

**First Regular Session
Seventy-third General Assembly
STATE OF COLORADO**

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 21-0734.01 Sarah Lozano x3858

HOUSE BILL 21-1215

HOUSE SPONSORSHIP

Holtorf and Ortiz,

SENATE SPONSORSHIP

Hisey and Lee,

House Committees

Judiciary
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE EXPANSION OF THE JUSTICE REINVESTMENT CRIME**
102 **PREVENTION INITIATIVE, AND, IN CONNECTION THEREWITH,**
103 **CREATING A SMALL BUSINESS GRANT PROGRAM FOR**
104 **JUSTICE-SYSTEM-INVOLVED PERSONS AND MAKING AN**
105 **APPROPRIATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The justice reinvestment crime prevention initiative (initiative), administered by the Colorado department of local affairs in the division

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

HOUSE
Amended 2nd Reading
May 11, 2021

of local government (department), incorporates programs that expand small business lending and provide grants aimed at reducing crime and promoting community development in certain target communities. Effective October 1, 2021, the bill:

- Expands the initiative to a statewide program; and
- Adds a small business grant program for formerly incarcerated persons (program) to the initiative.

The bill requires the department to work with the Colorado department of corrections and the Colorado office of economic development in developing and implementing the program. The program shall include:

- A training program in business, finance, and entrepreneurship for formerly incarcerated persons;
- A small business grant for formerly incarcerated persons who have completed the training program and are selected by the department through a rigorous application process; and
- An ongoing consulting program in business, finance, and entrepreneurship for the selected grant recipients.

Selected grant recipients are eligible for the consulting program for at least one year from selection. The grants are funded from the general fund and are limited to no more than \$50,000 per selected grant recipient per year.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds and declares that:

4 (a) The justice reinvestment crime prevention initiative is a
5 community-led program that provides grants for direct services aimed at
6 reducing crime and recidivism as well as small business lending to
7 promote employment and community development in the target
8 communities of north Aurora and southeast Colorado Springs;

9 (b) This program is in its pilot phase, and preliminary data
10 indicates successful outcomes in both of the target communities;

11 (c) There are likely strategies that can demonstrate effectiveness
12 in both rural and urban settings, and there are also likely to be important

1 differences and distinctions, so this initiative would be more meaningful
2 and useful if it includes both rural and urban communities; and

3 (d) Therefore, there would be substantial benefit for the state to
4 expand the program to include the two rural communities of Grand
5 Junction and Trinidad, including surrounding unincorporated areas, in
6 order to design and effectuate community-based safety strategies and
7 services in a rural setting.

8 (2) The general assembly further finds and declares that:

9 (a) Approximately seventy-seven million Americans, or one in
10 three adults, have a criminal record and there is substantial empirical
11 evidence that having a criminal record is a barrier to employment;

12 (b) The National Conference of State Legislatures estimated that
13 the employment barriers faced by people with felony convictions were
14 associated with a reduction in the overall employment rate, amounting to
15 an estimated loss of at least 1.7 million workers from the workforce and
16 a cost of at least \$78 billion to the economy;

17 (c) These circumstances negatively impact the individual, his or
18 her family and community, and the state;

19 (d) Although there have been concerted efforts at both the policy
20 and direct service levels to help people with criminal records obtain
21 employment, little has been done specifically to provide training and
22 other support for those who are interested in starting their own business;
23 and

24 (e) Small business ownership is one of the ways to integrate
25 people fully into society and, if given training and assistance by local
26 nonprofit organizations, people who have previously been in the criminal
27 justice system would be in a better position to provide valuable services,

1 goods, and jobs to their communities and the state.

2 **SECTION 2.** In Colorado Revised Statutes, 24-32-120, **amend**
3 (1)(a), (1)(b)(I), (2)(b), (2)(c) introductory portion, (2)(c)(I), (2)(c)(II),
4 (2)(c)(V), (2)(c)(VI), (2)(d), (2)(e) introductory portion, (2)(f), (2)(i)(III),
5 (2)(i)(IV), and (3); and **add** (2)(c)(VII) and (2.5) as follows:

6 **24-32-120. Justice reinvestment crime prevention initiative -**
7 **program - rules - cash funds - reports - definitions - repeal.**

8 (1) (a) The division of local government shall administer the justice
9 reinvestment crime prevention initiative to expand small business lending
10 and provide grants aimed at reducing crime and promoting community
11 development in the target communities of north Aurora and southeast
12 Colorado Springs. EFFECTIVE SEPTEMBER 1, 2021, THE TARGET
13 COMMUNITIES MUST ALSO INCLUDE THE GRAND JUNCTION AND TRINIDAD
14 AREAS, INCLUDING UNINCORPORATED AREAS OUTSIDE OF CITY LIMITS.

