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Final Fiscal Note

Drafting Number:	LLS 24-0545	Date:	July 17, 2024
Prime Sponsors:	Sen. Rodriguez	Bill Status:	Deemed Lost
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Bill Topic: CREATING A DRUG DONATION PROGRAM

Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input checked="" type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input type="checkbox"/> Statutory Public Entity

The bill would have created a program that allowed for the donation and redistribution of unused medications. It would have increased state expenditures, and may have increased local expenditures, beginning in FY 2024-25.

Appropriation Summary: For FY 2024-25, the bill would have required an appropriation of \$568,699 to the Department of Public Health and Environment.

Fiscal Note Status: The final fiscal note reflects the introduced bill. The bill was deemed lost in the Senate Appropriation Committee on May 9, 2024; therefore, the impacts identified in this analysis do not take effect.

Table 1
State Fiscal Impacts Under SB 24-061

		Budget Year FY 2024-25	Out Year FY 2025-26
Revenue		-	-
Expenditures	General Fund	\$568,699	\$801,000
	Centrally Appropriated	\$1,875	-
	Total Expenditures	\$570,574	\$801,000
	Total FTE	0.1 FTE	-
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$85,305	\$120,150

Summary of Legislation

The bill creates the Colorado Drug Donation Program to allow for the donation and redistribution of certain medicines to indigent, uninsured, underinsured, or eligible patients.

The bill outlines the eligible donor and recipients, record-keeping requirements for donated medicines, types of medicines that may be donated, storage and disposal of donated medicines, and the process for re-dispensing medicine to eligible individuals. The Department of Public Health and Environment (CDPHE) must contract for drug repository services for the program. The contracted entity will store and dispense donated medicine; maintain an inventory of medicine; develop a public website; and perform an outreach campaign to inform potential donors and recipients of the program. The bill also requires the State Board of Pharmacy in the Department of Regulatory Agencies (DORA) to develop program rules; clarifies that individuals and entities involved in the program are not liable when acting in good faith; and modifies existing state laws to align with the reuse of unused medicine through this program.

State Expenditures

The bill increases state expenditures in the Department of Public Health and Environment (CDPHE) by \$570,000 in FY 2024-25 and \$801,000 in following years, paid from the General Fund. Workload will also minimally increase for DORA. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under SB 24-061

	FY 2024-25	FY 2025-26
Department of Public Health and Environment		
Personal Services	\$7,699	-
Drug Repository Services	\$561,000	\$801,000
Centrally Appropriated Costs ¹	\$1,875	-
Total Cost	\$570,574	\$801,000
Total FTE	0.1 FTE	-

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

Department of Public Health and Environment. The CDPHE requires staff and will have costs to contract for drug repository services.

- **Staff.** In FY 2024-25 only, CDPHE requires 0.1 FTE to develop rules for regulated health facilities that participate in the program. This includes preparing, facilitating, and providing subject matter expertise for stakeholder meetings and board hearings.

- **Drug repository services.** The CDPHE requires \$561,000 in FY 2024-25 and \$801,000 in following years to contract an entity for drug repository services. This estimate is based on the Drug Repository Task Force report. According to the report, a single state drug repository in Wyoming costs about \$616,000 per year and serves 1,500 participants. This estimate for repository services has been adjusted to be 30 percent higher than Wyoming (at \$801,000) to account for higher operating costs in Colorado (facility lease, wages, etc.). First-year costs have also been adjusted to account for an assumed initial ramp-up period for the program. Depending on participation and the volume of medications received, drug repository costs may increase in future years beyond this initial estimate for additional mailing, processing, and staff expenses.

Department of Regulatory Agencies. Workload will increase for the Board of Pharmacy to develop rules to implement the program and manage any complaints received from the program. This workload is minimal and can be accomplished within existing appropriations.

Other state agencies. To the extent that state health facilities opt to participate in the program, workload will increase to implement the program at the facility. The fiscal note assumes participation is at the discretion of the facility and any workload impacts will be absorbable within existing appropriations or will be requested through the annual budget process.

Local Government

Similar to state facilities, any local facility that elects to participate in the program will have increased administrative costs to follow the requirements of the program.

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 2024-25, the bill requires a General Fund appropriation of \$568,699 to the Department of Public Health and Environment, and 0.1 FTE.

State and Local Government Contacts

Corrections	Counties	Early Childhood
Health Care Policy and Financing	Higher Education	Human Services
Information Technology	Judicial	Law
Municipalities	Personnel	Public Health and Environment
Regulatory Agencies		

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](#).