

**JBC STAFF FISCAL ANALYSIS  
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING REENTRY SERVICES FOR PERSONS WITH MENTAL ILLNESS IN THE CRIMINAL JUSTICE SYSTEM, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Senator Martinez Humenik  
Representative Singer

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**Fiscal Impact of Bill as Amended to Date**

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/05/17.

<b>XXX</b>	<b>No Change:</b> Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	<b>Update:</b> Fiscal impact has changed due to <i>new information or technical issues</i>
	<b>Update:</b> Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	<b>Non-Concurrence:</b> JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

**Amendments in This Packet for Consideration by Appropriations Committee**

Amendment	Description
J.001	Staff-prepared appropriation amendment
L.012/ J.003	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation
L.013	Bill Sponsor amendment - does not change fiscal impact

**Current Appropriations Clause in Bill**

The bill, as amended by the Judiciary Committee, includes an appropriation clause that appropriates \$4,000,000 cash funds from the Marijuana Tax Cash Fund to the Department of Local Affairs for FY 2017-18. However, this appropriation does not include the \$2.7 million General Fund appropriation for the Department of Human Services that is described in the Legislative Council Staff Revised Fiscal Note dated April 5, 2017 (p. 3-4).

**Description of Amendments in This Packet**

**J.001** Staff has prepared amendment **J.001** (attached) to add a provision appropriating a total of \$2,637,056 General Fund to the Department of Human Services for FY 2017-18. This provision also states that the appropriation is based on the assumption that the Department will require an additional 1.7 FTE.

**L.012 and J.003**

Bill Sponsor amendment **L.012** (attached) strikes the portions of the bill that concern responsibilities of the Department of Human Services. This eliminates the bill's General Fund fiscal impact. Bill Sponsor amendment **J.003** (attached) eliminates the \$4,000,000 appropriation from the Marijuana Tax Cash Fund to the Department of Local Affairs that was included in the Judiciary Committee Report, thereby eliminating all appropriations from the bill.

**L.013** Bill Sponsor amendment **L.013** (attached) makes the money in the new Housing Assistance for Persons Transitioning from Incarceration Cash Fund subject to annual appropriation by the General Assembly rather than continuously appropriated. This amendment does not change the bill's fiscal impact.

**The Committee should adopt either J.001 or both L.012 and J.003. The Committee may adopt L.013 in combination with any of the other amendments.**

**Points to Consider**

*General Fund Impact*

The Joint Budget Committee has proposed a budget package for FY 2017-18 based on the March 2017 Legislative Council Staff revenue forecast. The budget package, as modified by the first report of the first conference committee on the Long Bill (S.B. 17-254), allocates \$11.3 million General Fund to be available to fund 2017 legislation that is not accounted for in the budget package. If the full \$11.3 million is not used to fund legislation, it will remain in the General Fund reserve.

*Revenue Source/ Related Budget Information*

1. A total of \$117.7 million is projected to be available in the Marijuana Tax Cash Fund for appropriation in FY 2017-18. As detailed below, based on the proposed budget package for FY 2017-18 and the first report of the first conference committee on the Long Bill (S.B. 17-254), \$2.6 million remains available for other 2017 legislation.

Total funds projected to be available for FY 2017-18	\$ 117,745,947
Less: Long Bill appropriations	(102,116,244)
Appropriations in 2017 bills that have been passed by both the House and the Senate (H.B. 17-1221)	(5,945,392)
Budget package placeholder for S.B. 17-207	<u>(7,086,280)</u>
Funds available for other 2017 legislation	\$ 2,598,031

2. The Long Bill appropriation for the Department of Local Affairs for FY 2017-18 adds \$15,300,000 from the Marijuana Tax Cash Fund for affordable housing construction grants and loans and low-income rental assistance. Based on current law, these funds may be used for housing assistance to people with any type of substance use disorder. *If this bill is adopted, the*

*funds in the Long Bill could also be used by the Department of Local Affairs to provide services for people with a mental health disorder who are newly released from the Department of Corrections or the Division of Youth Corrections, consistent with this bill's provisions, whether or not an additional appropriation is provided in this bill. Amendment J.003 eliminates the appropriation to the Department of Local Affairs in this bill.*

*Technical Issues*

1. The bill creates the new Housing Assistance for Persons Transitioning from the Criminal or Juvenile Justice System Cash Fund, which would consist of any General Fund appropriations to the Department of Public Safety, Division of Criminal Justice for community corrections that is unexpended or unencumbered as of the close of the fiscal year, as well as any other money the General Assembly appropriates to the Fund. The new Fund is continuously appropriated to the Department of Local Affairs, Division of Housing. *How will the General Assembly monitor the amount of funds that are made available to the Division of Housing from Division of Criminal Justice community corrections reversions? Is it necessary to continuously appropriate amounts in this Fund? Amendment L.013 addresses this issue by making the fund subject to annual appropriation.*
2. The bill also authorizes the Department of Public Safety, Division of Criminal Justice to transfer up to ten percent of annual appropriations for community corrections services to the Department of Human Services for the reentry initiative created by the bill. Based on the FY 2017-18 Long Bill, this would enable the Department of Public Safety to transfer over \$6.8 million, including over \$6.3 million General Fund, to the Department of Human Services. *Is it the General Assembly's intent to allow the Department of Human Services to expend any funds transferred without further action by the General Assembly? If amendment L.012 is adopted, this question is resolved, as this portion of the bill is eliminated.*