15 (b) Subject to available appropriations, on and after August 10,
16 2017, the division shall develop and implement an initiative in
17 accordance with policies developed by the executive director specifically
18 designed to expand small business lending in the target communities
19 described in this subsection (1). An initiative developed and implemented
20 pursuant to subsection (1)(a) of this section shall include, but need not be
21 limited to, the following components:

22 (I) (A) On or before September 10, 2017, the division shall issue
23 a request for participation and select one or more nondepository
24 community development financial institution loan funds to participate in
25 the small business lending program described in this subsection
26 SUBSECTION (1)(b)(I)(A);

27 (B) ON OR BEFORE SEPTEMBER 1, 2021, IF THE NONDEPOSITORY

1 COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION LOAN FUNDS
2 CONTRACTED PURSUANT TO SUBSECTION (1)(b)(I)(A) OF THIS SECTION ARE
3 NOT ABLE TO ALSO EFFECTIVELY SERVE THE GRAND JUNCTION AND
4 TRINIDAD AREAS, INCLUDING UNINCORPORATED AREAS OUTSIDE OF THE
5 CITY LIMITS, THE DIVISION SHALL ISSUE A REQUEST FOR PARTICIPATION TO
6 SELECT ONE OR MORE ADDITIONAL DEPOSITORY COMMUNITY
7 DEVELOPMENT FINANCIAL INSTITUTION LOAN FUNDS TO SERVE THE GRAND
8 JUNCTION AND TRINIDAD AREAS, INCLUDING UNINCORPORATED AREAS
9 OUTSIDE OF THE CITY LIMITS.

10 (2) (b) (I) On or before September 10, 2017, the executive director
11 shall issue a request for participation and select a community foundation
12 or foundations to manage the grant program. To be eligible, the
13 community foundation must be registered in the state of Colorado and
14 have a history of grant-making in the target community in areas consistent
15 with the permissible uses of funding described in subsection (2)(e) of this
16 section. The division may select one community foundation to serve both
17 target communities or may select one community foundation for each
18 target community.

19 (II) ON OR BEFORE SEPTEMBER 1, 2021, IF THE COMMUNITY
20 FOUNDATIONS CONTRACTED PURSUANT TO SUBSECTION (2)(b)(I) OF THIS
21 SECTION ARE NOT ABLE TO ALSO EFFECTIVELY SERVE THE GRAND
22 JUNCTION AND TRINIDAD AREAS, INCLUDING UNINCORPORATED AREAS
23 OUTSIDE OF THE CITY LIMITS, THE DIVISION SHALL ISSUE A REQUEST FOR
24 PARTICIPATION AND SELECT ONE OR MORE COMMUNITY FOUNDATIONS OR
25 THIRD-PARTY GRANT ADMINISTRATORS AS DEFINED IN SECTION
26 25-20.5-801 (3)(a) TO MANAGE THE GRANT PROGRAM OR PROGRAMS FOR
27 THE GRAND JUNCTION AND TRINIDAD AREAS, INCLUDING

1 UNINCORPORATED AREAS OUTSIDE OF THE CITY LIMITS.

2 (c) The division shall execute a written agreement with ~~the~~ EACH
3 selected community foundation or ~~community foundations~~ THIRD-PARTY
4 GRANT ADMINISTRATOR that outlines ~~the~~ ITS roles and responsibilities, ~~of~~
5 ~~the community foundation. The roles and responsibilities~~ WHICH must
6 include:

7 (I) Developing a nomination process and governance policy for
8 the local crime prevention planning team. ~~subject to approval by the~~
9 ~~appropriate city council.~~ The community foundation OR THIRD-PARTY
10 GRANT ADMINISTRATOR shall ensure that the proposed local planning
11 team members represent a diverse cross-section with expertise in areas
12 like education, business, youth, families, nonprofit direct service, law
13 enforcement, local government, community, and residents of the target
14 communities, including those that have been directly impacted by crime
15 and involvement in the criminal justice system;

16 (II) Providing facilitation to the local crime prevention planning
17 team in ~~both Aurora and Colorado Springs~~ THE TARGET COMMUNITIES;

18 (V) ~~Contracting~~ IF THE AGREEMENT IS WITH A COMMUNITY
19 FOUNDATION, CONTRACTING with a third-party evaluator to assist each
20 local planning team to establish best practices with regard to data
21 collection and identifying appropriate performance and outcome measures
22 that measure outcome and impact of any funded crime prevention
23 projects, programs, or initiatives;

24 (VI) Collaborating with the office of state planning and budgeting
25 to provide information and research to local planning teams regarding
26 best practices and effective programs for community development and
27 crime prevention; AND

1 (VII) IF THE WRITTEN AGREEMENT IS WITH A THIRD-PARTY
2 ADMINISTRATOR, PERFORMING DATA COLLECTION, IDENTIFYING
3 APPROPRIATE PERFORMANCE AND OUTCOME MEASURES, PROVIDING
4 TECHNICAL ASSISTANCE, AND ASSISTING WITH GRANTEE CAPACITY
5 BUILDING.

