



**Colorado
Legislative
Council
Staff**

Bill 4

FISCAL NOTE

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

Drafting Number: LLS 18-0280
Prime Sponsor(s):

Date: October 25, 2017
Bill Status: Mental Health Disorders in the Criminal and Juvenile Justice Systems Bill Request

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BILL TOPIC: FUND TRANSITIONING FROM CRIMINAL AND JUVENILE JUSTICE SYSTEMS

Fiscal Impact Summary	FY 2018-2019	FY 2019-2020
State Revenue	<u>\$0</u>	<u>\$0</u>
<i>State Transfers</i>		
General Fund	(\$2,000,000)	(\$2,000,000)
Cash Funds	\$2,000,000	\$2,000,000
State Expenditures	<u>\$73,193</u>	<u>at least \$68,490</u>
Cash Funds	\$59,596	at least \$54,893
Centrally Appropriated Costs	\$13,597	at least \$13,597
FTE Position Change	1.0 FTE	1.0 FTE
Appropriation Required: \$59,596 - Department of Local Affairs (FY 2018-19).		
Future Year Impacts: Ongoing potential transfer from General Fund and expenditure increase.		

Summary of Legislation

Senate Bill 17-021 created a one-time General Fund transfer of unspent community corrections funding in the Department of Public Safety (DPS) to the Housing Assistance for Persons Transferring from Incarceration Cash Fund in the Department of Local Affairs (DOLA). This bill, **requested by the *Legislative Oversight Committee Concerning the Treatment of Persons with Mental Health Disorders in the Criminal and Juvenile Justice Systems***, continues this transfer of unspent community corrections funds to DOLA indefinitely.

Background

At the close of FY 2016-17, there was \$4.8 million in unspent General Fund in the DPS community correction line item, which was transferred to DOLA in FY 2017-18. DOLA plans to request authority to spend the transferred funds in FY 2018-19. This delay is due to the timing of when funds are transferred following the close of the fiscal year and the timing of the annual budget process.

Under current law, the transfer repeals on July 1, 2018, which is prior to the close of FY 2017-18 (which is expected to occur in August 2018). Therefore, the Office of State Planning and Budgeting has interpreted SB 17-021 as only requiring one transfer to DOLA and that a transfer of unspent community corrections appropriations to DOLA will not occur at the end of FY 2017-18.

State Revenue

While the bill does not affect net state revenue, it does transfer General Fund to the Housing Assistance for Persons Transferring from Incarceration Cash Fund, as discussed below.

State transfer. The bill indefinitely continues the General Fund transfer of unspent community corrections appropriations to the Housing Assistance for Persons Transferring from Incarceration Cash Fund in DOLA starting in FY 2018-19. In recent years, the amount of unspent funds has ranged between \$700,000 to \$4.8 million. Given this variation, it is difficult to predict future transfer amounts.

For information purposes, the fiscal note assumes that around \$2.0 million will be transferred per year starting in FY 2018-19. The FY 2018-19 transfer will be based on the amount of reversions from FY 2017-18 appropriations for community corrections. This and future transfers will vary based on appropriations made by the General Assembly and spending decisions by the DPS during the fiscal year. This transfer will occur in all future years in which the Division of Community Corrections has unspent General Fund.

State Expenditures

By continuing funding for the transitional housing program in DOLA, the bill will increase costs by **\$73,193 and 1.0 FTE in FY 2018-19 and at least \$68,490 and 1.0 FTE in FY 2019-20**. These costs, which are paid from the Housing Assistance for Persons Transferring from Incarceration Cash Fund, are summarized in Table 1 and discussed below.

Table 1. Expenditures Under Bill 4		
Cost Components	FY 2018-19	FY 2019-20
Personal Services	\$53,943	\$53,943
FTE	1.0 FTE	1.0 FTE
Operating Expenses and Capital Outlay Costs	5,653	950
Centrally Appropriated Costs*	13,597	13,597
TOTAL	\$73,193	\$68,490

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

Personal services. To administer the housing assistance on an ongoing basis, DOLA requires an additional 1.0 FTE to develop plans for how to spend housing assistance funds, work with local government and community organizations, and manage and track program spending. Personal service costs and standard operating and capital outlay expenses for this staff are shown in Table 1. The fiscal note assumes this staff will start on July 1, 2018.

Housing assistance spending. By continuing the transfer of funds from DPS, DOLA will have increased spending on housing assistance starting in FY 2019-20. The exact amount of expenditures will depend on the amount transferred. It is assumed that DOLA will seek spending authority each year through the annual budget process based on the available amount of funds transferred. Based on prior year data, the fiscal note assumes this amount will be approximately \$2.0 million per year, as described in the State Transfer section above.

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. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and expected to be \$13,597 per year starting in FY 2018-19 for employee insurance and supplemental retirement payments.

Local Government Impact

Local governments such as counties and housing authorities may work with DOLA to provide housing assistance to persons transitioning from incarceration. This may result increase both funding and workload for participating agencies.

Effective Date

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

State Appropriations

For FY 2018-19, the bill requires an appropriation of \$59,596 to DOLA from the Housing Assistance for Persons Transferring from Incarceration Cash Fund and an allocation of 1.0 FTE.

State and Local Government Contacts

Information Technology
Public Safety

Local Affairs
Treasury