



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

REVISED FISCAL NOTE

(replaces fiscal note dated March 3, 2020)

Drafting Number: LLS 20-0911
Prime Sponsors: Sen. Bridges; Tate
Rep. Tipper; Wilson

Date: June 7, 2020
Bill Status: House Energy and Environment
Fiscal Analyst: Aaron Carpenter | 303-866-4918
Aaron.Carpenter@state.co.us

Bill Topic: THE COLORADO IMAGINATION LIBRARY PROGRAM

- Summary of Fiscal Impact:
- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

Subject to available appropriations, this bill requires the State Librarian to contract with a nonprofit to implement the Colorado Imagination Library Program. The bill will increase state expenditures on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This revised fiscal note reflects the reengrossed bill.

Table 1
State Fiscal Impacts Under SB 20-185

Table with 3 columns: Category, FY 2020-21, FY 2021-22. Rows include Revenue, Expenditures (General Fund), Transfers, and TABOR Refund.

Summary of Legislation

This bill requires the State Librarian, subject to available appropriations, to contract with a nonprofit organization for the creation and operation of the Colorado Imagination Library Program. The contractor must:

- create and operate the program, including establishing county affiliate programs in all counties;
- manage daily operations;
- develop, promote, and coordinate a public awareness campaign; and
- contract with a national nonprofit foundation to provide high-quality, age-appropriate books each month to eligible children.

The contractor must also receive state funding to cover 50 percent of the statewide cost to provide books from the national nonprofit foundation, with each county-based affiliate program paying the remainder of the cost to the contractor. The bill requires the General Assembly to appropriate money from the General Fund, minus any gifts, grants, and donations received, in order to cover the contractor's cost of providing books. On or before July 1 of each year the State Librarian has entered into a contract, the contractor must submit a report to the Colorado Department of Education (CDE) and the General Assembly concerning the total number of eligible children residing in each county. Finally, the bill allows the CDE to seek gifts, grants, and donations for the program.

Background

The Dolly Parton's Imagination Library is a non-profit that provides books in the mail for free to children under the age of 5. Currently, there are 27 local affiliates in Colorado that serve 12,573 children statewide. According to the 2017 American Community Survey, there are 334,250 children under the age of 5.

Assumptions

The fiscal note assumes that no General Fund will be appropriated for this bill in FY 2020-21. If sufficient gifts, grants, or donations are received, the bill could be implemented.

State Revenue

Starting in FY 2020-21, revenue to the CDE increases if CDE receives any gifts, grants, or donations for the program. At the time of this writing, no sources of gifts, grants, or donations have been identified, and therefore, revenue from gifts, grants, and donations cannot be estimated at this time. Gifts, grants, and donations are not subject to the TABOR revenue limit.

State Expenditures

Subject to available appropriations, state General Fund expenditures in the CDE will increase by \$153,981 in FY 2020-21 and by \$579,411 in FY 2021-22, as shown in Table 2 and discussed below. This amount is decreased if gifts, grants, and donations are received.

**Table 2
Expenditures Under SB 20-185**

	FY 2020-21	FY 2021-22
Department of Education		
Request for Proposal	\$17,850	-
Contractor Costs	\$136,131	\$579,411
Total Cost	\$153,981	\$579,411

Request for proposal. In FY 2020-21 only, \$17,198 is required to issue Request for Proposals (RFP). The RFP process will take 350 hours at a charged rate of \$51 per hour.

Contractor costs. Expenditures will increase to hire a contractor at an estimated cost of \$136,131 in FY 2020-21 and \$579,411 in FY 2021-22. Of this amount, \$106,131 in FY 2020-21 and \$519,411 in FY 2021-22 is required to fund half the cost of providing books to eligible children. This estimate assumes that up to 24,066 children will participate in the program in FY 2020-21 and 58,160 children will participate in FY 2021-22. This assumes that the number of participatory children will increase by about 1.0 percent per month. According to the current Imagination Library Program, the cost of providing books is \$2.10 per child per month or \$25.20 per year. Because the bill requires the state to fund half the cost, the state cost of providing a book is \$12.60 per child per year. The state share of book costs could be up to \$4.2 million if every eligible child in Colorado enrolled in the program.

The fiscal note assumes that if more children enroll in the program, the CDE will request more funding through the annual budget process. In addition to providing books, the fiscal note estimates that administering the program and creating and administering a public awareness campaign will cost \$60,000 per year. Contractor costs in FY 2020-21 are prorated to account for the January 1, 2021, contract start date.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Education Information Technology