6 (d) The division shall develop the procedures and timelines by
7 which ~~the~~ EACH selected community foundation or ~~community~~
8 ~~foundations~~ THIRD-PARTY GRANT ADMINISTRATOR will be provided
9 funding from the division for disbursement for the grant program.

10 (e) The permissible uses of any funding provided to ~~the~~ EACH
11 community foundation OR THIRD-PARTY GRANT ADMINISTRATOR shall
12 include programs, projects, or initiatives that are aimed at:

13 (f) (I) The division shall transfer to the community foundation OR
14 THIRD-PARTY GRANT ADMINISTRATOR within thirty days after execution
15 of the agreement described in subsection (2)(c) of this section the
16 administrative costs of the community foundation OR THIRD-PARTY
17 GRANT ADMINISTRATOR related to the performance of the roles and
18 responsibilities for managing the grant program. ~~which costs must not~~
19 ~~exceed four percent of the appropriation.~~

20 (II) IF THE COSTS DESCRIBED IN SUBSECTION (2)(f)(I) OF THIS
21 SECTION PERTAIN TO A COMMUNITY FOUNDATION, THE COSTS MAY NOT
22 EXCEED EIGHT PERCENT OF THE APPROPRIATION.

23 (III) IF THE COSTS DESCRIBED IN SUBSECTION (2)(f)(I) OF THIS
24 SECTION PERTAIN TO A THIRD-PARTY GRANT ADMINISTRATOR, THE COSTS
25 MAY NOT EXCEED FIFTEEN PERCENT OF THE APPROPRIATION TO COVER
26 BOTH THE GRANT PROGRAM MANAGEMENT RESPONSIBILITIES AND THE
27 ADDITIONAL RESPONSIBILITIES DESCRIBED IN SUBSECTION (2)(c)(VII) OF

1 THIS SECTION.

2 (i) (III) Money in the fund is continuously appropriated to the
3 department of local affairs for the grant program developed pursuant to
4 this subsection (2) AND (2.5).

5 (III.3) THERE IS HEREBY CREATED A SPECIAL ACCOUNT WITHIN THE
6 FUND TO BE KNOWN AS THE JUSTICE REINVESTMENT INITIATIVE EXPANSION
7 ACCOUNT. ON JUNE 30, 2021, THE STATE TREASURER SHALL TRANSFER
8 THREE MILLION FIVE HUNDRED THOUSAND DOLLARS FROM THE GENERAL
9 FUND TO THE ACCOUNT. MONEY IN THE ACCOUNT IS CONTINUOUSLY
10 APPROPRIATED TO THE DEPARTMENT TO BE USED BY THE DEPARTMENT AS
11 SET FORTH IN THIS SUBSECTION (2)(i)(III.3) AND SUBSECTION (2)(i)(III.5)
12 OF THIS SECTION. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
13 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
14 ACCOUNT TO THE ACCOUNT. IN STATE FISCAL YEAR 2021-22, THE
15 DEPARTMENT MAY USE ONE MILLION SEVEN HUNDRED FIFTY THOUSAND
16 DOLLARS IN THE ACCOUNT AS FOLLOWS:

17 (A) FORTY PERCENT FOR THE EXPANSION OF THE GRANT PROGRAM
18 TO INCLUDE GRAND JUNCTION, INCLUDING UNINCORPORATED AREAS
19 OUTSIDE OF THE CITY LIMITS, AS DESCRIBED IN THIS SUBSECTION (2) AND
20 RELATED ADMINISTRATIVE COSTS;

21 (B) TWENTY PERCENT FOR THE EXPANSION OF THE GRANT
22 PROGRAM TO INCLUDE TRINIDAD, INCLUDING UNINCORPORATED AREAS
23 OUTSIDE OF THE CITY LIMITS, AS DESCRIBED IN THIS SUBSECTION (2) AND
24 RELATED ADMINISTRATIVE COSTS; AND

25 (C) FORTY PERCENT FOR THE IMPLEMENTATION AND
26 ADMINISTRATION OF THE PROGRAM CREATED IN SUBSECTION (2.5) OF THIS
27 SECTION.

