

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Joint Budget Committee
 FROM Carolyn Kampman, JBC Staff (303-866-4959)
 DATE March 4, 2020
 SUBJECT Staff Comebacks for DOLA Housing Appropriations Related to H.B. 20-1262

Staff recommends that the Committee consider revised staff recommendations for several line item appropriations to the Department of Local Affairs' Division of Housing for FY 2020-21. These changes relate to two bills.

HOUSE BILL 19-1009 (SUBSTANCE USE DISORDERS RECOVERY)

This bill expanded the population for whom vouchers and other support services for housing assistance may be provided. It also added a requirement that the General Assembly annually appropriate, for fiscal years 2019-20 through 2023-24, \$1,000,000 from the Marijuana Tax Cash Fund (MTCF) to DOLA for vouchers and other support services for housing assistance for individuals with a mental health disorder, a substance use disorder, or a co-occurring behavioral health disorder who are transitioning from certain settings. While the appropriation for FY 2019-20 that was included in the bill for DOLA did sum to \$1,000,000, this amount was comprised of \$173,500 General Fund and \$826,500 cash funds from the MTCF.

For FY 2020-21, DOLA requested a continuation of this mix of fund sources. On February 21, 2020, the Committee approved several staff recommendations related to DOLA's Division of Housing, including the requested mix of funding sources. **In order to ensure that the General Assembly is complying with this provision, staff recommends adjusting the Long Bill appropriations starting in FY 2020-21 so that the full \$1,000,000 comes from the MTCF.** This change is consistent with the language in the bill and with the final Legislative Council Staff fiscal note for the bill. This change will also make it easier to identify this funding, including the related administrative expenses, if the appropriation is eliminated in FY 2024-25 when this requirement ends. The following table details the revised staff recommendation.

RECOMMENDED CHANGES TO FY 2020-21 APPROPRIATION PURSUANT TO H.B. 19-1009									
LINE ITEM	INITIAL RECOMMENDATION			REVISED RECOMMENDATION			CHANGE		
	GF	MTCF	TOTAL	GF	MTCF	TOTAL	GF	MTCF	TOTAL
<i>(1) Executive Director's Office</i>									
Payments to OIT	1,540	\$0	\$1,540	0	\$1,540	\$1,540	(1,540)	\$1,540	\$0
<i>(3) Division of Housing</i>									
<i>(A) Community and Non-profit Services</i>									
<i>(1) Administration</i>									
Personal Services (1.0 FTE)	56,373	0	56,373	0	56,373	56,373	(56,373)	56,373	0
Operating Expenses	2,438	0	2,438	0	2,438	2,438	(2,438)	2,438	0
<i>(2) Community Services</i>									
Low Income Rental Subsidies	113,149	826,500	939,649	0	939,649	939,649	(113,149)	113,149	0
Total	\$173,500	\$826,500	\$1,000,000	\$0	\$1,000,000	\$1,000,000	(\$173,500)	\$173,500	\$0

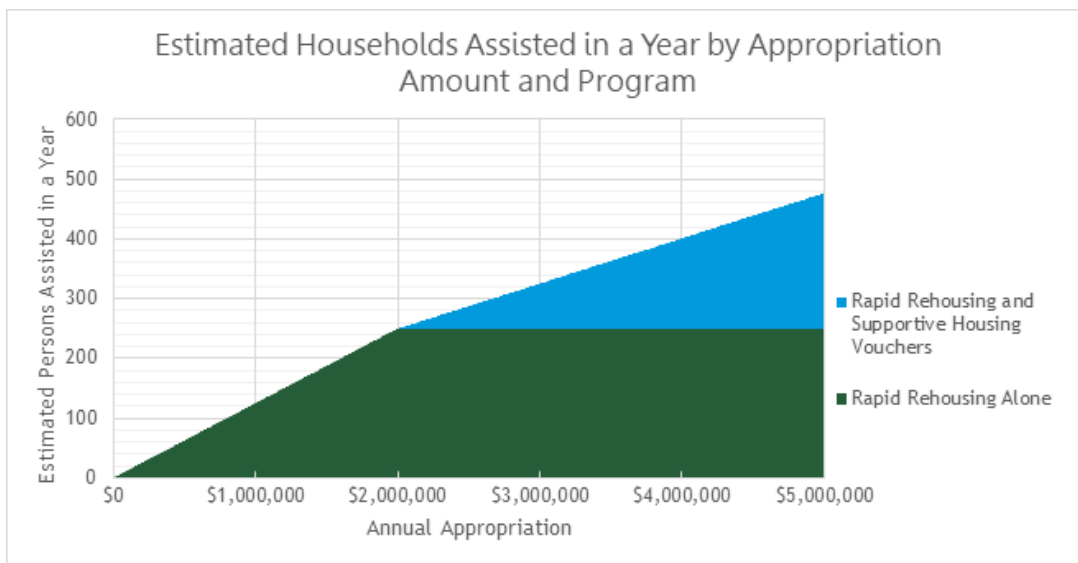
HOUSE BILL 20-1262 (CONCERNING MONEY APPROPRIATED FOR HOUSING ASSISTANCE FOR PERSONS TRANSITIONING FROM THE CRIMINAL OR JUVENILE JUSTICE SYSTEMS)

The Senate has passed on third reading a Joint Budget Committee-sponsored bill that modifies the existing method of funding housing assistance for persons transitioning from the criminal or juvenile justice system. Specifically, the bill repeals the requirement that unspent appropriations for community corrections programs be credited to a cash fund, and subsequently appropriated to DOLA for the provision of housing assistance. Instead, as authorized under current law, the General Assembly may annually make an appropriation from the General Fund directly to DOLA for these services.

