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Fiscal Note

Drafting Number: LLS 21-0759 **Date:** February 16, 2021
Prime Sponsors: Sen. Pettersen **Bill Status:** Senate HHS
 Rep. Gonzales-Gutierrez; **Fiscal Analyst:** Aaron Carpenter | 303-866-4918
 Tipper Aaron.Carpenter@state.co.us

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 Public Health and Environment 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 requires an appropriation of \$2,038,492 to the Colorado Department of Public Health and Environment.

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

Table 1
State Fiscal Impacts Under SB 21-027

		Budget Year FY 2021-22	Out Year FY 2022-23
Revenue		-	-
Expenditures	General Fund	\$2,038,492	\$2,031,600
	Centrally Appropriated	\$9,784	\$8,521
	Total Expenditures	\$2,048,276	\$2,040,121
	Total FTE	0.5 FTE	0.4 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

The bill requires the Colorado Department of Public Health and Environment (CDPHE) to contract with nonprofit organizations to administer diaper distribution centers throughout Colorado, no later than 45 days after the bill takes effect. The distribution centers will provide diapering essentials (diapers, wipes, and diaper creams) to all eligible individuals, as determined by the distribution center. The selection process is not subject to Colorado’s Procurement Code. The distribution centers must begin operating 60 days after the selection of the nonprofit organizations. Starting in 2023, the bill requires the CDPHE 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 CDPHE in FY 2021-22 and FY 2022-23 to fund the distribution centers.

Assumptions

The fiscal note assumes that the CDPHE will award a total of 12 contracts statewide. Of those, 8 contracts will be awarded to nonprofits in rural parts of the state and 4 will be awarded in the urban I-25 corridor. In addition, the fiscal note assumes that distribution centers set eligibility for assistance based on the amount of money awarded.

State Expenditures

Starting in FY 2021-22, the bill increases state expenditures in the CDPHE by about \$2.0 million in FY 2021-22 and FY 2022-23, as shown in Table 2 and described below.

Table 2
Expenditures Under SB 21-027

Cost Components	FY 2021-22	FY 2022-23
Department of Public Health and Environment		
Personal Services	\$31,617	\$28,714
Operating Expenses	\$675	-
Capital Outlay Costs	\$6,200	-
Travel Costs	-	\$2,886
Diaper Distribution Centers	\$2,000,000	\$2,000,000
Centrally Appropriated Costs ¹	\$9,784	\$8,521
Total	\$2,048,276	\$2,040,121
Total FTE	0.5 FTE	0.4 FTE

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

Personal Services. To implement the bill, the CDPHE requires a total of 0.5 FTE in FY 2021-22 and 0.4 FTE in FY 2022-23. This staff will develop policies and procedures, promote the program, set up data collection protocols, and provide technical assistance, as well as track funding and manage contracts. FTE is slightly higher in the first year to account for the initial contracting workload, and costs in the first year are prorated for the General Fund paydate shift.

Travel costs. Starting in FY 2022-23, expenditures in the CDPHE will increase by \$2,886 to cover travel costs for on-site visits to ensure compliance. This estimate assumes there will be 4 trips a year and includes costs for lodging, meals, and mileage reimbursement.

Diaper distribution centers. The bill requires that \$2.0 million per year be appropriated in FY 2021-22 and FY 2022-23 to fund the diaper distribution centers. The amount given to each center will be determined through the contracting process.

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 \$9,784 in FY 2021-22 and \$8,521 in FY 2022-23.

Effective Date

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

State Appropriations

For FY 2021-22, the bill requires a General Fund appropriation of \$2,038,492 to the Colorado Department of Public Health and Environment.

State and Local Government Contacts

Information Technology

Public Health and Environment