

NOTE: This bill has been prepared for the signatures of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.

An Act

HOUSE BILL 21-1215

BY REPRESENTATIVE(S) Holtorf and Ortiz, Bennett, Bird, Cutter, Esgar, Exum, Gonzales-Gutierrez, Gray, Hooton, Jackson, Kipp, Lontine, McCluskie, McCormick, Ricks, Sirota, Snyder, Soper, Titone, Valdez D., Weissman, Garnett, Amabile, Kennedy, Woodrow;
also SENATOR(S) Hisey and Lee, Bridges, Buckner, Gardner, Gonzales, Hansen, Jaquez Lewis, Moreno, Pettersen, Priola, Simpson, Story, Winter.

CONCERNING THE EXPANSION OF THE JUSTICE REINVESTMENT CRIME PREVENTION INITIATIVE, AND, IN CONNECTION THEREWITH, CREATING A SMALL BUSINESS GRANT PROGRAM FOR JUSTICE-SYSTEM-INVOLVED PERSONS AND MAKING AN APPROPRIATION.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Legislative declaration. (1) The general assembly hereby finds and declares that:

(a) The justice reinvestment crime prevention initiative is a community-led program that provides grants for direct services aimed at reducing crime and recidivism as well as small business lending to promote employment and community development in the target communities of north Aurora and southeast Colorado Springs;

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

(b) This program is in its pilot phase, and preliminary data indicates successful outcomes in both of the target communities;

(c) There are likely strategies that can demonstrate effectiveness in both rural and urban settings, and there are also likely to be important differences and distinctions, so this initiative would be more meaningful and useful if it includes both rural and urban communities; and

(d) Therefore, there would be substantial benefit for the state to expand the program to include the two rural communities of Grand Junction and Trinidad, including surrounding unincorporated areas, in order to design and effectuate community-based safety strategies and services in a rural setting.

(2) The general assembly further finds and declares that:

(a) Approximately seventy-seven million Americans, or one in three adults, have a criminal record and there is substantial empirical evidence that having a criminal record is a barrier to employment;

(b) The National Conference of State Legislatures estimated that the employment barriers faced by people with felony convictions were associated with a reduction in the overall employment rate, amounting to an estimated loss of at least 1.7 million workers from the workforce and a cost of at least \$78 billion to the economy;

(c) These circumstances negatively impact the individual, his or her family and community, and the state;

(d) Although there have been concerted efforts at both the policy and direct service levels to help people with criminal records obtain employment, little has been done specifically to provide training and other support for those who are interested in starting their own business; and

(e) Small business ownership is one of the ways to integrate people fully into society and, if given training and assistance by local nonprofit organizations, people who have previously been in the criminal justice system would be in a better position to provide valuable services, goods, and jobs to their communities and the state.

SECTION 2. In Colorado Revised Statutes, 24-32-120, **amend** (1)(a), (1)(b)(I), (2)(b), (2)(c) introductory portion, (2)(c)(I), (2)(c)(II), (2)(c)(V), (2)(c)(VI), (2)(d), (2)(e) introductory portion, (2)(f), (2)(i)(III), (2)(i)(IV), and (3); and **add** (2)(c)(VII) and (2.5) as follows:

24-32-120. Justice reinvestment crime prevention initiative - program - rules - cash funds - reports - definitions - repeal. (1) (a) The division of local government shall administer the justice reinvestment crime prevention initiative to expand small business lending and provide grants aimed at reducing crime and promoting community development in the target communities of north Aurora and southeast Colorado Springs. EFFECTIVE SEPTEMBER 1, 2021, THE TARGET COMMUNITIES MUST ALSO INCLUDE THE GRAND JUNCTION AND TRINIDAD AREAS, INCLUDING UNINCORPORATED AREAS OUTSIDE OF CITY LIMITS.

