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Revised Fiscal Note

(replaces fiscal note dated April 22, 2021)

Drafting Number: LLS 21-0576 Date: May 12, 2021
Prime Sponsors: Sen. Fields; Coram Bill Status: House HHS
Rep. Herod; Caraveo Fiscal Analyst: Matt Bishop | 303-866-4796
Matt.Bishop@state.co.us

Bill Topic: EQUITY STRATEGIC PLAN ADDRESS HEALTH DISPARITIES

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

This bill renames Health Disparities Grant Program, expands its functions, increases membership of the Health Equity Commission, and requires the Department of Public Health and Environment to prepare a biennial report on health disparities, among other things. It will increase state expenditures on an ongoing basis.

Appropriation Summary: For FY 2021-22, the bill requires appropriations of \$4,872,818 to the Department of Public Health and Environment.

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

Table 1
State Fiscal Impacts Under SB 21-181

Table with 4 columns: Category, Budget Year FY 2021-22, Out Year FY 2022-23, and values for Revenue, Expenditures, Transfers, and TABOR Refund.

Summary of Legislation

Under current law, the Office of Health Equity (the office) in the Department of Public Health and Environment (CDPHE) administers the Health Disparities Grant Program. The grant program is funded from the Health Disparities Grant Program Fund, which receives a portion of annual cigarette and tobacco tax revenue.

This bill renames the program as the Health Disparities and Community Grant Program and expands its functions. The program's grantmaking scope is broadened to address social determinants of health for underrepresented populations. In addition, the bill specifies that the program fund may receive appropriations from the General Assembly, and requires the office to develop grant application criteria for community organizations seeking grant funding.

Every two years, starting January 1, 2022, the office must issue a report on health disparities and inequalities in Colorado that includes an assessment of social determinants of health and recommends strategies to address inequities.

The office is advised by the 15-member Health Equity Commission, which consists of representatives of state agencies and members of the public with diverse backgrounds and expertise. The bill expands the makeup of the commission to 22 members by adding representatives of 7 state agencies. The commission is required to develop an equity strategic plan in response to the office's first report. Each state agency is limited to twenty hours of staff time to develop and implement the plan.

State Expenditures

The bill increases expenditures in several state agencies, primarily CDPHE, by \$4.9 million and 2.3 FTE in FY 2021-22 and \$4.9 million and 2.5 FTE in FY 2022-23 and future years, as summarized in Table 2 and discussed below.

Table 2
Expenditures Under SB 21-181

	FY 2021-22	FY 2022-23
Department of Public Health and Environment		
Personal Services	\$150,843	\$160,473
Operating Expenses	\$3,375	\$3,375
Capital Outlay Costs	\$18,600	-
Health Disparities Grants	\$4,700,000	\$4,700,000
Centrally Appropriated Costs ¹	\$47,264	\$48,865
Total Cost	\$4,920,082	\$4,912,713
Total FTE	2.3 FTE	2.5 FTE

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

Department of Public Health and Environment. CDPHE will have an increase in expenditures of \$4.9 million and 2.3 FTE in FY 2021-22 and \$4.9 million and 2.5 FTE in FY 2022-23. These costs are for staff to prepare the office's biennial report and to administer additional grants. Standard operating and capital outlay costs for these staff are shown in Table 2 above. It is assumed costs will be paid from the Health Disparities Grant Program Fund, except that administrative costs for additional grants have been appropriated from the General Fund and account for the General Fund pay date shift.

Other state agencies. The bill expands the commission to include representatives from the Department of Corrections, the Department of Higher Education, the Department of Labor and Employment, the Department of Local Affairs, the Department of Transportation, the Department of Public Safety, and the Department of Education. Workload will increase in those agencies to participate on the commission. In addition, state agencies, including those currently on the commission (CDPHE, the Department of Human Services, and the Department of Health Care Policy and Financing), will have increased workload to develop and implement the equity strategic plan. This workload is limited to twenty hours of staff time per agency and can be accomplished within existing appropriations.

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 \$47,264 in FY 2021-22 and \$48,865 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 the following appropriations to the Department of Public Health and Environment:

- \$4,700,000 from the General Fund for grants and
- \$172,818 and 2.3 FTE for staff and administration, of which \$121,035 is from the General Fund and \$51,783 is from the Health Disparities Grant Program Fund.

Currently, the bill includes the following appropriations to CDPHE:

- \$4,700,000 from the General Fund for grants, and
- \$192,988 and 2.5 FTE for staff and administration, of which \$141,205 is from the General Fund and \$51,783 is from the Health Disparities Grant Program Fund.

State and Local Government Contacts

Corrections
Governor
Higher Education
Labor
Public Health and Environment
Transportation

Education
Health Care Policy and Financing
Human Services
Local Affairs
Public Safety