



Legislative
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FISCAL NOTE

Drafting Number: LLS 20-0258
Prime Sponsors:

Date: October 7, 2019
Bill Status: Bill Request
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Bill Topic: PROGRAMS TO DEVELOP HOUSING SUPPORT SERVICES

Summary of Fiscal Impact:

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

This bill establishes and expands programs within the Department of Local Affairs (DOLA) to build capacity of Colorado communities to provide supportive housing services to certain individuals who are homeless or are at risk of homelessness. This bill will increase state and local government expenditures starting in FY 2020-21.

Appropriation Summary: For FY 2020-21, this bill requires an appropriation of \$5,464,052 to multiple state agencies

Fiscal Note Status: The fiscal note reflects the bill draft requested by the Legislative Oversight Committee Concerning the Treatment of Persons with Mental Health Disorders in the Criminal and Juvenile Justice Systems (the Oversight Committee)..

**Table 1
State Fiscal Impacts Under Bill 3**

		FY 2020-21	FY 2021-22
Revenue		-	-
Expenditures	General Fund	\$5,464,052	\$5,520,232
	Centrally Appropriated	\$58,609	\$79,851
	Total	\$5,522,661	\$5,600,083
	Total FTE	3.7 FTE	5.0 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

This bill establishes two new grant programs and expands existing duties within the Division of Housing in the Department of Local Affairs (DOLA) to build capacity of Colorado communities to provide supportive housing services to individuals with behavioral health disorders and who have been involved in the criminal or juvenile justice systems who are homeless or at risk of becoming homeless. Details about the new grant programs and expanded duties for DOLA are discussed below in more detail.

Pre-development grant program. This bill creates a pre-development grant program to provide funding to entities working developing supportive housing interventions. DOLA must award grants from the Housing Assistance for Persons Transitioning from the Criminal or Juvenile Justice System Cash Fund by January 1, 2021, and on January 1 of the following two years. Grant recipients may use the funds to add new staff capacity allowing the development and implementation of services. DOLA is required to provide intensive, hands-on technical assistance to grant recipients. This grant program is repealed on September 1, 2024.

Supportive housing services and homelessness prevention grant program. This bill creates a supportive housing grant program to provide funds for homelessness prevention projects and to cover the costs of providing supportive housing services that are not currently eligible for reimbursement under Medicaid. DOLA must award grants from the Housing Assistance for Persons Transitioning from the Criminal or Juvenile Justice System Cash Fund by January 1, 2022, and by January 1 of the following two years. The Department of Health Care Policy and Financing (HCPF) is required to collaborate to identify additional providers and services that may be eligible for reimbursement under Medicaid and to request any necessary waivers to allow for such reimbursement. DOLA is required to provide intensive, hands-on technical assistance to grant recipients. This grant program is repealed on September 1, 2027.

Training and technical assistance for supportive housing. Beginning on or before January 1, 2021, DOLA is required to expand statewide training and technical assistance to assist communities in developing supportive housing interventions for persons with behavioral or mental health disorders. The program must provide training and education, have specific programming targeted to communities that experience barriers when accessing state and federal funds, use relevant data system, and develop, implement, and evaluate supportive housing services. By August 1, 2021, and every August 1 thereafter, DOLA must submit a report to the Oversight Committee.

Homelessness data integration and resource collection. This bill requires DOLA to develop a plan to increase participation in regional homeless data systems, support accurate data reporting, and assess housing-related needs. The program must evaluate how to increase use of the Colorado Homeless Management Information System and the Coordinated Entry System in consultation with continuums of care, provide technical assistance, and develop an integrated user interface for data systems with input from key stakeholders.

State Expenditures

This bill increases state expenditures by \$5,522,662 and 3.7 FTE in FY 2020-21 and \$5,600,083 and 5.0 FTE in FY 2021-22 and future years. These costs are shown in Table 2 and discussed below.

