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SB 19-064

**REVISED
FISCAL NOTE**

(replaces fiscal note dated January 24, 2019)

Drafting Number: LLS 19-0483
Prime Sponsors: Sen. Lee
 Rep. Weissman
Date: February 19, 2019
Bill Status: Senate Appropriations
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Bill Topic: RETAIN CRIMINAL JUSTICE PROGRAMS FUNDING

Summary of Fiscal Impact:

- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

This bill creates cash funds for use by four criminal justice programs in various state agencies, with moneys in these cash funds continuously appropriated to the departments operating the programs. The bill also extends the sunset date for two of these programs by three years. In FY 2019-20 and FY 2020-21, the bill will result in no net change in state expenditures; for FY 2021-22 through FY 2024-25, the bill will increase state expenditures by extending the sunset date of two programs set to expire.

Appropriation Summary: The bill requires several technical adjustments to existing appropriations. See State Appropriations section.

Fiscal Note Status: This fiscal note reflects the introduced bill, as amended by the Senate Judiciary Committee.

**Table 1
State Fiscal Impacts Under SB 19-064***

New Impacts*		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Revenue		-	-	-	-
Expenditures		-	-	-	-
TABOR		-	-	-	-
Continuing Program Impacts*		FY 2019-20	FY 2020-21	FY 2021-22	
Revenue		-	-	-	-
Expenditures	General Fund	-	-	\$4.0 million	\$4.0 million
	FTE	-	-	1.0 FTE	1.0 FTE
TABOR Refund		-	-		-

* Table 1 shows the new impacts resulting from changes to programs under the bill, and the continuing impacts from extending the programs beyond their current repeal date. Because the bill continues a program without making any operational changes, there are no new impacts. The continuing program impacts will not be incurred if the provisions of the bill changing the sunset date are not passed and the programs are allowed to repeal.

Summary of Legislation

This program creates the following cash funds and makes appropriation adjustments as described below.

The Community-Based Reentry Services Cash Fund. The bill creates the Community-Based Reentry Services Cash Fund in the Department of Corrections (DOC), which is to be used for the Community-Based Reentry Grant Program. The bill continuously appropriates any money in the fund to the DOC and limits the amount of grants to the amount of the money in the fund, and allows the General Assembly to appropriate money into the cash fund. The bill also transfers any unspent appropriation at the end of FY 2019-20 to the fund. Any money in the cash fund will transfer back to the General Fund on September 1, 2023.

The Community Crime Victims Cash Fund. The bill creates the Community Crime Victims Cash Fund in the Department of Public Health and Environment (CDPHE), which is to be used for the Community Crime Victims Grant Program. The bill continuously appropriates any money in the fund to the CDPHE and allows the General Assembly to appropriate to the cash fund. The bill also transfers any unspent appropriation at the end of FY 2019-20 into the fund. Any money in the cash fund will transfer back to the General Fund on September 1, 2023.

The Justice Reinvestment Crime Prevention Cash Fund. The bill creates the Justice Reinvestment Crime Prevention Cash Fund in the Department of Local Affairs (DOLA), which is to be used for the Justice Reinvestment Crime Prevention Small Business Program. The bill continuously appropriates any money in the fund to DOLA and allows the General Assembly to appropriate money to the cash fund. The bill also transfers any unspent appropriation at the end of FY 2018-19 and FY 2019-20 to the fund.

The Targeted Crime Reduction Grant Program Cash Fund. The bill creates the Targeted Crime Reduction Grant Program Cash Fund in DOLA, which is to be used for the Justice Reinvestment Crime Prevention Grant Program. The bill continuously appropriates any money in the fund to DOLA and allows the General Assembly to appropriate money to the cash fund. The bill also transfers any unspent appropriation at the end of FY 2018-19 and FY 2019-20 to the fund. Any money in the cash fund will transfer back to the General Fund on September 1, 2023.

Extension of sunset program. Lastly, the bill extends the sunset date for the Justice Reinvestment Crime Prevention Grant Program and the Justice Reinvestment Crime Prevention Small Business Program from September 1, 2020, to September 1, 2023.

Assumptions

The fiscal note assumes that funding for the Community Crime Victims Grant Program, the Justice Reinvestment Crime Prevention Small Business Program, and the Justice Reinvestment Crime Prevention Grant Program will continue to be appropriated from the General Fund. The fiscal note further assumes that funding for the Community-Based Reentry Grant Program in the DOC will be appropriated to the newly created Community-Based Reentry Services Cash Fund, because the bill requires grants from the program to come from the cash fund.

