



Legislative Council Staff
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Final Fiscal Note

Drafting Number: LLS 21-0759 **Date:** September 16, 2021
Prime Sponsors: Sen. Pettersen **Bill Status:** Signed into Law
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Bill Topic: **EMERGENCY SUPPLIES FOR COLORADO BABIES & FAMILIES**

Summary of Fiscal Impact:

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

This bill requires the Colorado Department of Human Services to contract with nonprofit organizations to administer diaper distribution centers. The bill increases state expenditures on an ongoing basis.

Appropriation Summary: For FY 2021-22, this bill includes an appropriation of \$7.0 million to the Colorado Department of Human Services.

Fiscal Note Status: This fiscal note reflects the enacted bill.

Table 1
State Fiscal Impacts Under SB 21-027

		Budget Year FY 2021-22	Out Year FY 2022-23
Revenue		-	-
Expenditures	General Fund	\$2,000,000	\$2,000,000
	Cash Funds	\$5,000,000	-
	Centrally Appropriated	\$32,250	\$34,280
	Total Expenditures	\$7,032,250	\$2,034,280
	Total FTE	1.9 FTE	1.5 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

The bill requires the Colorado Department of Human Services (DHS) to provide diapering essentials (diapers, wipes, and diaper creams) to eligible individuals. The DHS, within 30 days of the bill taking effect, must solicit interest and cost distribution proposals from diaper distribution centers to administer the program. Diaper distribution centers must be operational within 60 days after entering into a contract with the DHS. The selection process is not subject to Colorado’s Procurement Code. The DHS is required to submit a preliminary report in FY 2021-22 and starting in FY 2022-23, the bill requires the DHS to submit a report on the program to the General Assembly as a part of its SMART Act hearing. Finally, the bill requires the General Assembly to appropriate \$2.0 million from the General Fund to the DHS in FY 2021-22 and FY 2022-23 to fund the distribution centers. The DHS may use up to \$150,000, or 7.5 percent of the money appropriated, for administrative costs. The program is repealed on July 1, 2024.

Food Pantry Assistance Grant Program. The bill continues the Food Pantry Assistance Grant Program for one year (until July 1, 2022), allows the department to contract with a third-party vendor to award grants, and appropriates \$5.0 million to the program for FY 2021-22.

State Expenditures

The bill increases state General Fund expenditures in the DHS by \$7,032,250 and 1.9 FTE in FY 2021-22 and \$2,034,280 and 2.0 FTE in FY 2022-23, as shown in Table 2 and described below. The diaper distribution program continues in FY 2023-24 and future years, at which point the General Assembly may allocate funding to the program at its discretion.

**Table 2
Expenditures Under SB 21-027**

Cost Components	FY 2021-22	FY 2022-23
Department of Human Services		
Personal Services	\$125,186	\$136,567
Operating Expenses	\$2,700	\$2,700
Capital Outlay Costs	\$12,400	-
Diaper Distribution Centers	\$1,859,714	\$1,860,733
Food Pantry Assistance Grant Program	\$5,000,000	-
Centrally Appropriated Costs ¹	\$32,250	\$34,280
Total	\$7,032,250	\$2,034,280
Total FTE	1.9 FTE	2.0 FTE

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

Personal Services. The DHS requires 2.0 FTE to develop policies and procedures, promote the program, set up data collection protocols, and provide technical assistance, as well as track funding and manage contracts. Costs in the first year are prorated for the General Fund payday shift.

Diaper distribution centers. Grants to diaper distribution centers are estimated to total about \$1.86 million. The amount given to each center will be determined through the contracting process.

Food Pantry Assistance Program. In FY 2021-22 only, expenditures in the DHS will increase by \$5.0 million to administer additional grants.

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 estimated to be \$32,250 in FY 2021-22 and \$34,280 in FY 2022-23.

Effective Date

This bill was signed into law by the Governor and took effect on July 6, 2021, except that Section 3 of the bill took effect on July 12, 2021, one day after Senate Bill 21-288 took effect.

State Appropriations

For FY 2021-22, the bill includes the following appropriations:

- \$2,000,000 from the General Fund to the Colorado Department Human Services and 1.9 FTE;
- \$5,000,000 from the Economic Recovery and Relief Cash Fund to the Department of Human Services.

State and Local Government Contacts

Human Services