

  
*Colorado Legislative Council Staff Fiscal Note*  
**STATE**  
**FISCAL IMPACT**

**Drafting Number:** LLS 09-0100  
**Prime Sponsor(s):** Sen. Boyd  
 Rep. Solano

**Date:** January 8, 2009  
**Bill Status:** Senate Local Government  
**Fiscal Analyst:** Sara McPhee (303-866-4782)

**TITLE:** CONCERNING THE ESTABLISHMENT OF A PILOT PROGRAM TO FUND GRANTS TO LOCAL GOVERNMENTS TO FACILITATE CHANGES IN LAND DEVELOPMENT REGULATIONS TO ACCOMMODATE THE HOUSING NEEDS OF PERSONS WITH MENTAL ILLNESS WHO ARE INVOLVED IN THE CRIMINAL JUSTICE SYSTEM.

| Fiscal Impact Summary  | FY 2009-2010                           | FY 2010-2011 |
|--|--|--------------|
| <b>State Revenue</b><br>Cash Funds<br>State Grants to Facilitate Zoning Changes by Government Cash Fund  | Potential Gifts, Grants, and Donations |              |
| <b>State Expenditures</b><br>General Fund Appropriation to the State Grants to Facilitate Zoning Changes by Government Cash Fund               | \$1,500,000                            | \$1,500,000  |
| <b>FTE Position Change</b>   | 1.0 FTE                                | 1.0 FTE      |
| <b>Effective Date:</b> August 4, 2009, assuming the General Assembly adjourns Sine Die on May 6, 2009, and a referendum petition is not filed. |  |              |
| <b>Appropriation for FY 2009-2010:</b> See State Appropriations section of the fiscal note   |  |              |
| <b>Local Government Impact:</b> See Local Government Impact section.   |  |              |

**Summary of Legislation**

This bill, recommended by the Legislative Oversight Committee for the Continuing Examination of the Treatment of Persons with Mental Illness who are Involved in the Criminal Justice System, establishes a pilot program for local governments. The pilot program encourages local governments to change their zoning regulations to allow housing facilities for individuals who are mentally ill or who have a co-occurring disorder, and who are involved with the criminal justice system. The program is required to provide three one-time grants of \$500,000 each to a local government as an incentive for that government to modify or waive their zoning laws to accommodate a residential housing facility for 20 to 40 adults with mental illness who are or have been involved in the criminal justice system. Consideration for receiving a grant will be based on several factors including:

- the ability to collaborate with other government agencies to accomplish the objective of the grant request;
- locating the facility close to mass transit; and
- locating the facility to improve an economically depressed area.

Within two years after receiving the grant money, the local government must have changed or waived their zoning requirements to allow for the construction of the residential facility. The bill states that the program will be administered by the Interagency Advisory Committee on Adult and Juvenile Correction Treatment. The pilot program is repealed, effective July 1, 2019.

### **State Revenue**

This bill creates the State Grants to Facilitate Zoning Changes by Local Governments Fund, which is to consist of moneys appropriated by the General Assembly and any gifts, grants, or donations collected for the fund. At this time, no gifts, grants, or donations have been identified so it is not possible to estimate what revenue may come from gifts, grants, or donations.

### **State Expenditures**

**Background.** The Interagency Advisory Committee on Adult and Juvenile Correction Treatment, referred to in current statute as the Interagency Task Force on Treatment (Section 16-11.5-102 (4) C.R.S.), is comprised of representatives from a variety of state agencies with an expertise in substance abuse issues. The task force was created to allocate the money from the Drug Offender Treatment Fund to judicial district drug offender treatment boards. At this time, the task force is authorized only to perform the duties outlined in existing statute. In order to implement this bill, a technical change will be required to give the task force the authority to also implement the grant program. In addition, the task force is an entity separate from any state agency with little existing personnel. This fiscal note assumes that the task force requires additional staff, particularly staff with an expertise in housing and zoning matters, to develop and administer the pilot program.

**Program Costs.** Based on the provisions of the bill and similar pilot programs implemented in recent years, **this bill is expected to increase expenditures by \$1.5 million in both FY 2009-2010 and FY 2010-2011.** This bill specifies that any moneys to the fund will be appropriated by the General Assembly. Since it does not provide a source of the funds, this fiscal note assumes that General Fund is required.

The bill mandates the grant program to administer not more than three one-time grants of \$500,000 to local governments as an incentive to modify or waive their zoning laws to allow a housing facility for individuals who are mentally ill and have been involved in the criminal justice system. After administrative costs, the grant program will have \$1,439,202 to administer grants of \$479,734 each to the local governments selected. Specific costs are outlined in Table 1 and discussed below.

At this time, the bill specifies that administrative costs are not to exceed 2.5 percent of the moneys appropriated from the fund. This fiscal note assumes that the bill will be fully funded at \$1.5 million which allows for \$37,500 for administration of the program. However, based on similar grant programs, administration of this grant program will cost more than \$37,500.

The bill directs the Interagency Task Force on Treatment to establish and administer the pilot program. To do this, this fiscal note assumes that the task force will require staff to perform these duties. Based on similar pilot programs adopted in recent years, it is assumed that the task force will require one additional FTE to perform the work of developing the grant application form, soliciting grant applications, choosing qualified applicants to receive the grant money, and ongoing administration of the pilot program.

In addition to the additional staff, the task force will require operating expenses to be used for the following purposes:

- computer;
- furniture;
- printing and postage costs for the grant applications;
- photocopying costs; and
- meeting and travel costs.

| <b>Table 1. Expenditures Under SB 09-019*</b> |                    |                    |
|---|--------------------|--------------------|
| <b>Cost Components</b>                        | <b>FY 2009-10</b>  | <b>FY 2010-11</b>  |
| Personal Services                             | \$52,820           | \$63,384           |
| FTE   | 1.0                | 1.0                |
| Operating Expenses                            | 7,978              | 2,750              |
| Grants  | 1,439,202          | 1,433,866          |
| <b>TOTAL</b>                                  | <b>\$1,500,000</b> | <b>\$1,500,000</b> |

*\*More information is available at: [http://www.state.co.us/gov\\_dir/leg\\_dir/lcsstaff/2009/comsched/CommonPolicies2009.pdf](http://www.state.co.us/gov_dir/leg_dir/lcsstaff/2009/comsched/CommonPolicies2009.pdf)*

**Local Government Impact**

The local governments selected each will have a positive impact of \$479,734 from receiving the grant money for a total of \$1,439,202.

**State Appropriations**

To implement this bill, the Department of Public Safety requires an appropriation of \$1.5 million General Fund and 1.0 FTE for FY 2009-10 to be allocated to the task force.

**Departments Contacted**

|               |                |          |
|---------------|----------------|----------|
| Corrections   | Human Services | Judicial |
| Local Affairs | Public Safety  | Treasury |