State Transfers

The bill creates three sets of transfers. First, this bill transfers unspent General Fund appropriations at the end of FY 2019-20 for the Community-Based Reentry Grant Program in the DOC and the Community Crime Victims Grant Program in the CDPHE to the corresponding cash fund created in the bill. The amount of this potential transfer is not known at this time.

Second, current law specifies that unexpended funds in the two programs in DOLA do not revert to the General Fund and may be allocated for the programs in future years. The bill clarifies the mechanism of this non-reversion of funds by specifying that any unspent appropriations at the end of FY 2018-19 and FY 2019-20 to the DOLA for the corresponding programs will be transferred to the corresponding cash fund. It is not known how much unspent appropriations will remain at the end of the current fiscal year and be transferred into the funds. Given the current restriction on reversions from these programs to the General Fund, this transfer will not affect the net amount of General Fund available for other purposes in the budget.

Third, in FY 2023-24, this bill will transfer any unspent funds remaining in three of the four cash funds created in this bill (the Community-Based Reentry Services Cash Fund, and the Community Crime Victims Grant Program Cash Fund, and the Target Crime Reduction Grant Program) to the General Fund. The amount of this future transfer is not known at this time.

State Expenditures

For FY 2019-20 and FY 2020-21, the bill will not affect net state expenditures. From FY 2021-22 to FY 2024-25, the bill increases state expenditures in DOLA by \$4.0 million and 1.0 FTE by continuing two programs scheduled to repeal. The sections below describe the technical changes in expenditures required by the bill and the extension of the programs in DOLA.

Expenditures from newly created cash funds. Currently, the DOC, the CDPHE, and DOLA spend General Fund appropriated for the programs affected by the bill. Under the bill, the DOC will be required to expend moneys from the newly created cash funds, due to the restriction in the bill that it can only issue grants based on the available balance in the Community-Based Reentry Services Cash Fund. DOC has continuous spending authority of moneys in this cash fund. For the programs in the CDPHE and DOLA, the General Assembly may opt to continue appropriating General Fund to the department directly, or to appropriate from General Fund to the cash funds created by the bill, with the CDPHE and DOLA spending money from the cash fund under the continuous spending authority granted in the bill.

Continuation of programs set to expire (DOLA). Between FY 2021-22 and FY 2024-25, expenditures in the DOLA will increase by \$4.0 million per year and 1.0 FTE to continue the Justice Reinvestment Crime Prevention Grant Program and the Justice Reinvestment Crime Prevention Small Business Program. This estimate is based on the current FY 2018-19 appropriation to the programs and accounts for a one-year wind-down period following the repeal date in statute.

Local Government

Between FY 2021-22 and FY 2024-25, local government revenue and expenditures will increase to the extent that a local government applies for and receives a grant or loan through either the Justice Reinvestment Crime Prevention grant program or the Justice Reinvestment Crime Prevention Small Business program.

Effective Date

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

Appropriations

The bill requires adjustments to General Fund appropriations but does not require a change in the net amount of appropriations overall. Currently, the DOC is appropriated General Fund moneys to operate the Community-Based Reentry Grant Program; instead, these appropriations should be made to the cash fund created by the bill. The DOC may then use these funds under the continuous spending authority granted by the bill. Therefore, for FY 2019-20, the General Fund appropriations for the DOC should be adjusted as follows:

- \$1,733,971 to the Community-Based Reentry Services Cash Fund for use by the Department of Corrections.

The General Assembly may, but is not required, to shift the following General Fund appropriations to the Department of Local Affairs and the Department of Public Health and Environment to the relevant program cash fund for use under the cash funds' continuous spending authority:

- \$880,570 to the Community Crime Victims Cash Fund for use by the Department of Public Health and Environment;
- \$3,000,000 to the Targeted Crime Reduction Grant Program Cash Fund for use by the Department of Local Affairs; and
- \$1,000,000 to the Justice Reinvestment Crime Prevention Cash Fund for use by the Department of Local Affairs.

State and Local Government Contacts

Corrections
Public Health And Environment
Treasury

Information Technology
Local Affairs

Judicial
Regulatory Agencies