**Table 2
Expenditures Under Bill 3**

	FY 2020-21	FY 2021-22
Department of Local Affairs		
Personal Services	\$206,023	\$247,225
Operating Expenses	\$12,207	\$6,230
Capital Outlay Costs	\$24,800	-
Housing Grants	\$5,000,000	\$5,000,000
Fleet Vehicle	\$25,000	\$25,000
Computer Programming	\$2,240	\$1,150
Contractor	\$149,500	\$149,500
Centrally Appropriated Costs*	\$51,328	\$61,988
FTE – Personal Services	3.3 FTE	4.0 FTE
DOLA Subtotal	\$5,471,098	\$5,491,093
Health Care Policy and Financing		
Personal Services	\$37,407	\$89,777
Operating Expenses	\$675	\$1,350
Capital Outlay Costs	\$6,200	-
Centrally Appropriated Costs*	\$7,282	\$17,863
FTE – Personal Services	0.4 FTE	1.0 FTE
HCPF Subtotal	\$51,564	\$108,990
Total Cost	\$5,522,662	\$5,600,083
Total FTE	3.7 FTE	5.0 FTE

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

Department of Local Affairs. The bill increases expenditures in DOLA in FY 2020-21 and future years as described below.

- *Grant Programs.* Based on historical information to administer similar housing grant programs, the fiscal note estimates that \$5.0 million for both programs or \$2.5 million each, is appropriate for the programs to operate as intended. However, the actual amount appropriated is at the discretion of the General Assembly. To administer the new grant programs on an ongoing basis, DOLA requires an additional 1.5 FTE to work with local governments and community organizations, review applications, and manage and track program spending. Administrative costs may vary depending on the size of the grant programs. The bill gives DOLA continuous spending authority from the cash fund for the two grant programs. If the General Assembly allocates Marijuana Tax Cash Fund for the grant programs, the amount of General Fund required will decrease.

- *Training and Technical Assistance.* To develop, coordinate, and implement the training and technical assistance expansion, DOLA requires 2.0 FTE to provide training and education, work with communities that face barriers when accessing state and federal funds, and assist the evaluation of supportive housing services. DOLA also requires 0.5 FTE for a unit supervisor to oversee both grant programs and the training and technical assistance program. Program staff will need to travel to local governments to provide training and assistance, which is estimated to require two fleet vehicles at a cost of \$25,000 per year to be reappropriated to the Department of Personnel and Administration. First year costs include standard operating expenses and capital outlay costs and account for the General Fund pay date shift.
- *Data Integration.* To increase participation in regional homeless data systems, DOLA will contract with Continuum of Cares at a cost of \$149,500 to work directly with providers and local governments to provide training, assist with systems integration, and evaluate how to increase use of existing systems.

Health Care Policy and Financing. The bill requires HCPF to collaborate with DOLA to identify additional providers and services that may be eligible for reimbursement under Medicaid and to request any necessary waivers to allow for such reimbursement. HCPF will require an administrator to research services and providers that may be eligible for reimbursement, coordinate with the Federal Centers for Medicare and Medicaid Services (CMS) to request any waivers, and implement any policy changes. The fiscal note assumes that staff will begin on January 1, once the grant program has begun distributing funds.

Office of Information Technology. OIT will experience an increase in workload to work with DOLA, local communities and other relevant stakeholders to inform a plan for an integrated user interface for data systems related to housing and supportive services. This increase is can be accomplished within existing appropriations. The fiscal note assumes that funding to implement an integrated user interface will be requested through additional legislation or the annual budget process, rather than in this bill.

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 \$58,609 in FY 2020-21 and \$79,851 in FY 2021-22.

Local Government

The bill may increase workload of local governments that choose to apply for supportive housing grants from DOLA. Local governments selected to receive grants will have additional revenue and expenditures on supportive housing initiatives and related staff.

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2020-21, the bill requires appropriations totaling \$5,464,052, as follows:

- \$5,103,684 from the General Fund to the Housing Assistance for Persons Transitioning from the Criminal or Juvenile Justice System Cash Fund and an allocation of 1.5 FTE to DOLA for administering the two grant programs;
- \$316,086 from the General Fund to DOLA and an allocation of 1.5 FTE for data planning and reporting; and
- \$44,282 from the General Fund to HCPF and an allocation of 0.4 FTE.

State and Local Government Contacts

Counties
Local Affairs

Health Care Policy And Financing
Municipalities

Information Technology

