



## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

# Final Fiscal Note

<b>Drafting Number:</b>	LLS 22-1001	<b>Date:</b>	August 8, 2022
<b>Prime Sponsors:</b>	Rep. Woodrow; Exum Sen. Kolker; Gonzales	<b>Bill Status:</b>	Signed into Law
		<b>Fiscal Analyst:</b>	Matt Bishop   303-866-4796 Matt.Bishop@state.co.us

**Bill Topic:** GRANT PROGRAM PROVIDING RESPONSES TO HOMELESSNESS

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

The bill creates a grant program for local governments to reduce the rate of homelessness. It increases state expenditures, local revenue, and local expenditures beginning in FY 2022-23.

**Appropriation Summary:** The bill does not require an appropriation to DOLA, but requires and includes a reappropriation to the Office of Information Technology of \$9,218.

**Fiscal Note Status:** The fiscal note reflects the enacted bill.

**Table 1  
State Fiscal Impacts Under HB 22-1377**

		<b>Current Year FY 2021-22</b>	<b>Budget Year FY 2022-23</b>	<b>Out Year FY 2023-24</b>
<b>Revenue</b>			-	-
<b>Expenditures</b>	Cash Funds	-	\$52.3 million	\$51.8 million
	Centrally Appropriated	-	\$0.4 million	\$0.3 million
	<b>Total Expenditures</b>	-	<b>\$52.7 million</b>	<b>\$52.1 million</b>
	<b>Total FTE</b>	-	<b>11.2 FTE</b>	<b>10.2 FTE</b>
<b>Transfers<sup>2</sup></b>	Cash Funds	(\$105.0 million)	-	-
	Cash Funds	\$105.0 million	-	-
	<b>Net Transfer</b>	<b>\$0</b>	-	-

### Other Budget Impacts

<sup>1</sup> Money in the Economic Recovery and Relief Cash Fund consists of federal ARPA funds.

## Summary of Legislation

The bill creates the Connecting Coloradans Experiencing Homelessness with Services, Treatment, and Housing Supports Grant Program in the Department of Local Affairs (DOLA) to award grants to certain local governments. DOLA must create policies for the program consistent with the minimum requirements established in the bill, with the goal of reducing the rate of homelessness through community-based support systems.

The bill creates the Connecting Coloradans Experiencing Homelessness with Services, Treatment, and Housing Supports Fund, which is continuously appropriated to DOLA, authorizes DOLA to seek and accept gifts, grants, and donations for the program, and directs the General Assembly to appropriate \$105 million to the fund. DOLA may use up to seven percent of the money appropriated or transferred to the fund for administrative costs.

DOLA must report on the program annually, and it must submit a report including results and recommendations at its 2023 SMART Act hearing, in conjunction with the Department of Health Care Policy and Financing (HCPF). The program repeals July 1, 2027.

## State Revenue

The bill potentially increases state revenue to the Connecting Coloradans Experiencing Homelessness with Services, Treatment, and Housing Supports Fund from gifts, grants, or donations; however, no sources have been identified at this time. Gifts, grants, and donations are exempt from TABOR revenue limits.

## State Transfers

Within three days of the bill's effective date, the bill requires a transfer of \$105.0 million from the Economic Relief and Recovery Cash Fund to the Connecting Coloradans Experiencing Homelessness with Services, Treatment, and Housing Supports Fund.

## State Expenditures

The bill increases state expenditures in DOLA by \$52.7 million in FY 2022-23 and \$52.1 million in FY 2023-24 from the Connecting Coloradans Experiencing Homelessness with Services, Treatment, and Housing Supports Fund. Expenditures are shown in Table 2 and detailed below.

**Table 2  
Expenditures Under HB 22-1377**

	FY 2022-23	FY 2023-24
<b>Department of Local Affairs</b>		
Personal Services	\$696,729	\$637,498
Operating Expenses	\$38,649	\$35,875
Capital Outlay Costs	\$73,506	-
Grants	\$51,000,000	\$51,000,000
Consultants	\$400,000	-
Software Operating Costs	\$83,266	\$82,869
Centrally Appropriated Costs <sup>1</sup>	\$358,675	\$327,389
<b>Total Cost</b>	<b>\$52,650,825</b>	<b>\$52,083,631</b>
<b>Total FTE</b>	<b>11.2 FTE</b>	<b>10.2 FTE</b>

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

**Department of Local Affairs.** Costs will increase to establish the new grant program, including setting program policies, reviewing applications, monitoring grants, and reporting on the program.

- *Administrative costs.* Administrative costs are estimated at \$1.7 million and 11.2 FTE in FY 2022-23 and \$0.8 million and 10.2 FTE in FY 2023-24. Personal services costs assume a July 1, 2022, start date. Operating and capital outlay costs include standard costs for the new staff, vehicle mileage, and specialized software licenses for grants management. Some IT operating costs are provided by the Office of Information Technology. DOLA requires consultants to provide technical assistance with data analysis in FY 2022-23 only. The bill limits administrative expenses to seven percent and are assumed to continue into future years, which may require General Fund support.
- *Grants.* The fiscal note assumes that the grants will be spent over multiple years. Table 2 assumes \$51.0 million per year will be distributed as grants. This is for illustrative purposes only; the amount of money awarded in each fiscal year will depend on the size and number of grants awarded, as determined by DOLA. DOLA is required to spend or obligate the funds prior to December 30, 2024, and expend the funds on or before December 31, 2026.

**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.

## Local Government

Revenue and expenditures will increase in local governments to the extent that they apply for and are awarded grants.

## Effective Date

This bill was signed into law by the Governor and took effect on May 31, 2022.

## State Appropriations

As the Connecting Coloradans Experiencing Homelessness with Services, Treatment, and Housing Supports Fund is continuously appropriated, no appropriation to the Department of Local Affairs is required.

For FY 2022-23, the bill requires an includes a reappropriation of \$9,218 from the Connecting Coloradans Experiencing Homelessness with Services, Treatment, and Housing Supports Fund to the Office of Information Technology.

## State and Local Government Contacts

Counties  
Information Technology  
Local Affairs  
Special Districts

Health Care Policy and Financing  
Law  
Municipalities