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Fiscal Note

Drafting Number:
Prime Sponsors:

LLS 21-0576
Sen. Fields; Coram
Rep. Herod; Caraveo

Date: March 18, 2021
Bill Status: Senate HHS
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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, and requires CDPHE 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 an appropriation of \$186,168 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 21-181**

		Budget Year FY 2021-22	Out Year FY 2022-23
Revenue		-	-
Expenditures	General Fund	\$186,168	\$171,226
	Total FTE	1.5 FTE	1.5 FTE
Transfers		-	-
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.

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 by adding representatives of five state agencies. In addition, the bill directs the office to facilitate a state agency work group by July 1, 2022, consisting of the agencies represented on the commission, to develop an Equity Strategic Plan to coordinate state agencies' work in addressing social determinants of health disparities.

Every two years, starting January 1, 2022, the office must issue a report on health disparities in Colorado by race and ethnicity that includes an assessment of social determinants of health and recommends strategies to address inequities. The bill directs state agencies to use the report in their strategic planning processes.

State Expenditures

The bill increases expenditures in several state agencies, primarily CDPHE, by \$186,168 and 1.5 FTE in FY 2021-22 and \$171,226 and 1.5 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	\$118,709	\$118,709
Operating Expenses	\$2,025	\$2,025
Capital Outlay Costs	\$12,400	-
Centrally Appropriated Costs ¹	\$53,034	\$50,492
Total Cost	\$186,168	\$171,226
Total FTE	1.5 FTE	1.5 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 \$186,168 and 1.5 FTE in FY 2021-22 and \$171,226 and 1.5 FTE in FY 2022-23. These costs are for staff to support the agency work group, conduct outreach, and prepare the office's biannual report. Standard operating and capital outlay costs for this staff are shown in Table 2 above. The fiscal note assumes that General Fund will be appropriated to the Health Disparities Grant Program Fund to cover these costs. If General Fund is not provided, then less funding will be available for health disparity grants.

Grants. While the bill expands the scope of grantmaking by the CDPHE, the fiscal note assumes that grants will be issued within current funding levels. The General Assembly, at its discretion, may appropriate additional money to the Health Disparities Grant Program to fund additional grants.

Other state agencies. The bill expands the commission to include representatives from 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 and the state agency work group. In addition, state agencies currently on the commission—CDPHE, the Department of Human Services, and the Department of Health Care Policy and Financing—will have increased workload to also participate on the state agency work group. This workload 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 \$53,034 in FY 2021-22 and \$50,492 in FY 2022-23. The General Fund appropriation indicated in this fiscal note contains funding for these estimated centrally appropriated costs. It is assumed funding will then be appropriated from the Health Disparities Grant Program Fund through the annual budget process.

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

- \$186,168 from the General Fund to the Health Disparities Grant Program Fund; and
- \$133,134 from the Health Disparities Grant Program Fund to the Department of Public Health and Environment and 1.5 FTE.

Departmental Difference

CDPHE estimates that it will have costs of \$349,626 and 3.0 FTE in FY 2021-22 and \$353,954 and 3.0 FTE in FY 2022-23 to conduct the work required by the bill. The fiscal note has reduced these staffing levels compared to the department estimate based on the staffing required for similar types of work in other legislation and programs.

State and Local Government Contacts

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