



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated April 26, 2024)

Drafting Number:	LLS 24-1178	Date:	May 4, 2024
Prime Sponsors:	Sen. Roberts; Kirkmeyer Rep. Catlin; Lukens	Bill Status:	House Appropriations
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Bill Topic: FUNDING FOR RURAL HEALTH CARE

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

The bill appropriates funds to CDHE to expand its rural health-care workforce initiative and to HCPF to make payments to rural hospitals. The bill increases state expenditures in FY 2024-25 only.

Appropriation Summary: For FY 2024-25, the bill includes an appropriation of \$866,567 to the Department of Higher Education. No appropriation is required from the Rural Hospital Cash Fund which is continuously appropriated to the Department of Health Care Policy and Financing.

Fiscal Note Status: The revised fiscal note reflects the reengrossed bill.

**Table 1
State Fiscal Impacts Under SB 24-221**

		Budget Year FY 2024-25	Out Year FY 2025-26
Revenue		-	-
Expenditures	General Fund	\$866,667	-
	Cash Funds	\$1,742,029	-
	Total Expenditures	\$2,608,696	-
Transfers	General Fund	(\$1,742,029)	-
	Cash Funds	\$1,742,029	-
	Net Transfer/Diversion	\$0	-
Other Budget Impacts	General Fund Reserve	\$130,000	-

Summary of Legislation

The bill provides funding for the Rural Health Care Workforce Initiative in the Department of Higher Education (CDHE) and for the Department of Health Care Policy and Financing (HCPF) to make payments to rural hospitals.

Rural Health Care Workforce Initiative. [Senate Bill 22-172](#) established the Rural Health-Care Workforce Initiative in CDHE to expand the number of health-care professionals practicing in rural or frontier counties through support for higher education institutions establishing or expanding a health-care professional rural track. The Rural Program Office (office) at the University of Colorado provides institutional support for institutions operating a rural track and manages the initiative's reporting.

The bill requires the office to develop and annually revise a data-driven funding allocation formula to be used by the CDHE when making allocations to the initiative. CDHE must include information about the allocation formula as part of its annual reporting on the initiative to the General Assembly.

The bill appropriates \$866,677 to the CDHE for the initiative in FY 2024-25, which has roll-forward spending authority through FY 2025-26.

Rural Hospital Payments. The bill creates the Rural Hospital Cash Fund and continuously appropriates the fund to HCPF to make equal payments to rural hospitals, as defined in the bill. On July 1, 2024, the bill transfers \$1,742,029 from the General Fund to the fund.

State Transfers

In FY 2024-25 only, the bill transfers \$1,742,029 from the General Fund to the newly created Rural Hospital Cash Fund.

State Expenditures

CDHE will expend the \$867,000 over FY 2024-25 and FY 2025-26 to support the Rural Program Office's requirements under the bill and to expand initiative funding. The office in the University of Colorado will have an increase in workload to create a data-driven funding allocation formula and support universities that receive additional funding for their rural track.

In FY 2024-25, HCPF will expend the \$1.7 million in the Rural Hospital Cash Fund to make equal payments to rural hospitals.

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.

Effective Date

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

State Appropriations

For FY 2024-25, the bill includes a General Fund appropriation of \$866,667 to the Department of Higher Education. No appropriation is required for the Department of Health Care Policy and Financing since the Rural Hospital Cash Fund is continuously appropriated.

Departmental Difference

CDHE estimates that it will require 0.5 FTE to distribute the additional payments in line with the formula that will be developed by the University of Colorado. Since the program is already operational, the fiscal note assumes that making additional payments and conforming to a new distribution formula can be accomplished within existing resources.

State and Local Government Contacts

Health Care Policy and Financing

Higher Education

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](#).