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HB 18-1176

**REVISED
FISCAL NOTE**

(replaces fiscal note dated February 15, 2018)

Drafting Number: LLS 18-0381
Prime Sponsors: Rep. Lee; Wist
Sen. Cooke

Date: April 9, 2018
Bill Status: House Appropriations
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Bill Topic: SUNSET OFFENDER REENTRY GRANT PROGRAM

Summary of Fiscal Impact:

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

Sunset bill. House Bill 18-1176 continues the offender reentry grant program in the Department of Corrections, from September 1, 2018 to September 1, 2023. By continuing this program, state expenditures are increased by \$1,733,971 beginning in FY 2019-20. This bill also transfers \$3,286,000 from the Correctional Treatment Cash Fund to the Department of Corrections to expand the offender reentry grant program and also appropriates \$3,286,000 to the Judicial Department and reappropriates that amount to the Department of Corrections.

Appropriation Summary: This bill appropriates \$3,286,000 to the Judicial Department and reappropriates that amount to the Department of Corrections.

Fiscal Note Status: This revised fiscal note reflects the introduced, bill as amended by the House Judiciary Committee.

**Table 1
State Fiscal Impacts Under HB 18-1176**

New Impacts		FY 2018-19	FY 2019-20
<i>Revenue</i>		-	-
<i>Expenditures</i>		\$3,286,000	-
<i>Transfers</i>	Cash Funds	(\$3,286,000)	-
	General Fund and Cash Funds	\$3,286,000	
	Total	\$0	-

Continuing Program Impacts		FY 2018-19	FY 2019-20
<i>Revenue</i>		-	-
<i>Expenditures</i>	General Fund	-	\$1,733,971

* Table 1 shows the new impacts resulting from changes to the program under the bill and the continuing impacts from extending the program beyond its current repeal date. The continuing program impacts will end if the bill is not passed and the program is allowed to repeal.

Summary of Legislation

Under current law, the offender reentry grant program is set to repeal September 1, 2018. This bill continues this program until September 1, 2023. This bill also requires the Department of Corrections (DOC) to release up to 25 percent of the annual grant program appropriation at the beginning of each fiscal year to a community-based organization that serves as an intermediary on behalf of the program's community partners. The intermediary must determine how much of this amount should be awarded to the community partners as a grant advance.

For FY 2018-19, this bill includes a one-time transfer of \$3,286,000 from the Correctional Treatment Cash Fund balance to the DOC to expand the offender reentry grant program. These funds are to be used to maximize the number of grant recipients and add grant recipients in undeserved communities especially, in rural areas, and one or more grant recipients specializing in reentry services for women offenders. In addition, the bill appropriates \$3,286,000 to the Judicial Department to be transferred to the DOC for the offender reentry grant program.

Background and Assumptions

The offender reentry grant program was created in 2014 by House Bill 13-1335, to provide funds to community partners that provide re-entry services with the goal of reducing recidivism, enhancing public safety, and increasing a parolee's chance of achieving success in the community. The Latin Coalition for Community Leadership serves as the intermediary between the DOC and the community partners. As an intermediary, the Latin Coalition for Community Leadership oversees the community partners and ensures proper records maintenance, use of grant funding, and provides technical, administrative, and financial guidance. The Latin Coalition for Community Leadership receives 15 percent of the funds appropriated to this program to cover its administrative costs with the remaining amount going to community partners. Parolees using this program must be assessed as medium to high risk for recidivism and enroll in the program. Since its creation in 2014, 1,737 parolees have participated, receiving services from 8 community partners.

The Correctional Treatment Cash Fund is overseen by the Judicial Department and the FY 2016-17 year-end fund balance was \$5,110,884. The FY 2017-18 projected year-end fund balance is \$6,411,194. The Correctional Treatment Board decides how to allocate these funds and this allocation must be approved by the General Assembly. If both the transfer and appropriation to DOC occurs, this bill would increase offender reentry grant program funds by \$6,572,000; however, this analysis assumes the bill's intent is to increase offender reentry grant program funds by \$3,286,000.

Continuing Program Impacts

Based on the department's FY 2018-19 budget request, the DOC is expected to have expenditures of \$1,733,971 to fund the offender reentry program. If this bill is enacted and the Long Bill is approved, current expenditures will continue for the program starting in FY 2019-20. If this bill is not enacted, the program will end on September 1, 2018, following a wind-down period, and state revenue and expenditures will decrease starting in FY 2019-20 by the amounts shown in Table 1.

State Transfers

For FY 2018-19 only, this bill requires the transfer of \$3,286,000 from the Correctional Treatment Cash Fund to the DOC. While the bill is unclear on where these funds will be transferred to, it is assumed these funds will be transferred to the Department of Corrections, Grants to Community-Based Organizations for Parolee Support line-item in the General Fund.

State Expenditures

This bill increases state expenditures by \$3,286,000 in FY 2018-19. These funds will be utilized by the DOC and the Latin Coalition for Community Leadership to expand the offender reentry grant program and will be granted to existing and new community providers.

Technical Note

This bill includes both a transfer and an appropriation to the Department of Corrections. However, the bill is unclear where in the DOC the transferred funds are to go and the Correctional Treatment Cash Fund does not have sufficient fund balance to accommodate both of these actions. Offender reentry services program funds are typically appropriated to the Judicial Department and then reappropriated to the Department of Corrections. Also the Correctional Treatment Board is required to provide their plan for distributing funds in the Correctional Treatment Cash Fund to the General Assembly for approval.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2018-19 this bill appropriates of \$3,286,000 from the Correctional Treatment Cash Fund to the Department of Corrections. Of this, \$3,286,000 is reappropriated from the Judicial Department Offender Treatment and Services line-item.

State and Local Government Contacts

Corrections
Labor

Information Technology
Public Safety

Judicial