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Fiscal Note

Drafting Number: LLS 22-0930 Date: April 6, 2022
Prime Sponsors: Sen. Hansen; Coram Bill Status: Senate Finance
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Bill Topic: ECONOMIC MOBILITY PROGRAM

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

The bill creates the economic mobility program within the Department of Public Health and Environment. Beginning in FY 2022-23, the bill increases state expenditures.

Appropriation Summary: For FY 2022-23, the bill requires an appropriation of \$1,799,570 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 22-182

Table with 5 columns: Category, Budget Year FY 2022-23, Out Year FY 2023-24, Out Year FY 2024-25. Rows include Revenue, Expenditures (Cash Fund, Centrally Appropriated, Total Expenditures, Total FTE), Transfers (Economic Mobility Fund, Economic Recovery & Relief CF, Net Transfer), and Other Budget Impacts.

Summary of Legislation

The bill creates the economic mobility program within the Department of Public Health and Environment (CDPHE), creates the Economic Mobility Program Fund, and transfers \$4 million to the fund from the Economic Recovery and Relief Cash Fund.

Background

The economic mobility program is already operating within CDPHE and the bill codifies the program in statute. The program currently has short-term funding available that supports about four temporary and term-limited employees working on tax credit outreach for the 2022 tax year. Currently, the program works to increase enrollment in the Child Tax Credit (CTC), Earned Income Tax Credit (EITC), and Child and Dependent Care Tax Credit (CDCTC). Additionally, the program supports financial literacy training, tax filing assistance, unified benefit enrollment, education assistance, increasing affordable housing options, raising awareness and implementation of paid family leave, and other strategies.

State Transfers

On July 1, 2022, the bill transfers \$4 million from the Economic Recovery and Relief Cash Fund to the Economic Mobility Program Fund created by this bill.

State Expenditures

The bill increases state expenditures in CDPHE by \$1,944,867 in FY 2022-23, by \$2,022,308 in FY 2023-24, and by \$32,819 in FY 2024-25. Expenditures are shown in Table 2 and detailed below. The fiscal note assumes that the \$4.0 million transferred for the program will be spent through FY 2024-25.

**Table 2
 Expenditures Under SB 22-182**

	FY 2022-23	FY 2023-24	FY 2024-25
Department of Public Health and Environment			
Personal Services	\$190,237	\$252,336	\$22,071
Operating Expenses	\$4,185	\$5,535	-
Capital Outlay Costs	\$18,600	\$6,200	-
Travel Expenses	\$498	\$498	-
VITA Site Development	\$762,500	\$762,500	-
Community Outreach	\$473,550	\$473,550	-
Communication and Evaluation	\$350,000	\$350,000	-
Centrally Appropriated Costs ¹	\$145,297	\$171,689	\$10,748
Total Cost	\$1,944,867	\$2,022,308	\$32,819
Total FTE	3.1 FTE	4.1 FTE	0.3 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Personal services. CDPHE requires a total of 4.1 FTE in each year to administer the economic mobility program. In FY 2022-23, previous short-term funding will support the program's current staff through September 2022, as such this fiscal note includes resources for 3.1 FTE to fund the program's staff for the remainder of FY 2022-23. In FY 2023-24, CDPHE will require funding for the full 4.1 FTE needed to administer the program. And in FY 2024-25, 0.3 FTE are required to provide statutorily required monitoring and reporting of the program.

Staffing includes a public health and community outreach specialist, a tax credit contract administrator, a tax credit outreach and navigation specialist, a partnership and benefits coordination specialist, a marketing communications specialist, a tax credit evaluation specialist, and an auditor.

Economic Mobility Program expenditures. CDPHE will spend a total of \$1.6 million in both FY 2022-23 and FY 2023-24 on program expenses, including Volunteer Income Tax Assistance (VITA) sites, community outreach and navigation, and communication materials and activities. The department will contract with VITA sites and provide funding to entities interested in becoming VITA sites in Colorado; provide grants to nonprofits, local governments, and other community-based organizations to support ongoing outreach and navigation for tax payers; engage in targeted communication and education of taxpayers that may be eligible for tax benefits; and evaluate the economic mobility program.

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 upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

In FY 2022-23, the bill requires an appropriation of \$1,799,570 and 3.1 FTE to the Department of Public Health and Environment from the Economic Mobility Program Cash Fund.

State and Local Government Contacts

Information Technology

Public Health and Environment

Treasury