



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated January 29, 2024)

Drafting Number:	LLS 24-0465	Date:	February 7, 2024
Prime Sponsors:	Sen. Coleman Rep. Herod; Ricks	Bill Status:	Senate Finance
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Bill Topic: RACIAL EQUITY STUDY

Summary of Fiscal Impact:	<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input type="checkbox"/> Statutory Public Entity

The bill requires History Colorado to study the ongoing effects of slavery and subsequent systemic racism on Black Coloradans that may be attributed to practices, systems, and policies of the state, and establishes a commission to assist this effort and to contract for an economic impact study. The bill increases state expenditures through FY 2026-27, assuming sufficient gifts, grants, and donations are received.

Appropriation Summary: No appropriation is required. The Black Coloradan Racial Equity Study Cash Fund is continuously appropriated to History Colorado and the Legislative Department.

Fiscal Note Status: This revised fiscal note reflects the introduced bill, as amended by the Senate State, Veterans, and Military Affairs Committee.

**Table 1
State Fiscal Impacts Under SB 24-053¹**

		Budget Year FY 2024-25	Out Year FY 2025-26	Out Year FY 2026-27
Revenue	Cash Funds	at least \$500,000	-	-
	Total Revenue	at least \$500,000	-	-
Expenditures	Cash Funds	\$519,371	\$473,671	\$523,045
	Centrally Appropriated	\$98,345	\$98,345	\$51,557
	Total Expenditures	\$617,716	\$572,016	\$574,603
	Total FTE	5.3 FTE	5.3 FTE	2.8 FTE
Transfers		-	-	-
Other Budget		-	-	-

¹ The bill intends for all costs to be paid from gifts, grants, and donations to the Black Coloradan Racial Equity Study Cash Fund, and creates a trigger of \$500,000 received for work to begin. The fiscal note assumes that enough funding will be received to cover the costs shown in Table 1 through FY 2026-27. If adequate funding is not received, these costs may require General Fund.

Summary of Legislation

The bill establishes the Black Coloradan Racial Equity Commission within the Legislative Department to conduct a study to determine, and make recommendations related to, any potential historical and ongoing effects of slavery and subsequent systemic racism on Black Coloradans that may be attributed to practices, systems, and policies of the state.

Historical research for the study will be conducted by History Colorado staff in the Department of Higher Education and Legislative Council Staff will assist the commission. The bill establishes quarterly reporting requirements to the commission on study progress. History Colorado must submit the study to the commission and any recommendations within 2.5 years. At this point, the commission must enter into an agreement with one or more third-party entities to complete an economic analysis of the financial impact of systemic racism on Black Coloradans.

The work of the commission and the study hinge on receiving adequate gifts, grants, and donations. Gifts, grants, and donations are credited to the newly created Black Coloradan Racial Equity Study Cash Fund. Money in the fund is continuously appropriated to History Colorado and the Legislative Department. The fund must raise at least \$500,000 by June 30, 2025, in order for the study to occur; otherwise, the funds are returned to the donors.

The Commission consists of the Executive Director of History Colorado and Governor, Speaker of the House, and President of the Senate appointees, totaling 14 members, including two Representatives and two Senators. Non-legislative members of the committee serve without compensation but may be reimbursed for expenses incurred. The bill establishes timelines for the commission to meet and the topics of their study.

State Revenue

The bill is expected to increase state revenue to the Black Coloradan Racial Equity Study Cash Fund by at least \$500,000 in FY 2024-25, and by amounts adequate to cover state expenditures thereafter, as shown in Tables 1 and 2. Gifts, grants, and donations will cover the cost to conduct the study, fund the work of the commission, and contract for an economic analysis, as required by the bill. The fiscal note assumes that sufficient gifts, grants, and donations will be received by July 1, 2024, for the budget year costs, in order for History Colorado and the commission to start work immediately. Gifts, grants, and donations are not subject to the state's TABOR revenue limit.