1 (D) THIS SUBSECTION (2)(i)(III.3) IS REPEALED, EFFECTIVE
2 SEPTEMBER 1, 2023.

3 (III.5) (A) IN STATE FISCAL YEAR 2022-23, THE DEPARTMENT MAY
4 USE ANY REMAINING MONEY IN THE ACCOUNT FOR THE SAME PURPOSES
5 AND IN THE PERCENTAGES SET FORTH IN SUBSECTION (2)(i)(III.3) OF THIS
6 SECTION. ON JULY 1, 2023, THE STATE TREASURER SHALL TRANSFER ANY
7 UNEXPENDED AND UNENCUMBERED MONEY REMAINING IN THE ACCOUNT
8 TO THE GENERAL FUND.

9 (B) THIS SUBSECTION (2)(i)(III.5) IS REPEALED, EFFECTIVE
10 SEPTEMBER 1, 2023.

11 (IV) The state treasurer shall transfer to the general fund all
12 unexpended and unencumbered money in the fund on ~~September 1, 2023~~
13 SEPTEMBER 1, 2026.

14 (2.5) (a) AS USED IN THIS SUBSECTION (2.5), UNLESS THE CONTEXT
15 OTHERWISE REQUIRES:

16 (I) "ELIGIBLE ENTITY" MEANS A NONPROFIT ORGANIZATION
17 REGISTERED AND IN GOOD STANDING WITH THE UNITED STATES INTERNAL
18 REVENUE SERVICE AND THE COLORADO SECRETARY OF STATE'S OFFICE.

19 (II) "GRANTEE" MEANS AN ELIGIBLE ENTITY SELECTED BY THE
20 DIVISION TO PARTICIPATE IN THE PROGRAM DESCRIBED IN SUBSECTION
21 (2.5)(b) OF THIS SECTION.

22 (III) "JUSTICE-SYSTEM-INVOLVED PERSON" MEANS A PERSON WHO
23 HAS COMPLETED A SENTENCE OR IS SERVING A SENTENCE FOR A CRIMINAL
24 OFFENSE OR DELINQUENT ACT OR HAS BEEN CONVICTED OF, PLED GUILTY
25 OR NOLO CONTENDERE, OR WHO HAS UNRESOLVED CHARGES PENDING FOR
26 A CRIMINAL OFFENSE OR DELINQUENT ACT BUT IS PARTICIPATING IN A
27 DIVERSION PROGRAM, OR HAS RECEIVED A DEFERRED SENTENCE FOR A

1 CRIMINAL OFFENSE OR DELINQUENT ACT. "JUSTICE-SYSTEM-INVOLVED
2 PERSON" DOES NOT INCLUDE A PERSON WHO IS CURRENTLY
3 INCARCERATED.

4 (b) SUBJECT TO ANNUAL APPROPRIATIONS, ON OR BEFORE
5 SEPTEMBER 1, 2021, THE DIVISION SHALL ADMINISTER A STATEWIDE
6 PROGRAM TO PROVIDE GRANTS TO ELIGIBLE ENTITIES TO ESTABLISH
7 BUSINESS AND ENTREPRENEURSHIP TRAINING PROGRAMS FOR
8 JUSTICE-SYSTEM-INVOLVED PERSONS. THE PERMISSIBLE USES OF ANY
9 FUNDING PROVIDED TO AN ELIGIBLE ENTITY ARE PROJECTS, PROGRAMS,
10 AND INITIATIVES THAT ARE AIMED AT THE FOLLOWING:

11 (I) ASSESSING JUSTICE-SYSTEM-INVOLVED PERSONS TO DETERMINE
12 THEIR CURRENT LEVEL OF RELEVANT KNOWLEDGE, SKILL, AND READINESS
13 TO START OR EXPAND A BUSINESS;

14 (II) PROVIDING ENTREPRENEURSHIP AND RELEVANT BUSINESS
15 SKILLS TRAINING, INCLUDING CURRICULUM DEVELOPMENT OR
16 REASONABLE CURRICULUM USE FEES;

17 (III) ASSISTING JUSTICE-SYSTEM-INVOLVED PERSONS WHO ARE
18 PARTICIPATING IN OR GRADUATED FROM THE ENTREPRENEURSHIP
19 TRAINING PROGRAM WITH IDENTIFYING AND APPLYING FOR SMALL
20 BUSINESS LOANS OR OTHER INVESTMENT CAPITAL, WHICH MAY INCLUDE
21 ASSISTING IN THE DEVELOPMENT OF BUSINESS PLANS OR OTHER
22 DOCUMENTS THAT MAY BE REQUIRED BY A POTENTIAL LENDER;

