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FISCAL NOTE

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Prime Sponsors: Sen. Lee Bill Status: Senate Judiciary
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Bill Topic: RETAIN CRIMINAL JUSTICE PROGRAMS FUNDING

- Summary of Fiscal Impact:
- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

This bill creates cash funds for use by four criminal justice programs in various state agencies, with moneys in these cash funds continuously appropriated to the departments operating the programs. The bill also extends the sunset date for two of these programs by three years. It also potentially transfers money to two cash funds in FY 2019-20 and to the General Fund in FY 2023-24. In FY 2019-20 and FY 2020-21, the bill will result in no net change in state expenditures; for FY 2021-22 through FY 2024-25, the bill will increase state expenditures by extending the sunset date of two programs set to expire.

Appropriation Summary: The bill requires several technical adjustments to existing appropriations. See State Appropriations section for additional detail.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under SB 19-064\*

Table with 5 columns: Category, FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23. Rows include New Impacts\* (Revenue, Expenditures, TABOR) and Continuing Program Impacts\* (Revenue, Expenditures for General Fund and FTE, TABOR).

\* Table 1 shows the new impacts resulting from changes to programs under the bill, and the continuing impacts from extending the programs beyond their current repeal date. Because the bill continues a program without making any operational changes, there are no new impacts. The continuing program impacts will not be incurred if the provisions of the bill changing the sunset date are not passed and the programs are allowed to repeal.

## **Summary of Legislation**

This program creates the following cash funds:

- the Community-Based Reentry Services Cash Fund in the Department of Corrections (DOC), which is used for the Community-Based Reentry Grant Program;
- the Community Crime Victims Cash Fund in the Department of Public Health and Environment (CDPHE), which is used for the Community Crime Victims Grant Program;
- the Justice Reinvestment Crime Prevention Cash Fund in the Department of Local Affairs (DOLA), which is used for the Justice Reinvestment Crime Prevention Small Business Program; and
- the Targeted Crime Reduction Grant Program Cash Fund in DOLA, which is used for the Justice Reinvestment Crime Prevention Grant Program.

The bill continuously appropriates any funds in these cash funds to the departments overseeing the programs. The General Assembly may appropriate or transfer funds to each cash fund. In addition, the bill specifies that any unspent appropriations to DOLA for the Justice Reinvestment Crime Prevention Small Business Program and the Justice Reinvestment Crime Prevention Grant Program at the end of FY 2018-19 are to be transferred to the corresponding cash funds created by this bill. Lastly, the bill extends the sunset date for the Justice Reinvestment Crime Prevention Grant Program and the Justice Reinvestment Crime Prevention Small Business Program from September 1, 2020, to September 1, 2023. Any moneys remaining in the Community-Based Reentry Services Cash Fund, the Community Crime Victims Cash Fund, and the Targeted Crime Reduction Grant Program Cash Fund on September 1, 2023, to the General Fund.

## **State Transfers**

The bill creates two transfers. First, current law specifies that any unspent funds for the two programs in DOLA are not to revert to the General Fund and may be allocated for the programs in future years. This bill clarifies the mechanism of this non-reversion of funds by specifying that any unspent appropriations to DOLA for the two programs at the end of FY 2018-19 will be transferred to the Justice Reinvestment Crime Prevention Cash Fund and the Targeted Crime Reduction Grant Program Cash Fund, respectively, in FY 2019-20. Because the programs were created recently, it is unknown how much unspent appropriations will remain at the end of the current fiscal year and be transferred into the funds. Given the current restriction on reversions from these programs to the General Fund, this transfer will not affect the net amount of General Fund available for other purposes in the budget.

Second, in FY 2023-24, this bill will transfer any unspent funds remaining in three of the four cash funds created in this bill (the Community-Based Reentry Services Cash Fund, and the Community Crime Victims Grant Program Cash Fund, and the Target Crime Reduction Grant Program) to the General Fund. The amount of this future transfer is unknown at this time.

## **State Expenditures**

For FY 2019-20 and FY 2020-21, the bill will not affect net state expenditures. From FY 2021-22 to FY 2024-25, the bill increases state expenditures in DOLA by \$4.0 million and 1.0 FTE by continuing two programs scheduled to repeal. The sections below describe the technical changes in expenditures required by the bill and the extension of the programs in DOLA.

**Expenditures from newly created cash funds.** Currently, the DOC, the CDPHE, and DOLA spend General Fund appropriated for the programs affected by the bill. Under the bill, the DOC will be required to expend moneys from the newly created cash funds, due to the restriction in the bill that it can only issue grants based on the available balance in the Community-Based Reentry Services Cash Fund. DOC has continuous spending authority of moneys in this cash fund. For the programs in the CDPHE and DOLA, the General Assembly may opt to continue appropriating General Fund to the department directly, or to appropriate General Fund to the cash funds created by the bill, with the CDPHE and DOLA spending money from the cash fund under the continuous spending authority granted in the bill. The fiscal note assumes that the intent of the bill is to utilize the cash funds created in the bill. Therefore, it is assumed that appropriations for all four programs affected by the bill should be adjusted as described in the State Appropriations section below. Assuming the General Assembly continues the current funding levels for these programs, no net change in state expenditures will occur.

**Continuation of programs set to expire (DOLA).** Between FY 2021-22 and FY 2024-25, expenditures in the DOLA will increase by \$4.0 million per year and 1.0 FTE to continue the Justice Reinvestment Crime Prevention Grant Program and the Justice Reinvestment Crime Prevention Small Business Program. This estimate is based on the current FY 2018-19 appropriation to the programs and accounts for a one-year wind-down following the repeal date in statute.

## **Local Government**

Between FY 2021-22 and FY 2024-25, local government revenue and expenditures will increase to the extent that a local government applies for and receives a grant or loan through either the Justice Reinvestment Crime Prevention grant program or the Justice Reinvestment Crime Prevention Small Business program.

## **Effective Date**

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

## **Appropriations**

The bill requires adjustments to General Fund appropriations but does not require a change in the net amount of appropriations overall. Currently, the DOC, the CDPHE, and DOLA are appropriated money to operate the affected programs; instead, these appropriations should be made to the various cash funds created by the bill. The state agencies may then use these funds under the continuous spending authority granted by the bill. Therefore, for FY 2019-20, the General Fund appropriations for these programs should be adjusted as follows:

- \$1,733,971 to the Community-Based Reentry Services Cash Fund for use by the Department of Corrections;
- \$880,570 to the Community Crime Victims Cash Fund for use by the Department of Public Health and Environment;
- \$3,000,000 to the Targeted Crime Reduction Grant Program Cash Fund for use by the Department of Local Affairs; and
- \$1,000,000 to the Justice Reinvestment Crime Prevention Cash Fund for use by the Department of Local Affairs.

**State and Local Government Contacts**

Corrections  
Regulatory Agencies  
Treasury

Information Technology  
Local Affairs

Judicial  
Public Health And Environment