



Legislative
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FISCAL NOTE

Drafting Number: LLS 18-1027
Prime Sponsors: Rep. Rankin
 Sen. Moreno

Date: March 26, 2018
Bill Status: House Appropriations
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Bill Topic: PAY FOR SUCCESS CONTRACTS PILOT PROGRAM FUNDING

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

The bill requires transfers from the General Fund and Marijuana Tax Cash Fund to a newly created cash fund in the Governor's Office of State Planning and Budgeting for the Success Contracts Program from FY 2018-19 through FY 2021-22.

Appropriation Summary: For FY 2018-19, the bill requires and includes appropriations of \$718,412 to multiple state agencies.

Fiscal Note Status: The fiscal note reflects the introduced bill, which was recommended by the Joint Budget Committee and is part of its FY 2018-19 budget package.

Table 1
State Fiscal Impacts Under HB 18-1323

		FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Revenue		-	-	-	-
Expenditures	Cash Funds	\$1,390,784	\$2,262,843	\$2,223,421	\$448,480
	FTE	0.5 FTE	1.0 FTE	1.0 FTE	1.0 FTE
Transfers	General Fund	(\$401,314)	(\$545,079)	(\$498,355)	(\$448,480)
	Cash Funds	(\$989,470)	(\$1,717,764)	(\$1,725,066)	-
	Total	(\$1,390,784)	(\$2,262,843)	(\$2,223,421)	(\$448,480)
TABOR Refund	General Fund	-	-	-	-

Summary of Legislation

This bill requires transfers from General Fund and Marijuana Tax Cash Fund to the newly created Office of State Planning and Budgeting Youth Pay for Success Initiatives Account between FY 2018-19 and FY 2021-22. Subject to annual appropriation, the Office of State Planning and Budgeting (OSPB) may expend these funds to pay for success contracts. The Department of Human Services (DHS) may expend any moneys appropriated to it from this account for personal services and operating expenses related to the administration of any contracts. The authorized contracts include the following pilot programs:

- A Jefferson County pilot program to improve educational outcomes for foster youth;
- A multi-systemic therapy pilot program for underserved regions of Colorado; and
- A Denver pilot program to better serve runaway youth upstream.

State Transfers

Table 2 below shows the transfers required under the bill. All transfers occur on July 1 of each fiscal year. Cash fund transfers are from the Marijuana Tax Cash Fund.

**Table 2
 State Transfers Under HB 18-1323**

		FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Transfers	General Fund	(\$401,314)	(\$545,079)	(\$498,355)	(\$448,480)
	Cash Funds	(\$989,470)	(\$1,717,764)	(\$1,725,066)	-
Total		(\$1,390,784)	(\$2,262,843)	(\$2,223,421)	(\$448,480)

State Expenditures

This bill increases state cash fund expenditures by \$1,390,784 in FY 2018-19, by \$2,262,843 in FY 2019-20, by \$2,223,421 in FY 2020-21, and by \$448,480 in FY 2021-22. Pilot program expenditures are in the OSPB. Administrative costs are in OSPB and DHS. Table 3 and the discussion that follows present the costs of the bill.

**Table 3
 State Expenditures Under HB 18-1323**

		FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Pilot	Jefferson County	\$293,409	\$432,876	\$438,289	\$448,480
	Multi-systemic Therapy	\$488,492	\$888,570	\$990,085	-
	Denver	\$500,978	\$829,194	\$734,981	-
Staff		\$107,905	\$112,203	\$60,066	-
		0.5 FTE	1.0 FTE	0.5 FTE	
Total		\$1,390,784	\$2,262,843	\$2,223,421	\$448,480

Jefferson County pilot. Contract costs assume staff, mileage, project equipment, indirect costs, software, data, and contingent costs over a four-year period.

Multi-systemic therapy pilot for underserved regions of Colorado. Contract costs assume consulting by the Center for Effective Interventions at the University of Denver, local provider costs, and new team training travel for three years. In the first year, costs assume 2 teams and 56 families served. In the second year, costs assume 4 teams and 224 families served. In the third and final year, costs assume 6 teams and 336 families served.

Upstream prevention pilot for Denver runaways. Contract costs assume rapid responder personnel, specialist personnel, supervision, mileage, delivery of services, and contingent costs for three years, beginning in FY 2018-19.

Administration. Costs assume 1.0 temporary FTE in DHS for two years to manage the success contracts. The position will begin mid-year FY 2018-19 and end mid-year in FY 2020-21; calculations assume salary and standard operating costs. Due the timing of the hiring, this results in 0.5 FTE in FY 2018-19, 1.0 FTE in FY 2019-20, and 0.5 FTE in FY 2020-21. Technical assistance, legal services, and staff support from OSPB are also required in FY 2018-19 to develop the contracts and program.

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 \$718,412 from the Office of State Planning and Budgeting Youth Pay for Success Initiatives Account to the Office of the Governor for use by the Office of State Planning and Budgeting. Of this amount, \$52,511 is reappropriated to the Department of Human Services for use by the Division of Youth Services and assumes an allocation of 0.5 FTE will be required.

The difference in first-year costs and the appropriations is based on the assumed timing of contract payments - a portion of FY 2018-19 costs will be encumbered in FY 2018-19, but paid in FY 2019-20.

State and Local Government Contacts

Human Services

Joint Budget Committee Staff