colorado Department of Public Health and Environment (CDPHE) from the Law Enforcement Assistance Fund (LEAF) for similar purposes to instead be appropriated to the DPS to pay the costs of toxicology laboratory services.

Under current law, the State Board of Health in the CDPHE promulgates administrative regulations for the certification of laboratories. This bill states that these regulations may waive specific certification requirements for laboratories that are accredited by the American Board of Forensic Toxicology or the International Standards Organization.

State Revenue

Beginning in FY 2014-15, state revenue will increase by up to \$2.1 million cash funds per year credited to the State Toxicology Laboratory Fund. Revenue in the first year is prorated to \$696,592 to account for the reduced operating capacity during the initial start up period. However, it should be noted that revenue in FY 2014-15 is dependent on the timing of recoveries from local governments and may not correspond exactly within the fiscal year calendar. Revenue calculations are based on the assumption that the DPS will set fees for services to recover its indirect and direct costs, as shown in the State Expenditures section.

State Expenditures

This bill will increase state expenditures by \$1,796,592 and 5.2 FTE in FY 2014-15 and by \$2,089,776 and 15.5 FTE in FY 2015-16. Table 1 and the discussion that follows describe the costs in the bill.

Table 1. Expenditures Under HB14-1340		
Cost Components	FY 2014-15	FY 2015-16
Personal Services*	\$496,884	\$1,490,652
FTE	5.2 FTE	15.5
Operating Expenses and Capital Outlay Costs	1,276,375	529,124
Motor Vehicle Costs	23,333	70,000
TOTAL	\$1,796,592	\$2,089,776

* Centrally appropriated costs are included in the bill's appropriation and this number includes benefits, supplemental retirement payments and indirect cost recoveries.

Assumptions. Costs are based on the assumption that the CBI will conduct toxicology testing at its Denver and Grand Junction facilities, and, if approved, its proposed Pueblo facility, rather than at one centralized laboratory. For FY 2014-15, costs are prorated to the equivalent of four months. The fiscal note assumes some portion of laboratory space may become available at either the Denver or, if approved, the Pueblo facility prior to June 30, 2014, but that the majority of costs will be incurred in Grand Junction in FY 2014-15. Costs for FY 2015-16 assume that all facilities will be fully operational and are based on the costs that were incurred when the CDPHE operated a state toxicology laboratory. The bill requires all operating costs to be paid with cash funds recovered from local law enforcement agencies requesting toxicology testing services. However, as the timing of those revenues is not known, the fiscal note shows these costs as General Fund for FY 2014-15.

The fiscal note further assumes that adjustments in appropriations from the LEAF Fund will be accomplished through the FY 2014-15 Long Bill. As of this writing, the amount of this appropriation adjustment was not available.

CBI costs. A total of 15.5 FTE are required to conduct toxicology analysis per year, prorated to 5.2 FTE in FY 2014-15. Personal services costs include salary, Public Employees Retirement Association contributions, Medicare, employee benefits, supplemental retirement benefits, indirect cost recoveries, and accreditation costs. Operating expenses assume laboratory

supplies of \$529,124 per year (prorated to \$176,375 in the first year), plus \$1.1 million for capital equipment costs in FY 2014-15 only. Motor vehicle costs assumes five additional motor pool vehicles will be required for personnel to testify in court, transport evidence, and travel between facilities.

Department of Public Health and Environment. The bill allows the CDPHE to waive specific certification requirements for certain laboratories. This may create a minimal workload impact for the department, for which no adjustments in appropriations are required.

Local Government Impact

Under the bill, local governments will be assessed a fee to use the state toxicology laboratory. The fiscal note assumes that fees will be set to cover all direct and indirect costs, increasing local government expenditures by up to \$696,592 in FY 2014-15 and by \$2,089,776 in FY 2015-16.

Effective Date

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

State Appropriations

For FY 2014-15, the bill makes an appropriation of \$1.1 million General Fund to pay the capital costs for the laboratory and up to \$2.1 million cash funds from the State Toxicology Laboratory Fund and 15.5 FTE for the operation of the laboratory. However, the fiscal note estimates the actual amount required in FY 2014-15 for operating costs is \$696,592 General Fund and 5.2 FTE, and that the total General Fund appropriation required in FY 2014-15 is \$1,796,592.

State and Local Government Contacts

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