



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

**Drafting Number:** LLS 11-0543

**Date:** February 23, 2011

**Prime Sponsor(s):** Rep. Duran

**Bill Status:** House SVMA

**Fiscal Analyst:** Bill Zepernick (303-866-4777)

**TITLE:** CONCERNING THE CONSOLIDATION OF STATE PROGRAMS THAT DISTRIBUTE FEDERAL MONEYS TO PERSONS NEEDING ASSISTANCE IN OBTAINING HOUSING INTO THE DIVISION OF HOUSING WITHIN THE DEPARTMENT OF LOCAL AFFAIRS.

<b>Fiscal Impact Summary</b>	<b>FY 2011-2012</b>	<b>FY 2012-2013</b>
<b>State Revenue</b>		
<b>State Expenditures</b> Federal Funds	See State Expenditures section.	
<b>FTE Position Change</b>		
<b>Effective Date:</b> July 1, 2011.		
<b>Appropriation Summary for FY 2011-2012:</b> See State Appropriations section.		
<b>Local Government Impact:</b> See Local Government Impact section.		

**Summary of Legislation**

The bill consolidates housing assistance programs in the Department of Human Services (DHS) into the Department of Local Affairs (DOLA). The bill specifies that the consolidation is to occur no later than July 1, 2011. The DOLA is required to establish housing authorities for special populations and rural areas. The bill specifies that, after the consolidation, the number of housing vouchers for persons with disabilities may not decrease from FY 2010-11 levels.

**Background**

Under current law, the DOLA provides housing assistance to low-income populations in cooperation with local housing authorities, and the DHS provides housing assistance to special populations such as the persons with substance abuse problems and disabilities. Housing assistance vouchers under both the DHS and DOLA are paid for with federal funds.

**State Expenditures**

The bill reduces expenditures of federal funds in the DHS by \$20,119,330 and 19.5 FTE and increases expenditures in the DOLA by the same amount, as shown in Table 1 and discussed below.

<b>Table 1. Expenditures Under HB11-1230</b>		
<b>Cost Components</b>	<b>FY 2011-12</b>	<b>FY 2012-13</b>
Department of Human Services	(\$20,119,330)	(\$20,119,330)
FTE	(19.5)	(19.5)
Department of Local Affairs	20,119,330	20,119,330
FTE	19.5	19.5
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>

The funding in the DHS transferred to DOLA under the bill includes the following:

- \$20,090,015 and 19.0 FTE for the Supportive Housing and Homeless Program, which provides housing assistance to special needs populations; and
- \$29,315 and 0.5 FTE for central accounting staff and associated operating expenses.

The fiscal note assumes that existing staff will be transferred from the DHS to DOLA and that costs associated with the transfer such as moving, computer set-up, file transfer, etc., will be paid using available federal funds, as such transfer costs are an allowable administrative expense.

**Local Government Impact**

In the housing assistance programs in DOLA, most administrative funding is passed down to local housing authorities, whereas in the DHS, administration is at the state level. After the consolidation, it is assumed that, over time, DOLA would reduce state-level administration and pass more funding to local housing authorities to hire staff and administer housing assistance programs for special needs populations.

**State Appropriations**

The bill requires the following appropriations in FY 2011-12:

- a reduction of \$20,119,330 in federal funds and 19.5 FTE from the DHS; and
- an increase of \$20,119,330 in federal funds and 19.5 FTE to the DOLA.

**Departments Contacted**

Human Services  
Personnel and Administration

Law

Local Affairs