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Fiscal Note

Drafting Number: LLS 24-0485 Date: February 22, 2024
Prime Sponsors: Rep. Titone; Willford Bill Status: House Education
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Bill Topic: FREE MENSTRUAL PRODUCTS TO STUDENTS

Summary of Fiscal Impact:
State Revenue [ ] State Transfer [ ] Local Government [ ]
State Expenditure [x] TABOR Refund [ ] School District [x]

The bill requires that local education providers provide free menstrual products to students and modifies the menstrual hygiene grant program. The bill increases state and school district expenditures from FY 2024-25 to FY 2026-27.

Appropriation Summary: For FY 2024-25, the bill requires an appropriation of \$400,000 to the Colorado Department of Education.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB 24-1164

Table with 4 columns: Category, Budget Year FY 2024-25, Out Year FY 2025-26, Out Year FY 2026-27. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (General Fund Reserve).

1 The bill requires a \$400,000 appropriation in FY 2024-25; however, it is assumed this funded will be spent over three years, as shown in Table 2 in the State Expenditures section.

## **Summary of Legislation**

**Free menstrual hygiene products.** The bill requires that local education providers (LEPs) provide free menstrual hygiene products to students. School districts, charter schools, and boards of cooperative education services, excluding small rural school districts and those with only one middle or high school must provide the products in half of the school buildings that serve grades six through twelve beginning July 1, 2025. All LEPs, the Colorado School for the Deaf and Blind, and approved facility schools must provide the products in all relevant school buildings beginning July 1, 2026.

**Menstrual hygiene grant program.** The bill expands the Menstrual Hygiene Grant Program in the Colorado Department of Education (CDE) to be available to all local education providers. If demand exceeds program funding, CDE must prioritize grant recipients that identify schools with at least 50 percent of students eligible for free or reduced-price lunch. The bill also continues the program reporting requirement indefinitely.

For FY 2024-25, the bill requires that the General Assembly appropriate \$400,000 for the program. Any unexpended money is further available for FY 2025-26 and FY 2026-27, and no more than 5 percent may be used for administrative costs.

## **Background**

The Menstrual Hygiene Products Accessibility Grant Program was created by [Senate Bill 21-255](#) to provide grants to LEPs to provide free menstrual hygiene products to all students. To qualify, LEPs must have at least 50 percent of students qualify for free and reduced-price lunch. Funding is allocated proportionally to any qualifying LEP that applies. The program has been funded at \$100,000 per year; has awarded grants to between 32 and 38 recipients each year. The program has been managed by existing staff in the CDE since it was created, without a specific allocation of FTE.

## **State Expenditures**

The bill increases state General Fund expenditures by \$400,000 in CDE in FY 2024-25. These funds are assumed to be spent over three years on grants and administration, as shown in Table 2 and discussed below.

**Table 2**  
**Expenditures Under HB 24-1164**

	FY 2024-25	FY 2025-26	FY 2026-27
<b>Department of Education</b>			
Personal Services	\$46,888	\$37,511	\$18,755
Operating Expenses	\$640	\$512	\$256
Grants	\$147,719	\$147,719	-
Centrally Appropriated Costs <sup>1</sup>	\$9,854	\$7,883	\$3,942
<b>Total Cost</b>	<b>\$205,101</b>	<b>\$193,625</b>	<b>\$22,953</b>
<b>Total FTE</b>	<b>0.5 FTE</b>	<b>0.4 FTE</b>	<b>0.2 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Assumptions.** The fiscal note assumes that grant funds will be distributed over two years, with three years of administrative expenses required. Additionally, the fiscal note assumes that the requirement that LEPs provide free menstrual products to students will increase demand for the grant program.

**Staff costs.** CDE requires 0.5 FTE in FY 2024-25 and 0.4 FTE in FY 2025-26 to administer the grant program. Costs include coordinating with grantees, managing two rounds of application and prioritization processes, and collecting data. In FY 2025-26, 0.2 FTE is required to wrap up the expanded program and manage any grants that are extended into the third year. First-year costs assume a September start date.

**Grants.** After administrative expenses, \$295,438 is remaining for grants to local education providers. See Technical Note. The fiscal note assumes this amount will be spent equally in FY 2024-25 and FY 2025-26, but actual timing will depend on the number of applications received and amounts awarded.

**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.

## 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.

## School District

The bill increases costs for school district to provide free menstrual hygiene costs for students. Exact costs will vary based on products currently provided, the type of products provided, the number of restrooms and school buildings, and the number of students. Some of the costs will be offset by funding from the state grant program. For informational purposes:

- menstrual hygiene products are estimated at about \$5 per menstruating student per year;
- a small to midsize school is estimated to incur costs of about \$1,000 per year for products, in addition to one-time costs to install a dispenser, which are estimated at no less than \$30 each; and
- the statewide cost is estimated up to about \$1.2 million per year, based on the number of school buildings serving grades six through twelve, the female population at those schools, and an assumed average of eight bathrooms per school. This estimate does not account for any school districts that already provide these products.

## Technical Note

The bill states that CDE may retain no more than 5 percent of the amount appropriated for administrative expenses. However, over three years, administrative costs are expected to total \$104,562. This equates to 26 percent of the funding appropriated in the bill, or 17 percent of total funding assumed to be available (\$400,000 in bill + \$100,000 in Long Bill).

## 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 \$400,000 to the Colorado Department of Education, and 0.5 FTE.

## State and Local Government Contacts

Education

School Districts

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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](#).