



Legislative
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FISCAL NOTE

Drafting Number: LLS 20-0258
Prime Sponsors: Rep. Singer
Sen. Fields

Date: January 27, 2020
Bill Status: House Trans. & Local Govt
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Bill Topic: PROGRAMS TO DEVELOP HOUSING SUPPORT SERVICES

Summary of Fiscal Impact:

| | |
|---|--|
| <input type="checkbox"/> State Revenue | <input type="checkbox"/> TABOR Refund |
| <input checked="" type="checkbox"/> State Expenditure | <input checked="" type="checkbox"/> Local Government |
| <input type="checkbox"/> State Transfer | <input type="checkbox"/> Statutory Public Entity |

This bill establishes and expands programs within the Department of Local Affairs (DOLA) to build capacity of Colorado communities to provide supportive housing services to certain individuals who are homeless or are at risk of homelessness. This bill will increase state and local government expenditures starting in FY 2020-21.

Appropriation Summary: For FY 2020-21, this bill requires an appropriation of \$3,612,047 to multiple state agencies

Fiscal Note Status: The fiscal note reflects the introduced bill, which is recommended by the Legislative Oversight Committee Concerning the Treatment of Persons with Mental Health Disorders in the Criminal and Juvenile Justice Systems (the Oversight Committee).

Table 1
State Fiscal Impacts Under House Bill 20-1035

| | | FY 2020-21 | FY 2021-22 |
|---------------------|------------------------|--------------------|--------------------|
| Revenue | | - | - |
| Expenditures | General Fund | \$3,612,047 | \$3,433,086 |
| | Centrally Appropriated | \$46,678 | \$61,684 |
| | Total | \$3,658,725 | \$3,494,770 |
| | Total FTE | 2.2 FTE | 3.0 FTE |
| Transfers | | - | - |
| TABOR Refund | | - | - |

Summary of Legislation

This bill establishes two new grant programs and expands existing duties within the Division of Housing in the Department of Local Affairs (DOLA) to build capacity of Colorado communities to provide supportive housing services to individuals with behavioral health disorders and who have been involved in the criminal or juvenile justice systems who are homeless or at risk of becoming homeless.

Pre-development grant program. This bill creates a pre-development grant program to provide funding to entities that develop supportive housing interventions. DOLA must award grants from the Housing Assistance for Persons Transitioning from the Criminal or Juvenile Justice System Cash Fund by January 1, 2021, and on January 1 of the following two years. Grant recipients may use the funds to add new staff capacity allowing the development and implementation of services. DOLA is required to provide technical assistance to grant recipients. This grant program is repealed on September 1, 2024.

Supportive housing services and homelessness prevention grant program. This bill creates a supportive housing grant program to provide funds for homelessness prevention projects and to cover the costs of providing supportive housing services that are not currently eligible for reimbursement under Medicaid. DOLA must award grants by January 1, 2022, and by January 1 of the following two years. The Department of Health Care Policy and Financing (HCPF) is required to collaborate to identify additional providers and services that may be eligible for reimbursement under Medicaid and to request waivers allowing for such reimbursement. DOLA is required to provide technical assistance to grant recipients. This grant program is repealed on September 1, 2027.

Training and technical assistance for supportive housing. Beginning on or before January 1, 2021, DOLA is required to expand statewide training and technical assistance to communities that develop supportive housing interventions for persons with behavioral or mental health disorders. The program must provide training and education and target communities that experience barriers when accessing state and federal funds, use relevant data systems, and develop, implement, and evaluate supportive housing services. By August 1, 2021, and every August 1 thereafter, DOLA must submit a report to the Oversight Committee.

Homelessness data integration and resource collection. This bill requires DOLA to develop a plan to increase participation in regional homeless data systems, support accurate data reporting, and assess housing-related needs. The program must evaluate how to increase use of the Colorado Homeless Management Information System and the Coordinated Entry System in consultation with Continuums of Care, provide technical assistance, and develop an integrated user interface for data systems with input from key stakeholders.

State Expenditures

This bill increases state expenditures by \$3,658,725 and 2.2 FTE in FY 2020-21 and \$3,494,770 and 3.0 FTE in FY 2021-22 and future years. These costs are shown in Table 2 and discussed below.

