

**Legislative Council Staff***Nonpartisan Services for Colorado's Legislature***Fiscal Note**

Drafting Number:	LLS 24-0811	Date:	January 12, 2024
Prime Sponsors:	Sen. Danielson; Ginal Rep. Willford; Young	Bill Status:	Senate Health & Human Services

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Bill Topic: STATE FUNDING FOR SENIOR SERVICES

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 type="checkbox"/> Statutory Public Entity

The bill appropriates additional state funding for senior services in FY 2024-25, requires that funding increase by inflation starting in FY 2025-26, and requires an adequacy study of that funding. The bill increases state expenditures on an ongoing basis.

Appropriation Summary:	For FY 2024-25, the bill includes an appropriation of \$5.0 million to the Department of Human Services.
Fiscal Note Status:	The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under SB 24-040

	Budget Year FY 2024-25	Out Year FY 2025-26
Revenue	-	-
Expenditures	General Fund	\$5,682,070
Transfers	-	-
Other Budget Impacts	General Fund Reserve	\$852,310

Summary of Legislation

The bill appropriates \$5.0 million in FY 2024-25 for senior services. Starting in FY 2025-26, the bill requires the General Assembly to adjust the General Fund appropriation for senior services by inflation, rounded to the nearest dollar. By August 2024, and every three years after, the Department of Human Services (CDHS), the Office of State Planning and Budgeting (OSPB), and Area Agencies on Aging must review the adequacy of the appropriation for state funding for senior services and report the findings to the General Assembly by November.

Background

For the current FY 2023-24, state appropriations for senior services totaled \$29.6 million, of which:

- \$14.5 million is from the General Fund;
- \$14.1 million is from the Older Coloradans Cash Fund; and
- \$1.0 million is reappropriated funds from the state Medicaid program.

State Expenditures

The bill will increase state General Fund expenditures in the CDHS by \$5.0 million in FY 2024-25, \$5.7 million in FY 2025-26, and increasing amounts in future years based on inflation. Costs in FY 2025-26 assume an inflation rate of 3.5 percent based on Legislative Council Staff's [December 2023 forecast](#), and that \$5.0 million appropriation for FY 2024-25 will carry forward into future years. Costs are summarized in Table 2 below.

In addition, workload to the CDHS and the OSPB will increase to complete the required adequacy reviewed. This work can be accomplished within existing appropriations.

Table 2
Estimated Increase in General Fund Appropriations
for Senior Services Under SB 24-040

	FY 2024-25	FY 2025-26
FY 2023-24 Base General Fund Appropriation	\$14,487,707	\$14,487,707
+ SB24-040 Appropriation	\$5,000,000	\$5,000,000
+ Inflation Adjustment from Prior Year GF Approp (3.5%)	N/A	\$682,070
<i>Required General Fund Appropriation</i>	<i>\$19,487,707</i>	<i>\$20,169,777</i>
Increase from Current Law	\$5,000,000	\$5,682,070

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 \$5,000,000 to the Department of Human Services

State and Local Government Contacts

Governor Human Services

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](#).