



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number:	LLS 24-0401	Date:	June 5, 2024
Prime Sponsors:	Sen. Gonzales; Coleman Rep. Young; Mabrey	Bill Status:	Postponed Indefinitely
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Bill Topic: REENTRY WORKFORCE DEVELOPMENT CASH ASSISTANCE PILOT PROGRAM

Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input type="checkbox"/> Statutory Public Entity

The bill would have created a cash assistance program for person released from incarceration who participate in a workforce service or training program. The bill would have increased state expenditures in FY 2024-25 and FY 2025-26 only.

Appropriation Summary: For FY 2024-25, the bill would have required an appropriation of up to \$7.5 million to the Department of Corrections.

Fiscal Note Status: The final fiscal note reflects the introduced bill. This bill was postponed indefinitely by the Senate Judiciary committee on February 7, 2024; therefore, the impacts identified in this analysis do not take effect.

**Table 1
State Fiscal Impacts Under SB 24-012**

		Budget Year FY 2024-25	Out Year FY 2025-26
Revenue		-	-
Expenditures	General Fund	up to \$7,494,960	up to \$14,989,920
Transfers		-	-
Other Budget	General Fund Reserve	up to \$1,124,244	up to \$2,248,488

Summary of Legislation

The bill creates the Reentry Workforce Development Cash Assistance Pilot Program in the Department of Corrections (DOC) to provide up to \$3,000 in cash assistance to individuals who have been recently released from incarceration. Eligible persons must have been incarcerated in a DOC facility, a jail following a felony conviction, or the Division of Youth Services (DYS) following adjudication for an offense that would have been a felony if committed by an adult. Other eligibility requirements include being enrolled and participating in workforce service or training program offered by a reentry service provider; agreeing to participate in a comprehensive participant survey; enrolling in the program within six months of release from incarceration; and not having previously received cash assistance from the pilot program. The cash assistance must be used for basic living expenses.

The DOC must contract with a nonprofit entity to administer the program (administering entity). It must issue a Request for Proposals by September 30, 2024, and enter into a contract by December 31, 2024. The DOC may use no more than 10 percent of the program's appropriation to compensate the administering entity for administering the pilot program. The nonprofit is required to perform a comprehensive survey of program participants by July 1 in 2025 and 2026. By October 1, 2025, the administering entity must report survey results and other program metrics to the DOC. The DOC is required to submit this report to the General Assembly.

The DOC must seek any federal waiver or exemption necessary for an eligible person to exclude cash assistance from an income determination for eligibility in any federally funded program and collaborate with any other state agencies necessary to seek the waiver.

The pilot program repeals on July 1, 2026.

Assumptions

The fiscal note estimates that **4,542 individuals** will participate in the pilot program per year, as detailed below. This estimate is preliminary and may be adjusted if new information on eligibility and utilization becomes available.

Eligible DOC population. Data from the DOC indicate that there were an average of 5,610 releases per year over the past two fiscal years. The DOC reports that 99 percent of released offenders participate in some sort of support services. Because this program requires participation in a workforce service or training program, the fiscal note assumes that 80 percent of the eligible population, or **4,488 individuals**, will participate in the program. This utilization rate is roughly equivalent to the state's participation in the Supplemental Nutrition Assistance Program.

Eligible DYS population. Data from the DYS data indicate that, in FY 2022-23, 65 percent of new commitments were adjudicated for a felony and that the average daily population of juvenile parole is around 105 juveniles. Assuming 65 percent of those were adjudicated for a felony and are released each year, the fiscal note estimates an additional 68 juveniles may be eligible. Similar to the DOC estimate, the fiscal note assumes that 80 percent of the eligible population, or **54 juveniles**, will participate in the program.

Eligible jail population. The fiscal note assumes that most felony cases are sentenced to the DOC; therefore, any participation from those released from jail will be minimal.

State Expenditures

The bill will increase General Fund expenditures in the DOC by up to \$7.5 million in FY 2024-25 (half-year impact) and \$15.0 million in FY 2025-26. Expenditures are shown in Table 2 and discussed below.

**Table 2
Expenditures Under SB 24-012**

	FY 2024-25	FY 2025-26
Department of Corrections		
Cash Assistance	\$6,813,600	\$13,627,200
Contractor Administration Cost	\$681,360	\$1,362,720
Total Cost	up to \$7,494,960	up to \$14,989,920

Department of Corrections. Costs for the DOC to provide cash assistance will occur over two fiscal years, from January 2025 through June 2026. The DOC will also have increased workload to enter into and manage the contract with administering nonprofit. Costs shown in Table 2 assume \$3,000 cash assistance and the 80 percent utilization outlined in the Assumptions section. However, the bill allows for cash assistance up to \$3,000. Should the General Assembly choose to appropriate less funds or if participation is greater than estimated, the payment amount to participants would decrease proportionally to stay within available appropriations.

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 by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2024-25, the bill requires a General Fund appropriation of up to \$7,494,960 to the Department of Corrections. The General Assembly may choose to appropriate less, which would reduce the assumed cash assistance awards.

State and Local Government Contacts

Corrections

Human Services

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).