



Colorado
Legislative
Council
Staff

HB16-1411

FINAL
FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0917

Date: June 30, 2016

Prime Sponsor(s): Rep. Rankin

Bill Status: Signed into Law

Sen. Steadman

Fiscal Analyst: Chris Creighton (303-866-5834)

BILL TOPIC: FORT LYON RESIDENTIAL COMMUNITY STUDY

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue	Gifts, Grants and Donations.	
State Expenditures	<u>\$211,875</u>	<u>up to \$250,000</u>
General Fund	211,875	up to 250,000
Appropriation Required: \$211,875 - Multiple agencies (FY 2016-17).		
Future Year Impacts: None.		

Summary of Legislation

In 2013, the General Assembly authorized the creation of a supportive residential community program for individuals who are homeless at the Fort Lyon property in Bent County. This bill, **recommended by the Joint Budget Committee**, requires a longitudinal evaluation of the program to be conducted to study its costs, benefits, and outcomes. The General Assembly may enact legislation to repeal the program following legislative review of the study.

The State Auditor is authorized to contract for the study with the concurrence of the Division of Housing in the Department of Local Affairs (DOLA). The Fort Lyon Study Advisory Committee is created within the DOLA and consists of three experts in evaluating programs serving individuals who are homeless. Members of the committee serve without compensation or expense reimbursement and must make recommendations to the State Auditor on the request for proposal process and evaluate the chosen contractor's progress on the study. The selected contractor is required to design the study to include a pre- and post-evaluation of the participants' time in the program and to the extent possible use a matched comparison group. The study must identify and describe:

- the direct and indirect cost of the program;
- the annual amount spent on the program by the Division of Housing or any other state agency;
- any state savings that result from the program;
- program outcomes; and
- the benefits of the program to the state and other governmental and publicly-supported entities.

The study must compare these costs, benefits, and outcomes with the other programs serving a similar client population and with similar goals. A report with preliminary findings is due to the State Auditor by August 1, 2017, and a final report is due by August 1, 2018.

Background

The Fort Lyon Supportive Residential Community was conceived as a way to respond to two goals: ongoing preservation and use of the Fort Lyon property, where a state prison operated until 2011, and chronic homelessness statewide.

For FY 2016-17, the program is expected to serve 250 chronically homeless individuals who may stay for up to two years. The program offers housing and food and requires that participants remain drug and alcohol free. The FY 2016-17 Long Bill includes an appropriation of \$4.9 million General Fund to the Department of Local Affairs for the program. This includes \$2.6 million for a contract with the Colorado Coalition for the Homeless to manage the program and \$2.1 million for a contract with Bent County for facility maintenance and operations, with the balance for department oversight and contingencies. Program costs are currently estimated at about \$23,000 per person per year excluding medical costs and \$31,000 (total funds) if Medicaid funds are included.

State Expenditures

This bill increases state agency workload and General Fund expenditures by **\$211,875 in FY 2016-17** and up to \$250,000 in FY 2017-18 as discussed below.

Office of the State Auditor. This bill increases workload and costs in the Office of the State Auditor in FY 2016-17 to work with DOLA in preparing a request for proposal (RFP) for the longitudinal study, to review RFP responses, and to award a contract for the study. The full cost of the study will be determined through the RFP process, but is not expected to exceed \$450,000, with \$200,000 being appropriated in FY 2016-17 and up to \$250,000 in FY2017-18.

Department of Local Affairs. Staff time in the DOLA, Division of Housing is needed to assist the Office of the State Auditor with the RFP preparation, review, and contract award. Additional staff time will be needed to provide data and assist the contractor with the study. This increase in workload can be accomplished within existing appropriations

Department of Corrections. The Department of Corrections will require programming for the Adult Division of Parole information management system for the collection and retrieval of data that will be required by the longitudinal study. This programing will require 95 hours of programming at \$125 per hour resulting in total costs of \$11,875.

Department of Personnel and Administration. The Department of Personnel and Administration (DPA) currently holds the title to the Fort Lyon facility, however Bent County maintains and operates the facility through an intergovernmental agreement with DOLA. Beginning in FY 2019-20, with the repeal of the residential community program, the DPA is expected to assume the responsibility of the operation and maintenance of the Fort Lyon property. Any additional appropriations needed as a result of these assumed responsibilities will be addressed through the annual budget process.

Local Government Impact

Bent County currently receives \$2.1 million annually through an intergovernmental contract with the DOLA for the operation and maintenance of the Fort Lyon property. This annual appropriation is expected to be eliminated with the July 1, 2019, repeal of the residential community program at Fort Lyon.

Effective Date

The bill was signed into law by the Governor and took effect on May 4, 2016.

State Appropriations

Consistent with this fiscal note, for FY 2016-17, this bill includes the following appropriations:

- \$200,000 General Fund to the Legislative Department; and
- \$11,875 General Fund to the Department of Corrections.

State and Local Government Contacts

Corrections
State Auditor

Local Affairs
Corrections

Personnel and Administration