(b) Subject to available appropriations, on and after August 10, 2017, the division shall develop and implement an initiative in accordance with policies developed by the executive director specifically designed to expand small business lending in the target communities described in this subsection (1). An initiative developed and implemented pursuant to subsection (1)(a) of this section shall include, but need not be limited to, the following components:

(I) (A) On or before September 10, 2017, the division shall issue a request for participation and select one or more nondepository community development financial institution loan funds to participate in the small business lending program described in this ~~subsection~~ SUBSECTION (1)(b)(I)(A);

(B) ON OR BEFORE SEPTEMBER 1, 2021, IF THE NONDEPOSITORY COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION LOAN FUNDS CONTRACTED PURSUANT TO SUBSECTION (1)(b)(I)(A) OF THIS SECTION ARE NOT ABLE TO ALSO EFFECTIVELY SERVE THE GRAND JUNCTION AND TRINIDAD AREAS, INCLUDING UNINCORPORATED AREAS OUTSIDE OF THE CITY LIMITS, THE DIVISION SHALL ISSUE A REQUEST FOR PARTICIPATION TO SELECT ONE OR MORE ADDITIONAL DEPOSITORY COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION LOAN FUNDS TO SERVE THE GRAND JUNCTION AND TRINIDAD AREAS, INCLUDING UNINCORPORATED AREAS OUTSIDE OF THE CITY LIMITS.

(2) (b) (I) On or before September 10, 2017, the executive director shall issue a request for participation and select a community foundation or foundations to manage the grant program. To be eligible, the community foundation must be registered in the state of Colorado and have a history of grant-making in the target community in areas consistent with the permissible uses of funding described in subsection (2)(e) of this section. The division may select one community foundation to serve both target communities or may select one community foundation for each target community.

(II) ON OR BEFORE SEPTEMBER 1, 2021, IF THE COMMUNITY FOUNDATIONS CONTRACTED PURSUANT TO SUBSECTION (2)(b)(I) OF THIS SECTION ARE NOT ABLE TO ALSO EFFECTIVELY SERVE THE GRAND JUNCTION AND TRINIDAD AREAS, INCLUDING UNINCORPORATED AREAS OUTSIDE OF THE CITY LIMITS, THE DIVISION SHALL ISSUE A REQUEST FOR PARTICIPATION AND SELECT ONE OR MORE COMMUNITY FOUNDATIONS OR THIRD-PARTY GRANT ADMINISTRATORS AS DEFINED IN SECTION 25-20.5-801 (3)(a) TO MANAGE THE GRANT PROGRAM OR PROGRAMS FOR THE GRAND JUNCTION AND TRINIDAD AREAS, INCLUDING UNINCORPORATED AREAS OUTSIDE OF THE CITY LIMITS.

(c) The division shall execute a written agreement with ~~the~~ EACH selected community foundation or ~~community foundations~~ THIRD-PARTY GRANT ADMINISTRATOR that outlines ~~the~~ ITS roles and responsibilities, ~~of the community foundation.~~ The roles and responsibilities WHICH must include:

(I) Developing a nomination process and governance policy for the local crime prevention planning team. ~~subject to approval by the appropriate city council.~~ The community foundation OR THIRD-PARTY GRANT ADMINISTRATOR shall ensure that the proposed local planning team members represent a diverse cross-section with expertise in areas like education, business, youth, families, nonprofit direct service, law enforcement, local government, community, and residents of the target communities, including those that have been directly impacted by crime and involvement in the criminal justice system;

(II) Providing facilitation to the local crime prevention planning team in ~~both Aurora and Colorado Springs~~ THE TARGET COMMUNITIES;

(V) ~~Contracting~~ IF THE AGREEMENT IS WITH A COMMUNITY FOUNDATION, CONTRACTING with a third-party evaluator to assist each local planning team to establish best practices with regard to data collection and identifying appropriate performance and outcome measures that measure outcome and impact of any funded crime prevention projects, programs, or initiatives;

(VI) Collaborating with the office of state planning and budgeting to provide information and research to local planning teams regarding best practices and effective programs for community development and crime prevention; AND

(VII) IF THE WRITTEN AGREEMENT IS WITH A THIRD-PARTY ADMINISTRATOR, PERFORMING DATA COLLECTION, IDENTIFYING APPROPRIATE PERFORMANCE AND OUTCOME MEASURES, PROVIDING TECHNICAL ASSISTANCE, AND ASSISTING WITH GRANTEE CAPACITY BUILDING.

