



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL NOTE

Drafting Number:	LLS 18-1050	Date:	March 22, 2018
Prime Sponsors:	Sen. Moreno Rep. Rankin	Bill Status:	Senate Appropriations
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Bill Topic: DHS INDIRECT COST ASSESSMENTS FROM CASH FUNDS

Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue <input checked="" type="checkbox"/> State Expenditure <input type="checkbox"/> State Transfer	<input type="checkbox"/> TABOR Refund <input type="checkbox"/> Local Government <input type="checkbox"/> Statutory Public Entity
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This bill allows the Department of Human Services to use money from the Older Coloradans Cash Fund and the Nurse Home Visitor Program Fund to cover indirect costs. The bill will increase cash fund expenditures or shift funding sources to pay for indirect costs.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill. This bill was recommended by the Joint Budget Committee.

Summary of Legislation

This bill clarifies that the Department of Human Services (DHS) can use money from the Older Coloradans Cash Fund to cover indirect costs as calculated under the federally approved cost allocation plan. The bill also increases the rate at which the DHS can use funds from the Nurse Home Visitor Program Fund to cover indirect costs from two percent to five percent.

Background

Under current law, the DHS can charge indirect costs to individual programs to support central service administrative functions if the department has an allocation plan. According to the FY 2017-18 Public Assistance Cost Allocation Plan, the Older Coloradans Fund is responsible for \$51,560 annually and the Nurse Home Visitor Program Fund is responsible for \$67,382 for indirect costs.

State Expenditures

This bill will increase the amount of cash funds used to pay for indirect costs and will result in a shift of funding sources for indirect costs. These changes were incorporated in the FY 2017-18 Long Bill and it is assumed that the changes to direct cost assessments will also be incorporated in the FY 2018-19 Long Bill; therefore, this bill does not require an appropriation.

Effective Date

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

State and Local Government Contacts

Human Services

Information Technology

Joint Budget Committee Staff