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Fiscal Note

Drafting Number:	LLS 24-0120	Date:	January 19, 2024
Prime Sponsors:	Sen. Marchman; Kolker Rep. Garcia	Bill Status:	Senate Education
		Fiscal Analyst:	Kristine McLaughlin 303-866-4776 kristine.mclaughlin@coleg.gov

Bill Topic: **INCREASE ACCESS TO SCHOOL-BASED HEALTH CARE**

Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input type="checkbox"/> Statutory Public Entity

The bill expands the School-Based Health Center Grant Program. The bill increases state expenditures in FY 2024-25.

Appropriation Summary: For FY 2024-25, the bill requires an appropriation of \$2.3 million to the Department of Public Health and Environment.

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

Table 1
State Fiscal Impacts Under SB 24-034

		Budget Year FY 2024-25	Out Year FY 2025-26	Out Year FY 2026-27
Revenue		-	-	-
Expenditures	General Fund	\$2,321,754	\$39,123	\$39,123
	Centrally Appropriated	\$13,129	\$9,378	\$9,378
	Total Expenditures	\$2,334,882	\$48,501	\$48,501
	Total FTE	0.7 FTE	0.5 FTE	0.5 FTE
Transfers		-	-	-
Other Budget Impacts	General Fund Reserve	\$348,263	\$5,868	\$5,868

¹ The fiscal note assumes an appropriation for grants will be made in FY 2024-25, with costs incurred through FY 2026-27, as detailed in Table 2.

Summary of Legislation

Under current law, the Colorado Department of Public Health and Environment (CDPHE) operates the School-Based Health Center Grant Program to assist the establishment, expansion, and ongoing operations of school-based health centers.

The bill expands the grant program to school-linked health care service models including telehealth services and mobile health units. Additionally, the bill requires the Department of Health Care Policy and Financing (HCPF) to identify services provided at a school-based health center or through a school-linked health care service.

Assumptions

The fiscal note assumes that about \$2.3 million will be appropriated for grants in FY 2024-25, and that this funding will be used to issue grants over a three-year period. The exact funding amount may be set at the discretion of the General Assembly and this fiscal note will be updated if new information funding for grants under the bill becomes available.

State Expenditures

The bill increases state expenditures in CDPHE by a total of \$2.4 million over three years from FY 2024-25 to FY 2026-27, paid from the General Fund. These costs are shown in Table 2 and discussed below. The fiscal note assumes that administrative expenses will be annually appropriated, while the grant funding will be appropriated in FY 2024-25 and spent roughly equally over three years. Future funding beyond FY 2026-27 will be addressed through the annual budget process.

Table 2
Expenditures Under SB 24-034

	FY 2024-25	FY 2025-26	FY 2026-27
Department of Public Health and Environment¹			
Personal Services	\$53,877	\$38,483	\$38,483
Operating Expenses	\$896	\$640	\$640
Capital Outlay Costs	\$6,670	-	-
Grant Program	\$738,557	\$760,877	\$760,877
Centrally Appropriated Costs ²	\$13,129	\$9,378	\$9,378
Total	\$813,129	\$809,378	\$809,378
Total FTE	0.7 FTE	0.5 FTE	0.5 FTE

¹ Funding for grants is assumed to be appropriated in FY 2024-25 and then spent over a three-year period.

² Centrally appropriated costs are not included in the bill's appropriation.

Department of Public Health and Environment. The fiscal note assumes that seven school-linked health centers will apply for a grant. To fund seven additional grants while keeping grants to existing school-based health centers at their current levels, CDPHE requires \$2.3 million over three years in additional funds. In addition, the CDPHE will require an additional 0.7 FTE in FY 2024-25 and 0.5 FTE through FY 2026-27 to manage the expanded grant program. This staff will conduct community engagement, solicit competitive bids, provide technical assistance, administer the additional grants, and monitor and report on additional funds awarded. Standard operating and capital outlay expenses are included for this additional staff.

Department of Health Care Policy and Financing. HCPF may have a minimal increase in workload or costs to update provider identifier codes in its payment system to reflect the new school-linked health center category. HCPF already has an existing provider type identifier for school-based services and a place of service identifier for schools, so any changes are expected to be minimal.

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 shown in Table 2.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2024-25, the bill requires the following General Fund appropriations to the Department of Public Health and Environment:

- \$61,443 for administrative expenses, and 0.7 FTE; and
- \$2,260,311 for grants, which requires roll-forward spending authority through FY 2026-27.

Departmental Difference

CDPHE estimates that the bill requires 1.1 FTE per year to expand the grant program to accommodate the new service model provided by school-linked health centers, support the centers as they use the grant funding to expand their operations, and report on the centers' success after developing new criteria that align with their model. This fiscal note assumes the centers will not be reliant on CDPHE for this support and CDPHE will not be required to report on the new model's success. Thus, this note assumes that 0.7 FTE in the first year and 0.5 FTE in following years will be sufficient.

State and Local Government Contacts

Health Care Policy and Financing

Public Health and Environment

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](#).