On February 19, 2020, the Committee approved a staff recommendation to continue a \$500,000 General Fund appropriation to the Department of Corrections (DOC) for FY 2020-21 for “Parolee Housing Support”. This amount would be transferred to DOLA to support housing initiatives for the justice-involved re-entry population. **Staff recommends that the Committee reconsider this action, and instead make a direct appropriation of \$500,000 General Fund to DOLA for “Housing Assistance for Persons Transitioning from the Criminal or Juvenile Justice Systems”.** This would eliminate the need for a duplicated appropriation from reappropriated funds, and it will allow DOLA to more effectively provide services to the intended populations.

Staff also recommends that the Committee consider increasing this appropriation to at least \$1,000,000 General Fund. The FY 2019-20 appropriation for this line item totals \$908,052, consisting of the \$500,000 transferred from DOC and \$408,052 from community corrections program reversions that occurred in FY 2017-18.

In response to a staff request, DOLA provided the following information about the number of individuals who could be served based on appropriations ranging from \$1,000,000 to \$5,000,000. Descriptions of the two types of housing assistance depicted in the graphic follow, along with information about the estimated need for such assistance.



Definitions

Rapid Rehousing is a medium-term housing solution which is designed to help individuals and families that don't need intensive and ongoing supports to quickly exit homelessness and return to permanent housing.

Supportive Housing Vouchers have a higher cost per participant because the supportive services are more intensive. These vouchers are used to assist persons whom need more ongoing supports and services than rapid-rehousing can provide.

Estimated Need for Housing Assistance

The DOC reported that 2,038 people were paroled from state prisons in the last three months of 2019, while the Department of Public Safety reported that 41,970 people were released from county jails in this same time period.

DOC: Based on data recently shared by DOC, there were 1,683 people released from state prisons to homelessness in calendar years 2018 and 2019, with an average of 70 persons released to homelessness each month. The number of persons released to homelessness has been decreasing steadily since mid-2018, but has plateaued around an average of 50 per month since the final quarter of 2019. If this trend sustains then a projected *600 persons* will be released from state prisons to homelessness each year.

JAILS: Of the people in county jails, the Department of Public Safety reported that 1,214 inmates at county jails were experiencing homelessness prior to booking. DOLA does not have jail data confirming the number of people released into homelessness, although 10 percent of releases would equal approximately 1,000 people each month. This number is likely double counting people throughout the year as many people faced with chronic homelessness cycle in-and-out of the jail system.

BACKGROUND INFORMATION CONCERNING RELEVANT STATUTORY PROVISIONS

Senate Bill 17-021 established the Housing Assistance for Persons Transitioning from the Criminal or Juvenile Justice System Cash Fund (the Fund). Subject to annual appropriation, DOLA's Division of Housing may expend money in the Fund to provide:

- vouchers and other support services for housing assistance for an individual with a mental health disorder or co-occurring behavioral health disorder who is transitioning from the Department of Corrections (DOC), the Department of Human Services' Division of Youth Services, or a county jail; and
- grants or loans for the acquisition, construction, or rehabilitation of rental housing for persons with behavioral or mental health disorders.

The Fund consists of any money appropriated by the General Assembly to the cash fund as well as potential transfers of unspent funds from the Department of Public Safety. Specifically, any money appropriated from the General Fund to the Department's Division of Criminal Justice for community

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corrections programs that is unexpended or unencumbered at the close of the fiscal year is transferred to the Fund¹. To date, the following reverted amounts have been credited to the Fund:

- \$4,758,600 (reverted in FY 2016-17; appropriated to DOLA in FY 2018-19)
- \$408,052 (reverted in FY 2017-18; appropriated to DOLA in FY 2019-20)
- \$0 (reverted in FY 2018-19)

House Bill 19-1009 expanded the population for whom vouchers and other support services for housing assistance may be provided to include:

- An individual with a mental health disorder, *a substance use disorder*, or a co-occurring behavioral health disorder who is transitioning from DOC, the Division of Youth Services, a county jail, *a mental health institute, or a psychiatric hospital*; and
- *an individual who is homeless or in an unstable housing environment and is transitioning from a residential treatment program or is engaged in the DHS Community Transition Specialist Program².*

House Bill 19-1009 also added a requirement for the General Assembly to annually appropriate, for fiscal years 2019-20 through 2023-24, \$1,000,000 from the Marijuana Tax Cash Fund to DOLA for vouchers and other support services for housing.

House Bill 20-1262

House Bill 20-1262 eliminates the link between unspent appropriations for community corrections programs and funding for DOLA housing programs, effective for FY 2019-20. Thus, any appropriations for community corrections programs that remain unspent at the end of FY 2019-20 will revert to the General Fund rather than the Housing Assistance for Persons Transitioning from the Criminal or Juvenile Justice System Cash Fund.

The FY 2019-20 Long Bill includes a \$500,000 General Fund appropriation to DOC for parolee housing support, along with a corresponding appropriation of \$500,000 reappropriated funds to DOLA to provide parolee housing services. This appropriation was added in FY 2019-20 to provide a more reliable, sustainable source of funding that the General Assembly can modify over time based on the needs of transitioning offenders. For FY 2020-21 and future fiscal years, the General Assembly can choose to maintain the existing \$500,000 General Fund appropriation or adjust it based on identified needs. If this appropriation is made directly to DOLA (rather than via DOC), the funding may be used to meet the needs of offenders transitioning from DOC as well those transitioning from other settings.

¹ Please note that S.B. 17-021 allowed for such transfer for FY 2016-17 only, and S.B. 18-016 authorized the transfer to continue to occur annually.

² This program provides voluntary services, including access to housing, for high-risk individuals who are transitioning from a withdrawal management facility or hospital.