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**REVISED
FISCAL NOTE**

(replaces fiscal note dated January 25, 2018)

Drafting Number: LLS 18-0280
Prime Sponsors: Sen. Martinez Humenik; Fields
 Rep. Singer

Date: April 25, 2018
Bill Status: House Public Health Care
 and Human Services
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Bill Topic: FUND TRANSITIONING FROM CRIMINAL AND JUVENILE JUSTICE SYSTEMS

- Summary of Fiscal Impact:**
- State Revenue
 - State Expenditure
 - State Transfer
 - TABOR Refund
 - Local Government
 - Statutory Public Entity

The bill continues a transfer of unspent community corrections funding to the Department of Local Affairs to support transitional housing for persons leaving the criminal justice system. By continuing this transfer, the bill will increase state expenditures and may increase revenue and expenditures for local governments on an ongoing basis.

Appropriation Summary: For FY 2018-19, the bill requires and includes an appropriation of \$60,788 to the Department of Local Affairs.

Fiscal Note Status: This revised fiscal note reflects the reengrossed bill, which was recommended by the Legislative Oversight Committee Concerning the Treatment of Persons with Mental Health Disorders in the Criminal and Juvenile Justice Systems.

**Table 1
State Fiscal Impacts Under SB 18-016**

		FY 2018-19	FY 2019-20
Revenue		-	-
Expenditures	Cash Funds	\$60,788	at least \$56,085
	Centrally Appropriated	\$13,705	at least \$13,705
	Total	\$74,493	at least \$69,790
	Total FTE	1.0 FTE	1.0 FTE
Transfers	General Fund	(\$2,000,000)	(\$2,000,000)
	Cash Funds	\$2,000,000	\$2,000,000
	Total	\$0	\$0

Summary of Legislation

Senate Bill 17-021 created a one-time General Fund transfer of unspent community corrections funding in the Department of Public Safety (DPS) to the Housing Assistance for Persons Transferring from the Criminal or Juvenile Justice System Cash Fund in the Department of Local Affairs (DOLA). This bill continues this transfer of unspent community corrections funds to DOLA indefinitely.

Background

At the close of FY 2016-17, there was \$4.8 million in unspent General Fund in the DPS community correction line item in the Long Bill, which was transferred to DOLA in FY 2017-18. DOLA requested and received authority to spend the transferred funds in the FY 2018-19 Long Bill. This delay is due to the timing of when funds are transferred following the close of the fiscal year and the timing of the annual budget process.

Under current law, the transfer repeals on July 1, 2018, which is prior to the close of FY 2017-18 (which is expected to occur in August 2018). Therefore, the Office of State Planning and Budgeting has interpreted SB 17-021 as only requiring one transfer to DOLA and that a transfer of unspent community corrections appropriations to DOLA will not occur at the end of current FY 2017-18.

State Transfers

The bill indefinitely continues the General Fund transfer of unspent community corrections appropriations to the Housing Assistance for Persons Transferring from the Criminal or Juvenile Justice System Cash Fund in DOLA starting in FY 2018-19. In recent years, the amount of unspent funds has ranged between \$700,000 and \$4.8 million. Given this variation, it is difficult to predict future transfer amounts.

For information purposes, the fiscal note assumes that around \$2.0 million will be transferred per year starting in FY 2018-19. The FY 2018-19 transfer will be based on the amount of reversions from FY 2017-18 appropriations for community corrections. This and future transfers will vary based on appropriations made by the General Assembly and spending decisions by the DPS during the fiscal year. This transfer will occur in all future years in which the Division of Community Corrections has unspent General Fund.

State Expenditures

By continuing funding for the transitional housing program, DOLA will require \$74,493 and 1.0 FTE in FY 2018-19 and at least \$69,790 and 1.0 FTE in FY 2019-20. These costs, which are paid using an existing appropriation from the Housing Assistance for Persons Transferring from the Criminal or Juvenile Justice System Cash Fund, are summarized in Table 1 and discussed below.

**Table 2
 Expenditures Under SB 18-016**

	FY 2018-19	FY 2019-20
Department of Local Affairs		
Personal Services	\$55,135	55,135
Operating Expenses and Capital Outlay Costs	5,653	950
Centrally Appropriated Costs*	13,705	13,705
FTE – Personal Services	1.0 FTE	1.0 FTE
Total Cost	\$74,493	\$69,790
Total FTE	1.0 FTE	1.0 FTE

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

Personal services. To administer the housing assistance on an ongoing basis, DOLA requires an additional 1.0 FTE to develop plans for how to spend housing assistance funds, work with local government and community organizations, and manage and track program spending. Personal service costs and standard operating and capital outlay expenses for this staff are shown in Table 1. The fiscal note assumes this staff will start on July 1, 2018.

Housing assistance spending. By continuing the transfer of funds from DPS, DOLA will have increased spending on housing assistance starting in FY 2019-20. The exact amount of expenditures will depend on the amount transferred. It is assumed that DOLA will seek spending authority each year through the annual budget process based on the available amount of funds transferred. Based on prior year data, the fiscal note assumes this amount will be approximately \$2.0 million per year, as described in the State Transfers section above.

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. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and expected to be \$13,705 per year starting in FY 2018-19 for employee insurance and supplemental retirement payments.

Local Government Impact

Local governments such as counties and housing authorities may work with DOLA to provide housing assistance to persons transitioning from incarceration. This may increase both funding and workload for participating agencies.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2018-19, the bill requires and includes an appropriation of \$60,788 and an allocation of 1.0 FTE to DOLA. This is a reappropriation of existing funding to DOLA from the Housing Assistance for Persons Transferring from the Criminal or Juvenile Justice System Cash Fund.

State and Local Government Contacts

Information Technology
Public Safety

Local Affairs
Treasury