



Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number: LLS 24-0933 Date: February 5, 2024
Prime Sponsors: Rep. Sirota, Taggart Bill Status: House Appropriations
Sen. Kirkmeyer, Zenzinger Fiscal Analyst: Anna Gerstle | 303-866-4375
anna.gerstle@coleg.gov

Bill Topic: COLORADO IMAGINATION LIBRARY PROGRAM

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

The bill moves the Colorado Imagination Library Program from the Colorado Department of Education to the Department of Early Childhood. It has no net change on state expenditures, and shifts an appropriation between the two departments beginning in the current FY 2023-24.

Appropriation Summary:
For the current FY 2023-24, the bill includes provisions to shift any unexpended funds from the Colorado Department of Education to the Colorado Department of Early Childhood.
In FY 2024-25, the bill requires an appropriation of \$1.6 million to the Department of Early Childhood. See State Appropriations Section.

Fiscal Note Status: The fiscal note reflects the introduced bill. The bill is recommended by the Joint Budget Committee as part of the supplemental bill package.

Table 1
State Fiscal Impacts Under HB 24-1205

Table with 4 columns: Category, Budget Year FY 2024-25, and Out Year FY 2025-26. Rows include Revenue, Expenditures (General Fund - CDE, General Fund - CDEC, Total Expenditures), Transfers, and Other Budget Impacts.

Summary of Legislation

Beginning June 30, 2024, the bill relocates the Imagination Library program from the Colorado Department of Education (CDE) to the Colorado Department of Early Childhood (CDEC), including the current contractual obligations associated with the program. Prior to June 30, 2024, the two departments may enter into an interagency agreement for administration of the program.

Any unexpended funds appropriated to CDE for the program in FY 2023-24 are transferred to CDEC on June 30, 2024, and are further available for CDEC to spend in FY 2024-25. In FY 2024-25, the General Assembly must appropriate the necessary funds to CDEC.

The bill also allows the contractor operating the program to partner with book vendors or publishers to provide free books to eligible children.

Background

The Colorado Imagination Library Program, established in Senate Bill 20-185, provides books to children under the age of five free of charge. CDE contracts with a nonprofit for operation of the program, with the cost of the books equally split between the state and local affiliates such as nonprofits, libraries, and other local entities. Up to 20 percent of the state appropriation can be used by the organization for administrative costs, and state law specifies that it is the General Assembly's intent to fully fund the program by 2026. In FY 2023-24, the General Assembly appropriated \$1.6 million for the program.

State Expenditures

By moving the Imagination Library program from CDE to CDEC, the bill has no net change on state expenditures, as shown in Table 1.

In FY 2023-24, any funds not expended by CDE for the program will be transferred to CDEC on June 30, 2024. The current appropriation for the program is \$1.6 million; however, the portion that will be remaining at the end of the fiscal year is unknown. It is expected to be minimal.

In FY 2024-25, the state appropriation for the program is expected to be \$1.6 million to CDEC, unchanged from the current FY 2023-24 amount. This represents a shift in General Fund expenditures from CDE to CDEC. Additionally, the bill allows CDEC to spend any unexpended funds from the FY 2023-24 appropriation in FY 2024-25.

The bill also allows the program contractor to partner with vendors or publishers to provide the books; this is estimated at \$135,000 in FY 2023-24. These funds would have otherwise reverted to the General Fund under current law; as a result, the bill will result in the expenditure of money currently appropriated for the program and does not increase state expenditures.

Effective Date

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

State Appropriations

For the current FY 2023-24, the bill includes provisions to shift any unexpended funds from the Colorado Department of Education to the Colorado Department of Early Childhood.

In FY 2024-25, the bill requires an appropriation of \$1,624,365 in the Colorado Department of Early Childhood, and a corresponding reduction in appropriations to the Colorado Department of Education. The fiscal note assumes that the changes in appropriations will be made through the budget process; however, they may be included in either the Long Bill or via this bill.

State and Local Government Contacts

Early Childhood

Education

Joint Budget Committee Staff

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).