(d) The division shall develop the procedures and timelines by which ~~the~~ EACH selected community foundation or ~~community foundations~~ THIRD-PARTY GRANT ADMINISTRATOR will be provided funding from the division for disbursement for the grant program.

(e) The permissible uses of any funding provided to ~~the~~ EACH community foundation OR THIRD-PARTY GRANT ADMINISTRATOR shall include programs, projects, or initiatives that are aimed at:

(f) (I) The division shall transfer to the community foundation OR THIRD-PARTY GRANT ADMINISTRATOR within thirty days after execution of the agreement described in subsection (2)(c) of this section the administrative costs of the community foundation OR THIRD-PARTY GRANT ADMINISTRATOR related to the performance of the roles and responsibilities for managing the grant program. ~~which costs must not exceed four percent of the appropriation.~~

(II) IF THE COSTS DESCRIBED IN SUBSECTION (2)(f)(I) OF THIS SECTION PERTAIN TO A COMMUNITY FOUNDATION, THE COSTS MAY NOT EXCEED EIGHT PERCENT OF THE APPROPRIATION.

(III) IF THE COSTS DESCRIBED IN SUBSECTION (2)(f)(I) OF THIS

SECTION PERTAIN TO A THIRD-PARTY GRANT ADMINISTRATOR, THE COSTS MAY NOT EXCEED FIFTEEN PERCENT OF THE APPROPRIATION TO COVER BOTH THE GRANT PROGRAM MANAGEMENT RESPONSIBILITIES AND THE ADDITIONAL RESPONSIBILITIES DESCRIBED IN SUBSECTION (2)(c)(VII) OF THIS SECTION.

(i) (III) Money in the fund is continuously appropriated to the department of local affairs for the grant program developed pursuant to this subsection (2) AND (2.5).

(III.3) THERE IS HEREBY CREATED A SPECIAL ACCOUNT WITHIN THE FUND TO BE KNOWN AS THE JUSTICE REINVESTMENT INITIATIVE EXPANSION ACCOUNT. ON JUNE 30, 2021, THE STATE TREASURER SHALL TRANSFER THREE MILLION FIVE HUNDRED THOUSAND DOLLARS FROM THE GENERAL FUND TO THE ACCOUNT. MONEY IN THE ACCOUNT IS CONTINUOUSLY APPROPRIATED TO THE DEPARTMENT TO BE USED BY THE DEPARTMENT AS SET FORTH IN THIS SUBSECTION (2)(i)(III.3) AND SUBSECTION (2)(i)(III.5) OF THIS SECTION. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE ACCOUNT TO THE ACCOUNT. IN STATE FISCAL YEAR 2021-22, THE DEPARTMENT MAY USE ONE MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS IN THE ACCOUNT AS FOLLOWS:

(A) FORTY PERCENT FOR THE EXPANSION OF THE GRANT PROGRAM TO INCLUDE GRAND JUNCTION, INCLUDING UNINCORPORATED AREAS OUTSIDE OF THE CITY LIMITS, AS DESCRIBED IN THIS SUBSECTION (2) AND RELATED ADMINISTRATIVE COSTS;

(B) TWENTY PERCENT FOR THE EXPANSION OF THE GRANT PROGRAM TO INCLUDE TRINIDAD, INCLUDING UNINCORPORATED AREAS OUTSIDE OF THE CITY LIMITS, AS DESCRIBED IN THIS SUBSECTION (2) AND RELATED ADMINISTRATIVE COSTS; AND

(C) FORTY PERCENT FOR THE IMPLEMENTATION AND ADMINISTRATION OF THE PROGRAM CREATED IN SUBSECTION (2.5) OF THIS SECTION.

(D) THIS SUBSECTION (2)(i)(III.3) IS REPEALED, EFFECTIVE SEPTEMBER 1, 2023.

