

Colorado Legislative Council Staff Fiscal Note

**STATE
REVISED FISCAL IMPACT**

(replaces fiscal note dated February 14, 2014)

Drafting Number: LLS 14-0740	Date: April 15, 2014
Prime Sponsor(s): Rep. Ryden	Bill Status: Senate SVMA
Sen. Crowder	Fiscal Analyst: Lauren Schreier (303-866-3523)

SHORT TITLE: VETERANS ASSISTANCE GRANT PROGRAM

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue Cash Fund	Potential increase. See State Revenue section.	
State Expenditures	\$1,003,245	\$1,004,265
General Fund**	1,000,000	1,000,000
Centrally Appropriated Costs***	3,245	4,265
FTE Position Change	0.4 FTE	0.5 FTE
Appropriation Required: None.		

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

** This amount was appropriated in the FY 2014-15 Long Bill, HB 14-1336.

*** These costs are not included in the bill's appropriation. See the State Expenditures section for more information.

Summary of Legislation

The **reengrossed bill** creates the Veterans Assistance Grant Program within the Department of Military and Veterans Affairs (DMVA). The program will provide financial assistance to nonprofit organizations and governmental agencies providing services to improve the health and well-being of veterans in the state. On or before September 1, 2014, the Adjutant General, in consultation with the Board of Veterans Affairs, will adopt rules to administer the program. The bill also creates the Veterans Grant Program Cash Fund, which may receive gifts, grants, and donations, in addition to annual appropriations from the General Assembly. All excess funds will remain in the cash fund at the end of each fiscal year. The program and cash fund are repealed on September 1, 2024.

Background

The DVMA has awarded grants to veterans assistance programs in the state for the past two fiscal years and has received appropriations for this purpose. In FY 2013-14, the DVMA provided \$970,000 in grants to nonprofit organizations and governmental agencies supporting veterans. For FY 2014-15, the DVMA has received a General Fund appropriation of \$1,000,000 from House Bill 14-1336 to fund the program.

State Revenues

The Veterans Assistance Grant Program Cash Fund may receive gifts, grants, and donations. This may result in a potential revenue increase for the program. However, at this time, no fund sources have been identified. The fiscal note assumes any increase in revenues from gifts, grants, and donations will be minimal.

State Expenditures

The bill will increase state General Fund expenditures for the DMVA by \$1,000,000 and 0.4 FTE in FY 2014-15 and \$1,000,000 and 0.5 FTE in FY 2015-16. In FY 2014-15, based on the August 6, 2014 effective date, the bill requires 0.4 FTE. The DMVA will be responsible for evaluating grant applications, awarding grants, and monitoring the cash fund balance.

Table 1. Expenditures Under HB 14-1205*		
Cost Components	FY 2014-15	FY 2015-16
Personal Services	\$20,672	\$25,840
FTE	0.4	0.5
Operating Expenses	\$5,353	\$650
Centrally Appropriated Costs*	\$3,245	\$4,265
Grant Program	\$970,730	\$969,245
TOTAL	\$1,000,000	\$1,000,000

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

Grant management. The DMVA will be responsible for developing grant standards, evaluating grant applications, and managing the cash fund. This work will require 0.5 FTE for the department. Personal services in the amount of \$25,840 each year are required, which is prorated in the first year due to the effective date of the bill and to account for the General Fund paydate shift. Standard operating and capital outlay costs are also included. Printing costs of \$50 and travel costs of \$125 per year are also required.

Awarding grants. The DVMA will provide up to \$1,000,000 in grants in FY 2014-15 to selected nonprofit organizations and governmental agencies serving veterans in the state.

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. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

Table 2. Centrally Appropriated Costs Under HB 14-1205*		
Cost Components	FY 2014-15	FY 2015-16
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$1,809	\$2,262
Supplemental Employee Retirement Payments	\$1,436	\$2,003
TOTAL	\$3,245	\$4,265

*More information is available at: <http://colorado.gov/fiscalnotes>

Effective Date

The bill takes effect August 6, 2014, if the General Assembly adjourns on May 7, 2014, as scheduled, and no referendum petition is filed.

State Appropriations

The bill does not require a monetary appropriation to the DMVA because the DVMA was appropriated \$1,000,000 from the General Fund in House Bill 14-1336 to fund the program. However, the DMVA will require spending authority from the cash fund and authorization for 0.4 FTE in FY 2014-15.

State and Local Government Contacts

Military and Veterans Affairs