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Fiscal Note

Drafting Number: LLS 22-0224
Prime Sponsors: Rep. Cutter; Soper
Sen. Story
Date: April 12, 2022
Bill Status: House Agriculture
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Bill Topic: FOOD PANTRY ASSISTANCE GRANT PROGRAM

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

The bill extends the food pantry assistance grant program through July 1, 2028, and expands its scope. It increases state expenditures through FY 2026-27.

Appropriation Summary: For FY 2022-23, the bill requires an appropriation of \$5,000,000 to the Department of Human Services.

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

Table 1
State Fiscal Impacts Under HB 22-1364

Table with 5 columns: Category, Sub-category, Budget Year FY 2022-23, Out Year FY 2023-24, Out Year FY 2024-25. Rows include Revenue, Expenditures (General Fund), Transfers, and Other Budget Impacts (GF Reserve).

Summary of Legislation

Under current law, the food pantry assistance grant program in the Department of Human Services (DHS) is set to repeal on June 30, 2023. The bill extends the grant program through July 1, 2028. It requires a total of \$14.5 million in General Fund appropriations to the grant program over five years in the following amounts:

- \$5.0 million for FY 2022-23;
- \$3.5 million for FY 2023-24;
- \$2.0 million for each of FY 2024-25 through FY 2026-27; these amounts may be awarded only for grants to purchase agricultural products and for technical assistance.

The bill expands the scope of the grant program in three ways. First, it makes hunger-relief charitable organizations eligible to receive grants. Second, it allows \$100,000 to be awarded annually to a nonprofit entity to provide technical assistance to a grant recipient for training food pantries and assisting in locating and purchasing Colorado agricultural products. Finally, it broadens the kinds of agricultural products that may be purchased with grant money, to include: products sold by indigenous people in Colorado and neighboring states; products that hold cultural significance for indigenous people; and locally or regionally produced products grown, raised, or processed less than 400 miles away from where the grant recipient is located.

State Expenditures

The bill increases General Fund expenditures for the food pantry assistance grant program by \$5.0 million in FY 2022-23, \$3.5 million in FY 2023-24, and \$2.0 million in each of FY 2024-25 through FY 2026-27. No expenditures are required beyond FY 2026-27. Expenditures are for the grant program as required in the bill.

No startup costs are required as the program already exists in the department. As allowed under current law, it is assumed that the DHS will continue to be able to retain up to 5 percent of total funds available for its administrative expenses, and to contract with a third party to administer the grant program. The Department of Agriculture currently assists grant program administrators with accessing information on Colorado agricultural producers; continued assistance is assessed as a minimal workload increase that can be accomplished within existing appropriations.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve beginning in FY 2022-23. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve as shown in Table 1, which will decrease the amount of General Fund available for other purposes.

Effective Date

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

State Appropriations

For FY 2022-23, the bill requires a General Fund appropriation of \$5,000,000 to the Department of Human Services.

State and Local Government Contacts

Agriculture

Counties

Human Services

Information Technology