(III.5) (A) IN STATE FISCAL YEAR 2022-23, THE DEPARTMENT MAY

USE ANY REMAINING MONEY IN THE ACCOUNT FOR THE SAME PURPOSES AND IN THE PERCENTAGES SET FORTH IN SUBSECTION (2)(i)(III.3) OF THIS SECTION. ON JULY 1, 2023, THE STATE TREASURER SHALL TRANSFER ANY UNEXPENDED AND UNENCUMBERED MONEY REMAINING IN THE ACCOUNT TO THE GENERAL FUND.

(B) THIS SUBSECTION (2)(i)(III.5) IS REPEALED, EFFECTIVE SEPTEMBER 1, 2023.

(IV) The state treasurer shall transfer to the general fund all unexpended and unencumbered money in the fund on ~~September 1, 2023~~ SEPTEMBER 1, 2027.

(2.5) (a) AS USED IN THIS SUBSECTION (2.5), UNLESS THE CONTEXT OTHERWISE REQUIRES:

(I) "ELIGIBLE ENTITY" MEANS A NONPROFIT ORGANIZATION REGISTERED AND IN GOOD STANDING WITH THE UNITED STATES INTERNAL REVENUE SERVICE AND THE COLORADO SECRETARY OF STATE'S OFFICE.

(II) "GRANTEE" MEANS AN ELIGIBLE ENTITY SELECTED BY THE DIVISION TO PARTICIPATE IN THE PROGRAM DESCRIBED IN SUBSECTION (2.5)(b) OF THIS SECTION.

(III) "JUSTICE-SYSTEM-INVOLVED PERSON" MEANS A PERSON WHO HAS COMPLETED A SENTENCE OR IS SERVING A SENTENCE FOR A CRIMINAL OFFENSE OR DELINQUENT ACT OR HAS BEEN CONVICTED OF, PLED GUILTY OR NOLO CONTENDERE, OR WHO HAS UNRESOLVED CHARGES PENDING FOR A CRIMINAL OFFENSE OR DELINQUENT ACT BUT IS PARTICIPATING IN A DIVERSION PROGRAM, OR HAS RECEIVED A DEFERRED SENTENCE FOR A CRIMINAL OFFENSE OR DELINQUENT ACT. "JUSTICE-SYSTEM-INVOLVED PERSON" DOES NOT INCLUDE A PERSON WHO IS CURRENTLY INCARCERATED.

(b) SUBJECT TO ANNUAL APPROPRIATIONS, ON OR BEFORE SEPTEMBER 1, 2021, THE DIVISION SHALL ADMINISTER A STATEWIDE PROGRAM TO PROVIDE GRANTS TO ELIGIBLE ENTITIES TO ESTABLISH BUSINESS AND ENTREPRENEURSHIP TRAINING PROGRAMS FOR JUSTICE-SYSTEM-INVOLVED PERSONS. THE PERMISSIBLE USES OF ANY FUNDING PROVIDED TO AN ELIGIBLE ENTITY ARE PROJECTS, PROGRAMS, AND INITIATIVES THAT ARE AIMED AT THE FOLLOWING:

(I) ASSESSING JUSTICE-SYSTEM-INVOLVED PERSONS TO DETERMINE THEIR CURRENT LEVEL OF RELEVANT KNOWLEDGE, SKILL, AND READINESS TO START OR EXPAND A BUSINESS;

(II) PROVIDING ENTREPRENEURSHIP AND RELEVANT BUSINESS SKILLS TRAINING, INCLUDING CURRICULUM DEVELOPMENT OR REASONABLE CURRICULUM USE FEES;

(III) ASSISTING JUSTICE-SYSTEM-INVOLVED PERSONS WHO ARE PARTICIPATING IN OR GRADUATED FROM THE ENTREPRENEURSHIP TRAINING PROGRAM WITH IDENTIFYING AND APPLYING FOR SMALL BUSINESS LOANS OR OTHER INVESTMENT CAPITAL, WHICH MAY INCLUDE ASSISTING IN THE DEVELOPMENT OF BUSINESS PLANS OR OTHER DOCUMENTS THAT MAY BE REQUIRED BY A POTENTIAL LENDER;