**Table 2
Expenditures Under HB 20-1035**

| | FY 2020-21 | FY 2021-22 |
|---|--------------------|--------------------|
| Department of Local Affairs | | |
| Personal Services | \$114,598 | \$137,517 |
| Operating Expenses | \$2,430 | \$2,700 |
| Capital Outlay Costs | \$12,400 | - |
| Housing Grants | \$3,000,000 | \$3,000,000 |
| Fleet Vehicle Lease, Parking, and Mileage | \$5,398 | \$5,398 |
| Cell Phone and Service | \$1,020 | \$780 |
| Software Setup and License | \$7,840 | \$840 |
| Contractors | \$212,750 | \$212,750 |
| Centrally Appropriated Costs* | \$40,077 | \$45,453 |
| FTE – Personal Services | 1.8 FTE | 2.0 FTE |
| DOLA Subtotal | \$3,396,513 | \$3,405,438 |
| Health Care Policy and Financing | | |
| Personal Services | \$29,896 | \$71,751 |
| Operating Expenses | \$675 | \$1,350 |
| Capital Outlay Costs | \$6,200 | - |
| Centrally Appropriated Costs* | \$6,601 | \$16,231 |
| FTE – Personal Services | 0.4 FTE | 1.0 FTE |
| HCPF Subtotal | \$43,372 | \$89,332 |
| Office of Information Technology | | |
| Contractors | \$218,840 | - |
| OIT Subtotal | \$218,840 | - |
| Total Cost | \$3,658,725 | \$3,494,770 |
| Total FTE | 2.2 FTE | 3.0 FTE |

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

Department of Local Affairs. The bill increases expenditures in DOLA in FY 2020-21 and future years as described below.

- *Grant Programs.* Based on historical information to administer similar housing grant programs, the fiscal note estimates that \$3.0 million for both programs, or \$750,000 to the predevelopment grant program and \$2.25 million to the supportive housing services and homelessness prevention grant program, is required for the programs to operate as intended. However, the actual amount appropriated is at the discretion of the General Assembly. DOLA requires an additional 1.0 FTE to work with local governments and community organizations,

review applications, and manage and track program spending. Administrative costs may vary depending on the size of the grant programs. The bill gives DOLA continuous spending authority from the cash fund for the two grant programs. If the General Assembly allocates Marijuana Tax Cash Fund for the grant programs, the amount of General Fund required will decrease.

- *Training and Technical Assistance.* To develop, coordinate, and implement the training and technical assistance expansion, DOLA requires 1.0 FTE to work with eligible communities. Program staff will require a fleet vehicle at a cost of \$2,694 per year to be reappropriated to the Department of Personnel and Administration. First year costs include standard operating expenses and capital outlay costs and account for the General Fund pay date shift.
- *Data Integration.* To increase participation in regional homeless data systems, DOLA will hire contractors and consultants at a cost of \$212,750 to work directly with providers and local governments.

Health Care Policy and Financing. The bill requires HCPF to collaborate with DOLA to identify additional providers and services that may be eligible for reimbursement under Medicaid and to request necessary waivers. HCPF will require an administrator to research eligible services and providers, coordinate with the federal government to request waivers, and implement policy changes. The fiscal note assumes that staff will begin on January 1, once the grant program has begun distributing funds.

Office of Information Technology. This bill requires OIT to work with DOLA, local communities and other relevant stakeholders to inform a plan for an integrated user interface for data systems related to housing and supportive services. OIT will need to contract with a business analyst and a process architect to carry out this planning, at \$118 per hour and \$153 per hour, respectively, for a total of 1,040 hours each.

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 estimated to be \$46,678 in FY 2020-21 and \$61,684 in FY 2021-22.

Local Government

The bill may increase workload of local governments that choose to apply for supportive housing grants from DOLA. Local governments selected to receive grants will have additional revenue and expenditures related to supportive housing initiatives.

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2020-21, the bill requires appropriations totaling \$3,612,047, as follows:

- \$3,143,686 from the General Fund to the Housing Assistance for Persons Transitioning from the Criminal or Juvenile Justice System Cash Fund and 2.0 FTE to DOLA;
- \$212,750 from the General Fund to DOLA; and
- \$36,771 from the General Fund to HCPF and 0.4 FTE.
- \$218,840 from the General Fund to OIT.

State and Local Government Contacts

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|----------------|----------------------------------|---------------|
| Counties | Health Care Policy and Financing | Local Affairs |
| Municipalities | Information Technology | |