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Revised Fiscal Note

(replaces fiscal note dated April 1, 2024)

Drafting Number:	LLS 24-0485	Date:	April 30, 2024
Prime Sponsors:	Rep. Titone; Willford Sen. Buckner; Winter F.	Bill Status:	House Second Reading
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Bill Topic: FREE MENSTRUAL PRODUCTS TO STUDENTS

Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input checked="" type="checkbox"/> School District

The bill requires that local education providers provide free menstrual products to students and modifies the menstrual hygiene grant program. The bill increases state expenditures in FY 2024-25 only and school district expenditures on an ongoing basis.

Appropriation Summary: For FY 2024-25, the bill requires and includes an appropriation of \$100,000 to the Colorado Department of Education.

Fiscal Note Status: The revised fiscal note reflects the introduced bill, as amended by the House Education and Appropriations Committees.

Table 1
State Fiscal Impacts Under HB 24-1164

		Budget Year FY 2024-25	Out Year FY 2025-26
Revenue		-	-
Expenditures¹	General Fund	\$100,000	-
	Centrally Appropriated	\$3,942	-
	Total Expenditures	\$103,942	-
	Total FTE	0.2 FTE	-
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$15,000	-

Summary of Legislation

Free menstrual hygiene products. The bill requires that local education providers (LEPs) provide free menstrual hygiene products to students in:

- at least 25 percent of applicable bathrooms by June 30, 2025;
- at least 50 percent of applicable bathrooms by June 30, 2026;
- at least 75 percent of applicable bathrooms by June 30, 2027; and
- all applicable bathrooms by June 30, 2028.

Small rural school districts, the Colorado School for the Deaf and the Blind (CSDB), approved facility schools, and charter schools located within small rural districts must abide by the June 30, 2028 deadline, but not the earlier phased-in deadlines. If a school building only serves kindergarten through sixth grade, the required products may be in a school health or administration office.

Menstrual hygiene grant program. The bill expands the Menstrual Hygiene Grant Program in the Colorado Department of Education (CDE) to be available to rural and small rural school districts and the charter schools located within those districts. The bill also continues the program reporting requirement indefinitely. For FY 2024-25, the bill requires that the General Assembly appropriate \$200,000 for the grant program, and no more than 10 percent may be used for administrative costs.

Background

The Menstrual Hygiene Products Accessibility Grant Program was created by [Senate Bill 21-255](#) to provide grants to LEPs to provide free menstrual hygiene products to all students. To qualify, LEPs must have at least 50 percent of students qualify for free and reduced-price lunch. Funding is allocated proportionally to any qualifying LEP that applies. The program has been funded at \$100,000 per year; has awarded grants to between 32 and 38 recipients each year. The program has been managed by existing staff in the CDE since it was created, without a specific allocation of FTE.

Assumptions

For FY 2024-25, the fiscal note assumes that the required \$200,000 in funding identified in the bill includes the \$100,000 currently in the Long Bill, resulting in the need for \$100,000 in new funding for the grant program.

State Expenditures

The bill increases state General Fund expenditures by \$104,000 in CDE in FY 2024-25 only. Costs are shown in Table 2 and discussed below. While required new costs are shown in this fiscal note for FY 2024-25 only, the General Assembly may set funding in future years, including at the expanded amount, at its discretion through the annual budget process.

Table 2
Expenditures Under HB 24-1164

	FY 2024-25	FY 2025-26
Department of Education		
Personal Services	\$18,755	-
Grants	\$81,245	-
Centrally Appropriated Costs ¹	\$3,942	-
Total Cost	\$103,942	-
Total FTE	0.2 FTE	-

Staff costs. CDE requires 0.2 FTE in FY 2024-25 only to administer the grant program. Costs include coordinating with grantees, managing a larger application and prioritization processes, and collecting data. Staff is required because the current program does not have dedicated staff, and the bill expands the number of eligible LEPs and requires LEPs to begin providing the products. Costs assume a September start date.

Grants. After administrative expenses, \$81,245 is remaining for grants to local education providers. Grant amounts have ranged from \$1,000 to \$5,000 per participating LEP per year in recent years, which would serve between 16 and 81 LEPs. Actual grant amounts will be determined by CDE.

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.

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. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

School District

The bill increases costs for school district to provide free menstrual hygiene costs for students. Costs will be phased in from FY 2024-25 through FY 2027-28, with costs for small rural districts beginning in FY 2027-28. Exact costs will vary based on whether districts currently provide these products, the type of products provided, the number of restrooms and school buildings, the number of students, and whether school districts choose to access state procurement contracts for purchasing products. For informational purposes, costs are estimated at between \$0.20 to \$5 per student per year.

Some of the school district costs will be offset by funding from the state grant program. Since the grant program's inception, grants have ranged from \$1,000 to \$5,000 per participating LEP per year, with 35 LEPs receiving funding in FY 2023-24.

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 2024-25, the bill requires and includes a General Fund appropriation of \$100,000 to the Colorado Department of Education, and 0.2 FTE.

State and Local Government Contacts

Education School Districts

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).