



**Legislative
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SB 20B-002

**REVISED
FISCAL NOTE**

(replaces fiscal note dated November 30, 2020)

Drafting Number: LLS 20B-0052
Prime Sponsors: Sen. Gonzales; Holbert
Rep. Exum; Tipper

Date: November 30, 2020
Bill Status: House Public Health
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Bill Topic: **HOUSING & DIRECT COVID EMERGENCY ASSISTANCE**

**Summary of
Fiscal Impact:**

- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

The bill transfers a total of \$60.0 million from the General Fund to cash funds supporting housing assistance programs. Transferred funds must be used in the current FY 2020-21.

**Appropriation
Summary:**

In the current FY 2020-21, the bill requires an appropriation of \$1,000,000 to the Judicial department, and \$16,751 reappropriated to the Office of Information Technology.

**Fiscal Note
Status:**

The fiscal note reflects the reengrossed bill.

**Table 1
State Fiscal Impacts Under SB 20B-002**

		FY 2020-21 <i>(current year)</i>	FY 2021-22	FY 2022-23
Revenue	General Fund	-	-	-
	Cash Funds	-	-	-
	Total	-	-	-
Expenditures	Cash Funds	\$60.0 million	-	-
	Centrally Appropriated	\$46,049	-	-
	Total	\$60,046,049	-	-
	Total FTE	2.4 FTE	-	-
Transfers	General Fund	(\$60.0 million)	-	-
	Cash Funds	\$60.0 million	-	-
	Total	\$0	-	-
TABOR Refund	General Fund	-	-	-

Summary of Legislation

The bill creates the Emergency Direct Assistance Grant Program in the Division of Housing in the Department of Local Affairs (DOLA). The program will provide grants to individuals who experience financial need due to the COVID-19 pandemic and who may not be eligible for other types of assistance. The division must create rules and administer the program, including contracting with local nonprofit organizations to award grants. The bill transfers \$5.0 million from the General Fund to the newly created Emergency Direct Assistance Grant Program Fund. Money in the fund is continuously appropriated to the DOLA. The division must use money in the fund by June 30, 2021, and any unspent money reverts back to the General Fund on June 30, 2022.

In addition, the bill transfers \$54.0 million from the General Fund to the Housing Development Grant fund to provide housing assistance. These funds must be accounted for separately from existing funds, and the division may use up to three percent for administrative costs.

Finally, the bill transfers \$1.0 million from the General Fund to the Eviction Legal Defense Fund. No later than January 1, 2021, the State Court Administrator must grant these funds to qualifying organizations that were awarded grants from the fund in the current FY 2020-21. Any remaining money in the defense fund at the end of the year remains in the fund and does not revert to the General Fund.

State Transfers

The bill transfers a total of \$60.0 million from the General Fund to various cash funds. Within three days of the bill's effective date, the state treasurer is required to transfer:

- \$54.0 million to the Housing Development Grant Fund;
- \$5.0 million to the Emergency Direct Assistance Grant Program Fund; and
- \$1.0 million to the Eviction Legal Defense Fund.

Starting in the current FY 2020-21, the bill also ends any reversions from unspent money in the Eviction Legal Defense fund to the General Fund.

State Expenditures

In the current FY 2020-21, state expenditures will increase by \$60.0 million for housing development grants and direct housing assistance grants in the DOLA, and for legal defense grants in the Judicial Department. Workload also increases in the Department of Personnel and Administration (DPA). Total expenditures for grants and administration are displayed in Table 2 and described below.

**Table 2
Expenditures Under SB 20B-002**

Cost Components	FY 2020-21	FY 2021-22
Department of Local Affairs		
Personal Services	\$170,746	-
Operating Expenses	\$3,240	-
Capital Outlay Costs	\$6,200	-
Information Technology	\$16,751	-
Nonprofit Organization Training & Contracting	\$30,400	-
Contract Staff / Consultant	\$1,225,000	-
Direct Assistance and Housing Development Grants	\$57,547,663	-
Centrally Appropriated Costs*	\$46,049	-
FTE – Personal Services	2.4 FTE	-
DOLA (Subtotal)	\$59,046,049	-
Judicial Department		
Eviction Legal Defense Grants	1,000,000	-
Judicial (Subtotal)	\$1,000,000	-
Total	\$60,046,049	-
Total FTE	2.4 FTE	-

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

Grant awards. The bill will award about \$57.5 million in housing assistance grants through transfers from the General Fund. Awards will occur in the current FY 2020-21.

Grant administration - Division of Housing. The division will have administrative costs for contract management, monitoring, and accounting of nonprofit organizations helping to implement individual housing assistance programs, homeless youth programs and direct assistance programs including accounting, staffing and operation of housing assistance programs with a team of contractors and temporary employees.

During the current FY 2020-21, the division has administered housing assistance funding with existing staff, whose duties were temporarily shifted to address the COVID-19 emergency. For the remainder of the fiscal year, the division will procure a temporary contractor to assume many of these duties. The contracting estimate is based on the number of staff and professional levels the division has currently redeployed to manage emergency funds.

Governor's Office of Information Technology (OIT). OIT has developed an online application system in use by the division. To improve efficiency and provide adequate customer service to property owners, the system requires maintenance and improvements. Costs include configurations of a technical system that will accept applications for assistance to individual renters and homeowners, as well as administer payments.

Judicial Department. The Judicial Department will issue an additional \$500,000 in grant funding for eviction legal defense under the bill. In addition, the bill results in a minimal workload increase for the State Court Administrator's office to amend existing contracts with grantees and to account for additional awards. Additional awards will also create minimal workload increases in terms of overall administration. This workload is absorbable within existing resources

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. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$46,049 in FY 2020-21.

Effective Date

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

State Appropriations

For the current FY 2020-21, the bill requires and includes the following appropriations

- \$1,000,000 from the Eviction Legal Defense Fund to the Judicial Department.
- \$16,751 in reappropriated funds from the Housing Development Grant Fund in DOLA to the Office of Information Technology.

State and Local Government Contacts

Information Technology Judicial Local Affairs Personnel