


Colorado Legislative Council Staff Fiscal Note
STATE
FISCAL IMPACT

Drafting Number: LLS 11-0437

Date: February 4, 2011

Prime Sponsor(s): Rep. Kefalas

Bill Status: House SVMA

Fiscal Analyst: Kate Watkins (303-866-6289)

TITLE: CONCERNING THE REQUEST OF POVERTY IMPACT STATEMENTS REGARDING LEGISLATIVE MEASURES INTRODUCED BY THE GENERAL ASSEMBLY.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013	FY 2013-2014
State Revenue			
State Expenditures			
General Fund	\$11,763	\$11,763	\$11,763
FTE Position Change	0.2 FTE	0.2 FTE	0.2 FTE
Effective Date: August 10, 2011, if the General Assembly adjourns on May 11, 2011, as scheduled, and no referendum petition is filed.			
Appropriation Summary for FY 2011-2012: See State Appropriations section.			
Local Government Impact: None.			

Summary of Legislation

This bill requires that a "poverty impact statement" be prepared by Legislative Council Staff on legislative measures introduced after January 1, 2012, upon request of the chair or ranking minority member of a committee of reference, when the legislative measure causes one or more of the following impacts:

- affects child and family poverty;
- builds assets and financial security of the state's residents;
- increases preschool through post-secondary educational opportunities;
- creates private sector jobs;
- allows cooperation with community-based organizations;
- establishes fair, sustainable, and targeted tax policies; and
- addresses state work-support issues such as child care, housing, utilities, health, and food security.

The bill requires that the statement include an estimate of the number of individuals or families that fall above or below certain poverty thresholds or a projection of the bill's impact on access to basic human services such as health care, housing, and education. The statement would include information about data sources used in the analysis and would be prepared in a process similar to fiscal notes and may be included with the fiscal note or as a separate document. The bill requires the cooperation of all departments, agencies, and institutions in preparing the statement.

State Expenditures

The bill increases costs for the Legislative Branch by an estimated \$11,763 and 0.2 FTE per year starting in FY 2011-12. There are a number of uncertainties regarding how this bill would be implemented, including the amount of research required to complete a poverty impact statement, the data available to perform the relevant analysis, and the level of detail required for the analysis. Additionally, the number of poverty impact statements requested each year may vary. This fiscal impact of this bill is based on the following assumptions:

- Each impact statement would require 12 hours of work by Legislative Council Staff. This would include analyzing the bill, contacting departments, accessing and analyzing available data, and drafting the statement.
- A poverty impact statement will be requested for 40 legislative measures each session. The criteria for requesting a statement is broad, so costs could reach up to \$197,482 and 3.5 FTE if a request is made for all bills. Alternatively, if no statements are requested, there would be no additional costs.

This bill requires that poverty impact statements be prepared within existing resources. However, the expected number of statements requested and the fact that the work will occur during the legislative session will drive costs that cannot be met within existing resources.

This bill may also increase the workload of departments responding to requests for information to complete the poverty impact statement. Assuming that departments will only provide data and not analysis, this fiscal note assumes that additional workload required by the bill can be met within current appropriations.

Expenditures Not Included

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. The centrally appropriated costs subject to this policy are summarized in Table 1.

Table 1. Expenditures Not Included Under House Bill 11-1078*		
Cost Components	FY 2011-12	FY 2012-13
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$1,632	\$1,632
Supplemental Employee Retirement Payments	\$522	\$522
TOTAL	\$2,154	\$2,154

*More information is available at: <http://colorado.gov/fiscalnotes>

State Appropriations

This bill requires that poverty impact statements be prepared within existing resources. However, this fiscal note implies that for FY 2011-12, the Legislative Branch will require an appropriation from the General Fund of \$11,763 and 0.2 FTE.

Departments Contacted

All Departments

Legislative Council Staff