State Expenditures

The bill increases state expenditures from the Black Coloradan Racial Equity Study Cash Fund by at least \$594,000 in FY 2024-25 and about \$330,000 in FY 2025-26. The fiscal note estimate is based on the minimum required expenditures in order for the study to take place. However, based on an estimated cost of \$1.8 million to complete the study over three years, the actual expenditures will increase if additional donations or appropriations are received above the fiscal note estimate. Expenditures are shown in Table 2 and detailed below.

**Table 2
Expenditures Under SB 24-053**

	FY 2024-25	FY 2025-26	FY 2026-27
History Colorado			
Personal Services	\$384,291	\$384,291	\$192,145
Operating Expenses	\$6,400	\$6,400	\$3,200
Capital Outlay Costs	\$33,350	-	-
Meetings and Facilitation	\$12,350	-	-
Travel	\$5,280	\$5,280	-
Research Consultants	\$50,000	\$50,000	-
Centrally Appropriated Costs ¹	\$93,576	\$93,576	\$46,788
FTE – Personal Services	5.0 FTE	5.0 FTE	2.5 FTE
History Colorado Subtotal	\$585,247	\$539,547	\$242,133
Legislative Department			
Personal Services	\$22,039	\$22,039	\$22,039
Member Per-Diem and Travel Costs	\$5,661	\$5,661	\$5,661
Economic Study	-	-	\$300,000
Centrally Appropriated Costs ¹	\$4,769	\$4,769	\$4,769
FTE – Personal Services	0.3 FTE	0.3 FTE	0.3 FTE
Legislative Department Subtotal	\$32,470	\$32,470	\$332,470
Total Cost	\$617,716	\$572,016	\$574,603
Total FTE	5.3 FTE	5.3 FTE	2.8 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

History Colorado. History Colorado will have staff, consulting, and meeting costs to meet the bill's requirements, as outlined below.

- **Staff.** History Colorado require 5.0 FTE to conduct research to complete the study and report. These staff include 1.0 FTE Program Manager and 4.0 FTE Research Associates specializing in fiscal impacts, educational impacts, criminal justice impacts, and health care impacts to Black Coloradans. Standard operating expenses and capital outlay costs are included for this staff, and costs assume a July 1, 2024, start date, and a December 1, 2026, end date.

- **Meeting expenses and travel.** Meeting costs are estimated at \$12,350 in FY 2024-25 only, assuming two facilitated public comment meetings. Travel costs are included for research staff through FY 2025-26.
- **Research consultants.** History Colorado will contract with other research agencies, including community representatives, descendant scholars, survivors of racism, and other experts in order to complete the study. Costs assume 200 hours of research consultation at a rate of \$250 per hour.

Legislative Department. Legislative Council Staff requires 0.3 FTE Research Associate to provide support to the commission as they meet to conduct the study. Additionally, the four legislative members of the commission will incur \$5,661 in reimbursement for per diem and expense reimbursement. In FY 2026-27, the Legislative Department requires an estimated \$300,000 for the commission to contract for an economic study; actual costs will depend on the terms of contract following the procurement process.

Governor's Office. Workload will minimally increase for the Governor's Office of Boards and Commissions to make the required appointment under the bill. This work can be accomplished within existing appropriations.

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. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed, except that work on the study does not occur unless the state receives gifts, grants, or donations of at least \$500,000 by June 30, 2025.

Technical Note

The bill has two potential technical issues concerning the donation trigger to implement the bill and the sharing of the newly created cash fund by two agencies, as described below.

Donations requirement. The bill requires all components of the studies and the commission's work to be funded with gifts, grants, and donations, and states that it is the intent of the General Assembly not to use General Fund to cover the costs of the bill. However, the \$500,000 donation trigger for implementation is below the estimated costs of the bill. As shown in Tables 1 and 2, the costs for the study and the commission are estimated at approximately \$1.6 million over three years, which will likely create a General Fund obligation if sufficient donations are not received.

Cash fund appropriations. The bill continuously appropriates funding to two separate agencies from a single newly created cash fund. For accounting purposes, the bill should make a direct, annual appropriation to one or both agencies to ensure that spending does not exceed available revenue in the fund. Additional information on potential options for appropriations will be provided if the bill is referred to Senate Appropriations.

State and Local Government Contacts

History Colorado

Legislative Council Staff

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).