



Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated March 12, 2024)

Drafting Number: LLS 24-0465 Date: March 28, 2024
Prime Sponsors: Sen. Coleman Bill Status: House State Affairs
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Bill Topic: RACIAL EQUITY STUDY

Summary of Fiscal Impact: [X] State Revenue [] State Transfer [] Local Government
[X] State Expenditure [] TABOR Refund [] Statutory Public Entity

The bill requires History Colorado to study the ongoing effects of slavery and subsequent systemic racism on Black Coloradans that may be attributed to practices, systems, and policies of the state, and establishes a commission to assist this effort and to contract for an economic impact study. The bill increases state expenditures through FY 2026-27, assuming sufficient gifts, grants, and donations are received.

Appropriation Summary: No appropriation is required. The Black Coloradan Racial Equity Study Cash Fund is continuously appropriated to History Colorado and the Legislative Department.

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

Table 1
State Fiscal Impacts Under SB 24-053^1

Table with 5 columns: Category, Sub-category, Budget Year FY 2024-25, Out Year FY 2025-26, Out Year FY 2026-27. Rows include Revenue (Cash Funds, Total Revenue), Expenditures (Cash Funds, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget.

^1 The bill intends for all costs to be paid from gifts, grants, and donations to the Black Coloradan Racial Equity Study Cash Fund, and creates a trigger of \$785,000 received for work to begin. The fiscal note assumes that enough funding will be received to cover the costs shown in Table 1 through FY 2026-27. If adequate funding is not received, History Colorado is not required to conduct the study.

Summary of Legislation

The bill establishes the Black Coloradan Racial Equity Commission within the Legislative Department to conduct a study to determine, and make recommendations related to, any potential historical and ongoing effects of slavery and subsequent systemic racism on Black Coloradans that may be attributed to practices, systems, and policies of the state.

Historical research for the study will be conducted by History Colorado staff in the Department of Higher Education and Legislative Council Staff will assist the commission. The bill establishes quarterly reporting requirements to the commission on study progress. History Colorado must submit the study to the commission and any recommendations within 2.5 years. At this point, the commission must enter into an agreement with one or more third-party entities to complete an economic analysis of the financial impact of systemic racism on Black Coloradans.

The work of the commission and the study hinge on receiving adequate gifts, grants, and donations. History Colorado is not required to conduct the study if adequate funding is not received. Gifts, grants, and donations are credited to the newly created Black Coloradan Racial Equity Study Cash Fund. Money in the fund is continuously appropriated to History Colorado and the Legislative Department. The fund must raise at least \$785,000 by June 30, 2025, in order for the study to occur; otherwise, the funds are returned to the donors.

The Commission consists of the Executive Director of History Colorado and Governor, Speaker of the House, and President of the Senate appointees, totaling 14 members, including two Representatives and two Senators. Non-legislative members of the committee serve without compensation but may be reimbursed for expenses incurred. The bill establishes timelines for the commission to meet and the topics of their study.

State Revenue

The bill is expected to increase state revenue to the Black Coloradan Racial Equity Study Cash Fund by at least \$785,000 in FY 2024-25, and by amounts adequate to cover state expenditures thereafter, as shown in Tables 1 and 2. Gifts, grants, and donations will cover the cost to conduct the study, fund the work of the commission, and contract for an economic analysis, as required by the bill. The fiscal note assumes that sufficient gifts, grants, and donations will be received by July 1, 2024, for the budget year costs, in order for History Colorado and the commission to start work immediately. Gifts, grants, and donations are not subject to the state's TABOR revenue limit.

State Expenditures

The bill increases state expenditures from the Black Coloradan Racial Equity Study Cash Fund by about \$625,000 in FY 2024-25, \$579,000 in FY 2025-26, and \$582,000 in FY 2026-27. Expenditures will not be incurred if adequate gifts, grants, and donations are not received. Expenditures are shown in Table 2 and detailed below.

**Table 2
 Expenditures Under SB 24-053**

	FY 2024-25	FY 2025-26	FY 2026-27
History Colorado			
Personal Services	\$384,291	\$384,291	\$192,145
Operating Expenses	\$6,400	\$6,400	\$3,200
Capital Outlay Costs	\$33,350	-	-
Meetings and Facilitation	\$12,350	-	-
Travel	\$5,280	\$5,280	-
Research Consultants	\$50,000	\$50,000	-
Centrally Appropriated Costs ¹	\$93,576	\$93,576	\$46,788
FTE – Personal Services	5.0 FTE	5.0 FTE	2.5 FTE
History Colorado Subtotal	\$585,247	\$539,547	\$242,133
Legislative Department			
Personal Services	\$22,039	\$22,039	\$22,039
Legislator Per-Diem and Travel Reimbursement	\$5,661	\$5,661	\$5,661
Non-Legislator Travel Reimbursement	\$7,440	\$7,440	\$7,440
Economic Study	-	-	\$300,000
Centrally Appropriated Costs ¹	\$4,769	\$4,769	\$4,769
FTE – Personal Services	0.3 FTE	0.3 FTE	0.3 FTE
Legislative Department Subtotal	\$39,910	\$39,910	\$339,910
Total Cost	\$625,156	\$579,456	\$582,043
Total FTE	5.3 FTE	5.3 FTE	2.8 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

History Colorado. History Colorado will have staff, consulting, and meeting costs to meet the bill's requirements, as outlined below.

- **Staff.** History Colorado require 5.0 FTE to conduct research to complete the study and report. These staff include 1.0 FTE Program Manager and 4.0 FTE Research Associates specializing in fiscal impacts, educational impacts, criminal justice impacts, and health care impacts to Black Coloradans. Standard operating expenses and capital outlay costs are included for this staff, and costs assume a July 1, 2024, start date, and a December 1, 2026, end date.

- **Meeting expenses and travel.** Meeting costs are estimated at \$12,350 in FY 2024-25 only, assuming two facilitated public comment meetings. Travel costs are included for research staff through FY 2025-26.
- **Research consultants.** History Colorado will contract with other research agencies, including community representatives, descendant scholars, survivors of racism, and other experts in order to complete the study. Costs assume 200 hours of research consultation at a rate of \$250 per hour.

Legislative Department. Legislative Council Staff requires 0.3 FTE Research Associate to provide support to the commission as they meet to conduct the study. Additionally, the four legislative members of the commission may incur up to \$5,661 in per diem and expense reimbursements per year, and the ten non-legislative members may incur up to \$7,440 in expense reimbursements per year. In FY 2026-27, the Legislative Department requires an estimated \$300,000 for the commission to contract for an economic study; actual costs will depend on the terms of contract following the procurement process.

Governor's Office. Workload will minimally increase for the Governor's Office of Boards and Commissions to make the required appointment under the bill. This work can be accomplished within existing appropriations.

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 include employee insurance and supplemental employee retirement payments, are shown in Table 2.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed, except that work on the study does not occur unless the state receives gifts, grants, or donations of at least \$785,000 by June 30, 2025.

Technical Note

Cash fund appropriations. The bill continuously appropriates funding to two separate agencies from a single newly created cash fund. For accounting purposes, the bill should make a direct, annual appropriation to one or both agencies to ensure that spending does not exceed available revenue in the fund.

State and Local Government Contacts

History Colorado

Legislative Council Staff