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Revised Fiscal Note

(replaces fiscal note dated April 22, 2022)

Drafting Number: LLS 22-0999 Date: May 3, 2022
Prime Sponsors: Sen. Fields; Hinrichsen Bill Status: House HHS
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Bill Topic: REPURPOSE THE RIDGE VIEW CAMPUS

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

The bill repurposes the Ridge View Campus to provide temporary housing and other services to individuals experiencing homelessness. The bill increases state expenditures starting in FY 2022-23.

Appropriation Summary: For FY 2022-23, the bill requires an appropriation of \$45.0 million to multiple state agencies.

Fiscal Note Status: The revised fiscal note reflects the reengrossed bill.

Table 1
State Fiscal Impacts Under SB 22-211

Table with 5 columns: Category, Budget Year FY 2022-23, Out Year FY 2023-24, Out Year FY 2024-25, Out Year FY 2025-26. Rows include Revenue, Expenditures (General Fund, Cash Funds, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (General Fund Reserve).

1 FY 2022-23 funding will be spent over three fiscal years, as detailed in Table 2 in the State Expenditures section. Money in the Economic Recovery and Relief Cash Fund consists of federal ARPA funds.

Summary of Legislation

The bill transfers ownership of all or part of the Ridge View Campus from the Department of Human Services (DHS) to the Department of Personnel and Administration (DPA) for use by the Division of Housing in the Department of Local Affairs (DOLA) as a supportive residential community for people experiencing homelessness. DOLA, in collaboration with the DHS, must develop a master plan for the redevelopment and operation of the Ridge View Campus into the Ridge View Supportive Residential Community (community), including a financial plan for startup and ongoing operational costs. The community must provide transitional housing, a continuum of behavioral health services and treatment, medical care, vocational training, skill development, and transportation for residents and the public. DOLA is required to select one or more contractors experienced in providing statewide integrated housing, health care, recovery treatment, and supportive service programs for people experiencing homelessness to establish the community. The administrator of the community must also work with local providers across the state to set up a referral system for clients to live at the community.

To be eligible for the community, an individual must be experiencing homelessness or at risk of experiencing it; chooses to focus on recovery voluntarily; and is in a position where it is medically safe to be in transitional housing. The community must provide a number of services including:

- transitional housing for up to two years;
- substance use recovery treatment and services through a continuum of care informed by the American Society of Addiction Medicine Standards; and
- a federally qualified health clinic.

Finally, DOLA must collect and report specified information to the General Assembly including the success of the programs.

Funding. The bill requires the General Assembly to appropriate \$45 million in FY 2022-23 from the Economic Recovery and Relief Cash Fund, which contains American Rescue Plan Act (ARPA) funds, to fund the community. Any money not spent in FY 2022-23 remains available in subsequent state fiscal years without further appropriations, subject to the requirements of federal law. DOLA may spend up to 10 percent for administrative expenses, and another 10 percent for costs connected with transportation.

State Expenditures

The bill increases state expenditures in DOLA and the DHS by \$5.9 million in FY 2022-23 and \$19.8 million per year starting in FY 2023-24 from the Economic Recovery and Relief Cash Fund and the General Fund. Expenditures are shown in Table 2 and detailed below.

**Table 2
Expenditures Under SB 22-211**

Cost Components	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Department of Local Affairs				
Personal Services	\$168,374	\$168,374	\$168,374	\$168,374
Operating Expenses	\$3,105	\$3,105	\$3,105	\$3,105
Capital Outlay Costs	\$12,400	-	-	-
Other Costs	\$7,567	\$9,666	\$9,666	\$9,666
Contractor	\$5,000,000	\$19,513,704	\$19,513,705	\$19,513,704
Master Plan and Evaluation Contract	\$600,000	-	-	-
Centrally Appropriated Costs ¹	\$74,515	\$74,515	\$74,515	\$74,515
FTE – Personal Services	2.3 FTE	2.3 FTE	2.3 FTE	2.3 FTE
DOLA Subtotal	\$5,865,961	\$19,769,365	\$19,769,365	\$19,769,365
Department of Human Services				
Personal Services	\$38,357	-	-	-
Capital Outlay Costs	\$6,200	-	-	-
Centrally Appropriated Costs ¹	\$7,450	-	-	-
FTE – Personal Services	0.4 FTE	-	-	-
DHS Subtotal	\$52,007	-	-	-
Total	\$5,917,968	\$19,769,365	\$19,769,365	\$19,769,365
Total FTE	2.7 FTE	2.3 FTE	2.3 FTE	2.3 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Department of Local Affairs. Starting in FY 2022-23, DOLA will have costs to hire staff to administer a contract for the Ridge View Campus, to pay a contractor to run the community, and to facilitate the master plan development and evaluate the success of the community.

- **Staffing costs.** Starting in FY 2022-23, DOLA requires 2.3 FTE to contract with organizations to administer the community, to collect and report data, to oversee the contract, and to provide other administrative duties such as accounting and human resource needs. Staff will begin on July 1, 2022, and costs are included for standard operating costs. Other costs include IT support, travel reimbursement, cell phone service fees, and computer licenses. Staffing costs will be paid from the Economic Recovery and Relief Cash Fund through FY 2023-24, and then starting in FY 2024-25, these positions are assumed to be paid from the General Fund.
- **Community administrator contract.** Starting in FY 2022-23, expenditures in DOLA will increase to contract with organizations to administer the community as well as the other programs required in the bill. The fiscal note assumes that \$5.0 million will be used in FY 2022-23 and \$19.5 million in FY 2023-24 and FY 2024-25 to contract with organizations. These amounts represent what is available from the \$45.0 million appropriated in the bill after accounting for

administrative expenses. Starting in FY 2025-26, General Fund expenditures will increase by an estimated \$19.5 million to continue the program at the assumed levels in prior years. The fiscal note assumes that the contractor will provide transportation services within these amounts.

- **Master plan and evaluation contract.** Expenditures in DOLA will increase to enter into two contracts—one to develop a master plan for the community and another to evaluate the success of community. Both contracts are estimated at \$300,000 each. Costs will be paid from the Economic Recovery and Relief Cash Fund.

Department of Human Services. In FY 2022-23 only, the DHS will require 0.4 FTE to coordinate with DOLA to develop the master plan and to help develop the substance use disorder services provided at the community. Standard operating and capital outlay costs are included with an assumed September 1, 2022, start date.

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.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve as shown in Table 1, which will decrease the amount of General Fund available for other purposes.

Effective Date

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

State Appropriations

The bill requires and includes the following appropriations:

- \$45,000,000 from the Economic Recovery and Relief Cash Fund to the Department of Local Affairs and 2.3 FTE with roll forward spending authority through December 30, 2024; and
- \$44,557 from the General Fund to the Department of Human Services and 0.4 FTE.

State and Local Government Contacts

Human Services	Information Technology
Local Affairs	Personnel