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Revised Fiscal Note

(replaces fiscal note dated March 23, 2023)

Drafting Number: LLS 23-0411 **Date:** April 11, 2023
Prime Sponsors: Rep. deGruy Kennedy; Velasco **Bill Status:** House Appropriations
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Bill Topic: REGIONAL HEALTH CONNECTOR PROGRAM

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill recreates the Regional Health Connector Program under the Colorado Department of Public Health and Environment. The bill increases state expenditures through FY 2024-25, and potentially future fiscal years.

Appropriation Summary: For FY 2023-24, the bill requires an appropriation of \$2,000,000 to the Colorado Department of Public Health and Environment.

Fiscal Note Status: The fiscal note reflects the introduced bill, as amended by the House Public and Behavioral Health and Human Services Committee. It has also been updated to reflect an assumption that additional staff is required.

Table 1
State Fiscal Impacts Under HB 23-1244

		Budget Year FY 2023-24	Out Year FY 2024-25
Revenue		-	-
Expenditures	General Fund	\$2,000,000	\$78,316
	Centrally Appropriated	\$14,220	\$18,225
	Total Expenditures	\$2,014,220	\$96,541
	Total FTE	0.8 FTE	1.0 FTE
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$300,000	\$11,747

Summary of Legislation

The bill recreates the Regional Health Connector Program in the Colorado Department of Public Health and Environment (CDPHE) and requires that \$2 million be appropriated for the program in FY 2023-24. Under the program, regional health connectors receive funding to help coordinate health care across organizations, including community organizations. The CDPHE is required to contract with a third-party entity to distribute funding to regional health connectors’ host organizations. The contractor may retain a percentage of the appropriation.

The bill repeals the Regional Health Connector Workforce Program in the University of Colorado School of Medicine that was established in Senate Bill 21-137 and funded for FY 2021-22 only.

State Expenditures

The bill increases state expenditures in CDPHE by about \$2 million in FY 2023-24 and \$97,000 in FY 2024-25, paid from the General Fund. Expenditures are shown in Table 2 and detailed below.

**Table 2
 Expenditures Under HB 23-1224**

	FY 2023-24	FY 2024-25
Department of Public Health and Environment		
Personal Services	\$57,725	\$76,966
Operating Expenses	\$1,080	\$1,350
Capital Outlay Costs	\$6,670	-
Contractor	\$1,934,525	-
Centrally Appropriated Costs ¹	\$14,220	\$18,225
Total Cost	\$2,014,220	\$96,541
Total FTE	0.8 FTE	1.0 FTE

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

Staffing. CDPHE requires 1.0 FTE to procure and oversee the contractor. This will increase staff-related costs by \$65,000 in FY 2023-24 and \$78,000 in FY 2024-25. Assuming that the contractor disperses most funding in FY 2023-24, it is assumed that this staff will not be necessary beyond FY 2024-25, unless additional health connector funding is provided in future years. It is assumed that continuation of this staff will be addressed through the annual budget process if funding for the program is continued. Standard operating and capital outlay costs are included, and first-year costs are prorated for the General Fund pay date shift and the bill’s effective date.

Contractor and health connector funding. The remaining \$1.9 million is assumed to go to the contractor to disperse to eligible organizations and conduct outreach and stakeholder work as outlined in the bill. It is assumed that additional health connector funding in FY 2024-25 and future years may be provided at the discretion of the General Assembly.

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 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2023-24, the bill requires a General Fund appropriation of \$2,000,000 to the Colorado Department of Public Health and Environment, and 0.8 FTE.

State and Local Government Contacts

Behavioral Health Administration
Higher Education
Information Technology

Health Care Policy and Financing
Human Services
Public Health and Environment