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FISCAL NOTE

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Prime Sponsors: Rep. Esgar; Cutter Bill Status: House SVMA
Sen. Zenzinger; Story Fiscal Analyst: Aaron Carpenter | 303-866-4918
Aaron.Carpenter@state.co.us

Bill Topic: FOOD PANTRY ASSISTANCE GRANT PROGRAM

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

This bill creates the Food Pantry Assistance Grant Program in the Department of Human Services. This bill will increase expenditures in FY 2019-20 and FY 2020-21.

Appropriation Summary: For the current FY 2019-20, this bill includes an appropriation of \$500,000 to the Department of Human Services. Any funds not expended in the current fiscal year are further appropriated for FY 2020-21.

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

Table 1 State Fiscal Impacts Under HB 20-1422

Table with 4 columns: Category, FY 2019-20 (Current Year), FY 2020-21, FY 2021-22. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total\*), Total FTE, Transfers, and TABOR Refund.

\* This amount comes from the CARE subfund within the General Fund. Any unspent funds in current FY 2019-20 may be spend in FY 2020-21.

## **Summary of Legislation**

This bill creates the Food Pantry Assistance Grant Program (program) in the Department of Human Services (DHS). The goals of the program are to aid Colorado food pantries and food banks in the purchase of foods and to create new market opportunities for Colorado agricultural products.

**Food Pantry Assistance Grant Program.** The bill requires the DHS to create a process for soliciting, vetting, awarding, and monitoring grants awarded through the program. The DHS may use at least \$25,000 or up to five percent of the total funds appropriated to the program for administering the program. By December 30, 2020, the DHS must award one or more grants to eligible entities. Grant awards must be between \$2,500 and \$20,000.

The bill allows food pantries and food banks to submit a joint application for a grant. Joint applications can receive an award of at least \$2,500, but no more than \$35,000. Food purchased through the program must be designated as a Colorado agricultural product. A grantee may also use up to 10 percent of the grant to cover the direct and indirect costs of implementing its mission, and may not resell food purchased with grant funding. The program is repealed September 1, 2026.

**Appropriations.** The bill appropriates \$500,000 from the CARE subfund in the General Fund in the current FY 2019-20 for the program and allows unspent funds at the end of the fiscal year to be spent in FY 2020-21, until December 30, 2020.

## **Assumptions**

This fiscal note assumes that the DHS will award 80 to 100 grants, with each grant averaging between \$5,900 to \$7,650.

## **State Expenditures**

Beginning in FY 2019-20 and ending in FY 2020-21, this bill will increase state expenditures in the DHS by \$500,000 to administer and provide grant funding to grant recipients. These costs are discussed below and shown in Table 2.

**Table 2**  
**Expenditures Under HB 20-1422**

	FY 2019-20* (Current Year)	FY 2020-21	FY 2021-22
<b>Department of Human Services</b>			
Personal Services	\$22,925	-	-
Grants	\$475,000	-	-
Centrally Appropriated Costs	\$2,075	-	-
<b>Total Cost</b>	<b>\$500,000</b>	<b>\$0</b>	<b>\$0</b>
<b>Total FTE</b>	<b>0.3 FTE</b>	<b>0 FTE</b>	<b>0 FTE</b>

\*Unexpended amounts at the end of the current FY 2019-20 may be spent in FY 2020-21.

**Department of Human Services.** Based on the number of grants outlined in the Assumptions Section above, it is estimated that the DHS will require 0.3 FTE in order to administer the program, with more FTE being required if more grants are awarded. Of the \$500,000 amount, it is estimated that \$25,000 will be used by the DHS to administer the program. The remaining \$475,000 will be used for grants to eligible recipients. The DHS must expend any funds by December 30, 2020.

**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, supplemental employee retirement payments, and indirect cost assessments, are estimated to be \$2,075 in FY 2020-21.

**Effective Date**

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

**State Appropriations**

For the current FY 2019-20, this bill will include a General Fund appropriation, from the CARE subfund, of \$500,000 to the Department of Human Services and will require 0.3 FTE.

For FY 2020-21, the bill appropriates any unspent FY 2019-20 appropriations until December 30, 2020, to the Department of Human Services.

**State and Local Government Contacts**

Agriculture    Counties    Human Services