23 (IV) GRANTS AWARDED ON AN ANNUAL BASIS NOT TO EXCEED
24 MORE THAN FIVE THOUSAND DOLLARS PER JUSTICE-SYSTEM-INVOLVED
25 PERSON PER YEAR THAT ARE INTENDED TO INCREASE TRAINING
26 PARTICIPATION OR GRADUATION, LOAN READINESS, ACCELERATE LOAN
27 REPAYMENT FOR HIGH PERFORMING BORROWERS, OR OTHER SIMILAR

1 PURPOSES, PROVIDED THAT A GRANT MAY NOT BE AWARDED TO A
2 JUSTICE-SYSTEM-INVOLVED PERSON FOR MORE THAN THREE YEARS; AND

3 (V) ONGOING TECHNICAL ASSISTANCE AND SOCIAL SUPPORT
4 SERVICES TO JUSTICE-SYSTEM-INVOLVED PERSONS WHO ARE
5 PARTICIPATING IN OR GRADUATED FROM THE ENTREPRENEURSHIP
6 TRAINING PROGRAM TO INCREASE LONG-TERM BUSINESS SUCCESS.

7 (c) THE DIVISION SHALL DEVELOP THE POLICIES, PROCEDURES, AND
8 TIMELINES TO IMPLEMENT THE PROGRAM DESCRIBED IN SUBSECTION
9 (2.5)(b) OF THIS SECTION, INCLUDING BUT NOT LIMITED TO THE
10 DEVELOPMENT OF GRANT GUIDELINES, APPLICATION AND REVIEW
11 PROCESSES, DATA COLLECTION, AND REPORTING REQUIREMENTS FOR
12 GRANTEES.

13 (d) ON OR BEFORE SEPTEMBER 1, 2021, THE DIVISION SHALL ISSUE
14 A REQUEST FOR PROPOSALS FROM ELIGIBLE ENTITIES. NOTWITHSTANDING
15 ANY LAW TO THE CONTRARY, AN ELIGIBLE ENTITY MAY IDENTIFY IN ITS
16 PROPOSAL A COLLABORATION THAT INCLUDES ANOTHER ELIGIBLE ENTITY
17 THAT WOULD RECEIVE SUBGRANTS TO PROVIDE SERVICES CONSISTENT
18 WITH THE PURPOSES SET FORTH IN THIS SUBSECTION (2.5).

19 (e) THE DIVISION SHALL AWARD GRANTS TO ELIGIBLE ENTITIES
20 THAT HAVE BEEN SELECTED TO PARTICIPATE IN THE PROGRAM NO LATER
21 THAN DECEMBER 1, 2021.

22 (f) THE GENERAL ASSEMBLY MAY APPROPRIATE MONEY FROM THE
23 GENERAL FUND OR FROM ANY OTHER AVAILABLE SOURCE TO THE DIVISION
24 FOR THE PURPOSES OF THIS SUBSECTION (2.5). THE DIVISION MAY SEEK,
25 ACCEPT, AND EXPEND GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR
26 PUBLIC SOURCES FOR THE PURPOSES OF THIS SUBSECTION (2.5).

27 (3) ~~Subsection (2)~~ SUBSECTIONS (2) AND (2.5) of this section and

1 this subsection (3) are repealed, effective ~~September 1, 2023~~ SEPTEMBER
2 1, 2026. Before such repeal, the department of regulatory agencies shall
3 review the justice reinvestment crime prevention initiative pursuant to
4 section 24-34-104.

5 **SECTION 3.** In Colorado Revised Statutes, 24-34-104, **repeal**
6 (24)(a)(XI); and **add** (27)(a)(XVIII) as follows:

7 **24-34-104. General assembly review of regulatory agencies**
8 **and functions for repeal, continuation, or reestablishment - legislative**
9 **declaration - repeal.** (24) (a) The following agencies, functions, or both,
10 are scheduled for repeal on September 1, 2023:

11 (XI) ~~The justice reinvestment crime prevention initiative created~~
12 ~~in section 24-32-120;~~

13 (27) (a) The following agencies, functions, or both, are scheduled
14 for repeal on September 1, 2026:

15 (XVIII) ~~THE JUSTICE REINVESTMENT CRIME PREVENTION~~
16 ~~INITIATIVE CREATED IN SECTION 24-32-120;~~

17 **SECTION 4. Safety clause.** The general assembly hereby finds,
18 determines, and declares that this act is necessary for the immediate
19 preservation of the public peace, health, or safety.