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FISCAL NOTE

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Prime Sponsors: Sen. Bridges; Tate Bill Status: Senate Education
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Bill Topic: THE COLORADO IMAGINATION LIBRARY PROGRAM

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

This bill requires the State Librarian to contract with a nonprofit to implement the Colorado Imagination Library Program. Starting in FY 2020-21, the bill will increase state expenditures on an ongoing basis.

Appropriation Summary: For FY 2020-21, this bill requires an appropriation of \$153,981 to the Department of Education.

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

Table 1 State Fiscal Impacts Under SB 20-185

Table with 3 columns: Category, FY 2020-21, FY 2021-22. Rows include Revenue, Expenditures (General Fund), Transfers, and TABOR Refund.

Summary of Legislation

This bill requires the State Librarian to contract with a nonprofit organization for the creation and operation of the Colorado Imagination Library Program by December 31, 2020. The contractor must:

- create and operate the program, including establishing county affiliate programs in all counties;
- manage daily operations;
- develop, promote, and coordinate a public awareness campaign; and
- contract with a national nonprofit foundation to provide high-quality, age-appropriate books each month to eligible children.

The contractor must also receive state funding to cover 50 percent of the statewide cost to provide books from the national nonprofit foundation, with each county-based affiliate program paying the remainder of the cost to the contractor. The bill requires the General Assembly to appropriate money from the General Fund in order to cover the contractor's cost of providing books. On or before July 1, 2021, and in future years, the contractor must submit a report to the Colorado Department of Education (CDE) and the General Assembly concerning the total number of eligible children residing in each county.

Background

The Dolly Parton's Imagination Library is a non-profit that provides books in the mail for free to children under the age of 5. Currently, there are 27 local affiliates in Colorado that serve 12,573 children statewide. According to the 2017 American Community Survey, there are 334,250 children under the age of 5.

State Expenditures

State General Fund expenditures in the CDE will increase by \$153,981 in FY 2020-21 and by \$579,411 in FY 2021-22, as shown in Table 2 and discussed below.

Table 2
Expenditures Under SB 20-185

	FY 2020-21	FY 2021-22
Department of Education		
Request for Proposal	\$17,850	-
Contractor Costs	\$136,131	\$579,411
Total Cost	\$153,981	\$579,411

Request for proposal. In FY 2020-21 only, \$17,198 is required to issue Request for Proposals (RFP). The RFP process will take 350 hours at a charged rate of \$51 per hour.

Contractor costs. Expenditures will increase to hire a contractor at an estimated cost of \$136,131 in FY 2020-21 and \$579,411 in FY 2021-22. Of this amount, \$106,131 in FY 2020-21 and \$519,411 in FY 2021-22 is required to fund half the cost of providing books to eligible children. This estimate assumes that up to 24,066 children will participate in the program in FY 2020-21 and 58,160 children will participate in FY 2021-22. This assumes that the number of participatory children will increase by about 1 percent per month. According to the current Imagination Library Program, the cost of providing books is \$2.10 per child per month or \$25.20 per year. Because the bill requires the state to fund half the cost, the state cost of providing a book is \$12.60 per child per year. The state share of book costs could be up to \$4.2 million if every eligible child in Colorado enrolled in the program.

The fiscal note assumes that if more children enroll in the program, the CDE will request more funding through the annual budget process. In addition to providing books, the fiscal note estimates that administering the program and creating and administering a public awareness campaign will cost \$60,000 per year. Contractor costs in FY 2020-21 are prorated to account for the January 1, 2021, contract start date.

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2020-21, this bill requires a General Fund appropriation of \$153,981 to the Colorado Department of Education.

State and Local Government Contacts

Education Information Technology