



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1263: GRADUATE MEDICAL EDUCATION GRANT PROGRAM

Prime Sponsors:

Rep. Hartsook; Feret

Sen. Ball; Mullica

Fiscal Analyst:

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Published for: House Health & Human Services

Drafting number: LLS 25-0719

Version: Initial Fiscal Note

Date: February 27, 2025

Fiscal note status: The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill creates a grant program in the Department of Public Health and Environment to expand the number of residency programs.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- State Expenditures
- State Revenue

Appropriations. For FY 2025-26, the bill requires an appropriation of \$55,027 to the Department of Public Health and Environment.

Table 1
State Fiscal Impacts

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
State Revenue (Gifts, Grants and Donations)	up to \$66,906	up to \$70,275	up to \$1,100,393
State Expenditures ²	\$66,906	\$70,275	\$1,100,393
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$0
Change in State FTE	0.6 FTE	0.7 FTE	1.0 FTE

¹ Fund sources for these impacts are shown in the tables below.

² It is assumed that General Fund appropriations are required in FY 2025-26 and FY 2026-27 to conduct the required stakeholder process and develop the grant program. Beginning in FY 2027-28, costs to begin disbursing grants will depend on the availability of sufficient appropriations from the General Assembly or receipt of gifts, grants, or donations.

Table 1A
State Expenditures

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
General Fund	\$55,027	\$56,416	\$1,080,594
Cash Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0
Centrally Appropriated	\$11,879	\$13,859	\$19,799
Total Expenditures	\$66,906	\$70,275	\$1,100,393
Total FTE	0.6 FTE	0.7 FTE	1.0 FTE

Summary of Legislation

The bill creates the Graduate Medical Education Grant Program in the Department of Public Health and Environment (CDPHE). The grant program supports the establishment of accredited residency programs at health care facilities that have never had a resident training program. CDPHE must administer the program, engage stakeholders to develop the program, and report on the program during the department's SMART Act hearings.

Awarding grants through the new program is subject to available appropriations by the General Assembly or the receipt of gifts, grants, and donations.

Assumptions

Program Implementation Timeline

The bill does not specify a timeline for implementing the grant program and distributing grants. The fiscal note assumes that the required stakeholder engagement and program development will occur over two years in FY 2025-26 and FY 2026-27. Subject to available appropriations, the program is assumed to begin disbursing grants in FY 2027-28.

Program Funding

It is assumed that General Fund appropriations are required in FY 2025-26 and FY 2026-27 to develop the new program. Starting in FY 2027-28, the program will only begin issuing grants if appropriations are provided by the General Assembly or if gifts, grants, or donations are received. If there is not sufficient funding, it is assumed the newly developed program will become inactive until such time that appropriations or gifts, grants or donations are received to make grants and support the ongoing administration of the program. The fiscal note assumes General Fund appropriations will be required to implement the program.

State Revenue

The bill potentially increases state revenue from gifts, grants, or donations for use by the CDPHE to administer the grant program; however, no sources have been identified at this time. Gifts, grants, and donations are exempt from TABOR revenue limits.

State Expenditures

The bill increases state expenditures in the CDPHE by \$67,000 in FY 2025-26 and \$70,000 in FY 2026-27. Subject to available appropriations, costs will increase by \$1.1 million in FY 2027-28. These costs, paid from the General Fund, are summarized in Table 2 and discussed below.

Table 2
State Expenditures
Department of Public Health and Environment

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
Personal Services	\$47,589	\$55,520	\$79,314
Operating Expenses	\$768	\$896	\$1,280
Capital Outlay Costs	\$6,670	\$0	\$0
Grant Awards	\$0	\$0	\$1,000,000
Centrally Appropriated Costs	\$11,879	\$13,859	\$19,799
Total Costs	\$66,906	\$70,275	\$1,100,393
Total FTE	0.6 FTE	0.7 FTE	1.0 FTE

Department of Public Health and Environment

Costs will increase for staff and grant awards to health facilities beginning in FY 2025-26, as described below, and based on the Assumptions section above.

Staff

Beginning in FY 2025-26, CDPHE requires 0.7 FTE to oversee the stakeholder and rulemaking process. This includes 0.5 FTE for supporting program development, stakeholder engagement, and providing policy expertise, and 0.2 FTE for coordinating 18 stakeholder meetings and two Board of Health hearings over two years. Costs are prorated to assume a September 2025 start date and standard operating and capital outlay costs are included.

Beginning in FY 2027-28 and subject to available appropriations, 1.0 FTE will be required to oversee and implement the grant program, including managing applicants, financial monitoring, data collection, and reporting. The staff will also provide ongoing technical support to participants and identify potential funding sources for the program.

Grant Awards

Beginning in FY 2027-28, CPHDE will distribute \$1.0 million in grant awards to 10 facilities, resulting in \$100,000 per award, on average. This is an estimate only, as actual award amounts will depend on funding received from either appropriations or through gifts, grants and donations and the recommendations from the stakeholders and rulemaking process.

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, leased space, and indirect cost assessments, are shown in the expenditure table(s) above.

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 2025-26, the bill requires a General Fund appropriation of \$55,027 to the Department of Public Health and Environment, and 0.6 FTE.

State and Local Government Contacts

Higher Education

Public Health and Environment