



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated February 16, 2021)

| | | | |
|-------------------------|--|------------------------|---|
| Drafting Number: | LLS 21-0759 | Date: | April 27, 2021 |
| Prime Sponsors: | Sen. Pettersen Rep. Gonzales-Gutierrez; Tipper | Bill Status: | Senate Appropriations |
| | | Fiscal Analyst: | Aaron Carpenter 303-866-4918 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 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 requires an appropriation of \$2.0 million to the Colorado Department of Human Services.

Fiscal Note Status: This fiscal note reflects the introduced bill, as amended by the Senate Health and Human Services Committee.

**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 |
| | Centrally Appropriated | \$32,250 | \$34,280 |
| | Total Expenditures | \$2,032,250 | \$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.

State Expenditures

The bill increases state General Fund expenditures in the DHS by \$2,032,250 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 |
| Centrally Appropriated Costs ¹ | \$32,250 | \$34,280 |
| Total | \$2,032,250 | \$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 paydate 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.

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

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 \$2,000,000 to the Colorado Department Human Services and 1.9 FTE.

State and Local Government Contacts

Human Services