



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 25-1223: CAPITAL NEEDS OF RURAL AND FRONTIER HOSPITALS

#### Prime Sponsors:

Rep. Johnson; Lukens  
Sen. Pelton R.; Roberts

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**Fiscal note status:** The revised fiscal note reflects the reengrossed bill.

### Summary Information

**Overview.** The bill requires the Department of Public Health and Environment to estimate the total cost needed to meet the capital development requirements in rural and frontier hospitals, and creates a task force to assist with the project.

**Types of impacts.** The bill is projected to affect the following areas on in FY 2025-26 only:

- State Revenue
- State Expenditures

**Appropriations.** No appropriation is required as the Department of Public Health and Environment has continuous spending authority from its Donation Fund.

**Table 1**  
**State Fiscal Impacts**

Type of Impact <sup>1</sup>	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue (Gifts, Grants, and Donations)	\$32,323	\$0
State Expenditures (Gifts, Grants, and Donations)	\$32,323	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.2 FTE	0.0 FTE

## **Summary of Legislation**

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The bill requires the Department of Public Health and Environment (CDPHE) to estimate the total cost needed to meet the capital development needs of Colorado rural and frontier hospitals. This work is overseen by a task force whose members are appointed by the Governor and legislative leadership. The study's implementation is dependent on receipt of sufficient gifts, grants, and donations. The estimate is due within 22 months of receiving sufficient funds. The bill repeals July 1, 2027.

## **Assumptions**

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The bill does not require members of the task force to receive reimbursement or compensation and does not require any member of the task force to be a member of the General Assembly, who are entitled to compensation for meetings that occur outside of the legislative session. Thus the fiscal note assumes that the members of the taskforce will serve without compensation.

The estimate is due within 22 months of receiving sufficient funds, however, the bill repeals July 1, 2027. The fiscal note assumes that funding will be received by September 1, 2025, and that CDPHE will receive and expend all necessary funds in FY 2025-26 and complete the report before the bill's repeal date.

## **State Revenue**

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The bill is expected to increase state cash fund revenue to CDPHE by about \$32,000 in FY 2025-26 only from gifts, grants, or donations. This revenue is exempt from TABOR revenue limits. It is assumed this funding will be deposited and spent from the CDPHE Donation Fund, if received.

## **State Expenditures**

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Conditional upon the receipt of sufficient gifts, grants, and donations, the bill increases state expenditures in CDPHE by about \$32,000 in FY 2025-26 only. These costs are summarized in Table 2 and discussed below. The bill also minimally affects workload in the Governor's Office and Legislative Department. Costs are assumed to be paid from the CDPHE Donation Fund.

**Table 2**  
**State Expenditures**  
**Department of Public Health and Environment**

<b>Cost Component</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
Personal Services	\$15,863	\$0
Contract Services	\$12,500	\$0
Centrally Appropriated Costs	\$3,960	\$0
<b>Total Costs</b>	<b>\$32,323</b>	<b>\$0</b>
<b>Total FTE</b>	<b>0.2 FTE</b>	<b>0.0 FTE</b>

### Department of Public Health and Environment

CDPHE will have staff and contract services costs totaling \$32,323 in FY 2025-26 to implement the bill. These costs assume that CDPHE will rely on existing reports and will contract with the producers of those reports as consultants.

#### Staff

CDPHE requires 0.2 FTE in FY 2025-26 only to investigate existing reports on the capital development needs of rural and frontier hospitals, make any necessary improvements and updates, and facilitate the task force.

#### Contract Services

CDPHE will contract with the producers of existing reports on the capital development needs of Colorado rural and frontier hospitals to answer any questions and help make any improvements needed to satisfy the requirements of the bill. The fiscal note assumes that this will require 100 total contractor hours at a rate of \$125 per hour.

#### 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 may include employee insurance, supplemental employee retirement payments, indirect cost assessments, and other costs, are shown in Table 2.

#### Other Agency Impacts

Workload will minimally increase in Governor's Office and Legislative Department to make appointments to the task force.

## **Effective Date**

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

## **State and Local Government Contacts**

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Governor's Office

Public Health and Environment

Legislative Council Staff

Treasury