(IV) GRANTS AWARDED ON AN ANNUAL BASIS NOT TO EXCEED MORE THAN FIVE THOUSAND DOLLARS PER JUSTICE-SYSTEM-INVOLVED PERSON PER YEAR THAT ARE INTENDED TO INCREASE TRAINING PARTICIPATION OR GRADUATION, LOAN READINESS, ACCELERATE LOAN REPAYMENT FOR HIGH PERFORMING BORROWERS, OR OTHER SIMILAR PURPOSES, PROVIDED THAT A GRANT MAY NOT BE AWARDED TO A JUSTICE-SYSTEM-INVOLVED PERSON FOR MORE THAN THREE YEARS; AND

(V) ONGOING TECHNICAL ASSISTANCE AND SOCIAL SUPPORT SERVICES TO JUSTICE-SYSTEM-INVOLVED PERSONS WHO ARE PARTICIPATING IN OR GRADUATED FROM THE ENTREPRENEURSHIP TRAINING PROGRAM TO INCREASE LONG-TERM BUSINESS SUCCESS.

(c) THE DIVISION SHALL DEVELOP THE POLICIES, PROCEDURES, AND TIMELINES TO IMPLEMENT THE PROGRAM DESCRIBED IN SUBSECTION (2.5)(b) OF THIS SECTION, INCLUDING BUT NOT LIMITED TO THE DEVELOPMENT OF GRANT GUIDELINES, APPLICATION AND REVIEW PROCESSES, DATA COLLECTION, AND REPORTING REQUIREMENTS FOR GRANTEEES.

(d) ON OR BEFORE SEPTEMBER 1, 2021, THE DIVISION SHALL ISSUE A REQUEST FOR PROPOSALS FROM ELIGIBLE ENTITIES. NOTWITHSTANDING ANY LAW TO THE CONTRARY, AN ELIGIBLE ENTITY MAY IDENTIFY IN ITS PROPOSAL A COLLABORATION THAT INCLUDES ANOTHER ELIGIBLE ENTITY THAT WOULD RECEIVE SUBGRANTS TO PROVIDE SERVICES CONSISTENT WITH THE PURPOSES SET FORTH IN THIS SUBSECTION (2.5).

(e) THE DIVISION SHALL AWARD GRANTS TO ELIGIBLE ENTITIES THAT HAVE BEEN SELECTED TO PARTICIPATE IN THE PROGRAM NO LATER THAN DECEMBER 1, 2021.

(f) THE GENERAL ASSEMBLY MAY APPROPRIATE MONEY FROM THE GENERAL FUND OR FROM ANY OTHER AVAILABLE SOURCE TO THE DIVISION FOR THE PURPOSES OF THIS SUBSECTION (2.5). THE DIVISION MAY SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES OF THIS SUBSECTION (2.5).

(3) ~~Subsection (2)~~ SUBSECTIONS (2) AND (2.5) of this section and this subsection (3) are repealed, effective ~~September 1, 2023~~ SEPTEMBER 1, 2027. Before such repeal, the department of regulatory agencies shall review the justice reinvestment crime prevention initiative pursuant to section 24-34-104.

SECTION 3. In Colorado Revised Statutes, 24-34-104, **repeal** (24)(a)(XI); and **add** (28)(a)(VI) as follows:

24-34-104. General assembly review of regulatory agencies and functions for repeal, continuation, or reestablishment - legislative declaration - repeal. (24) (a) The following agencies, functions, or both, are scheduled for repeal on September 1, 2023:

(XI) ~~The justice reinvestment crime prevention initiative created in section 24-32-120;~~

(28) (a) The following agencies, functions, or both, are scheduled for repeal on September 1, 2027:

(VI) THE JUSTICE REINVESTMENT CRIME PREVENTION INITIATIVE CREATED IN SECTION 24-32-120;

SECTION 4. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.

Alec Garnett
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Leroy M. Garcia
PRESIDENT OF
THE SENATE

Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

APPROVED _____
(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO