



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL NOTE

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Prime Sponsors: Sen. Pettersen; Priola Bill Status: Senate HHS
Rep. Buentello; Herod Fiscal Analyst: Clare Pramuk | 303-866-2677
Clare.Pramuk@state.co.us

Bill Topic: SUBSTANCE USE DISORDER RECOVERY

- Summary of Fiscal Impact: State Revenue, TABOR Refund, State Expenditure, Local Government, State Transfer, Statutory Public Entity

This bill provides funding for the implementation and expansion of several programs and modifies the definition of "child abuse or neglect" in regards to substance exposure.

Appropriation Summary: For FY 2020-21, this bill requires appropriations totaling \$5.6 million to multiple state agencies.

Fiscal Note Status: The fiscal note reflects the introduced bill recommended by the Opioid and Other Substance Use Disorders Study Committee.

Table 1 State Fiscal Impacts Under SB 20-028

Table with 3 columns: Category, FY 2020-21, FY 2021-22. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total), Total FTE, Transfers, and TABOR Refund.

## **Summary of Legislation**

This bill provides funding for the implementation and expansion of several programs and modifies the definition of "child abuse or neglect" in regards to substance exposure as discussed below.

**Housing assistance program.** The bill requires the Office of Behavioral Health (OBH) in the Department of Human Services (DHS) to establish a program to provide temporary financial housing assistance to individuals with a substance use disorder transitioning out of a residential treatment center and into recovery or receiving treatment. Priority is to be given to individuals entering into recovery residences. The bill includes a General Fund appropriation of \$4.0 million to the OBH for FY 2020-21 and thereafter.

**Individual placement and support program.** The bill includes an annual General Fund appropriation of \$2.0 million to the OBH to expand the individual placement and support program.

**Recovery support services grant program.** The bill creates the Recovery Support Services Grant Program to provide recovery-oriented services to individuals with a substance use and co-occurring mental health disorder. Grant funds may be used to assist individuals by providing guidance on navigating treatment support systems, connecting them with resources, or offering opportunities to engage in activities focused on mental or physical wellness or community service. The bill includes an annual appropriation of \$3.5 million to the OBH. The DHS is required to submit a report on the grant program to the General Assembly by March 1, 2021, and by March 1 each year thereafter.

**Peer coaching and peer specialist training.** The bill includes an annual General Fund appropriation of \$250,000 to the Department of Labor and Employment (CDLE) for the purpose of providing individuals with peer coaching or peer specialist training.

**Continuation of Opioid and Other Substance Use Disorders Committee.** The bill continues the Opioid and Other Substance Use Disorders Committee (committee) for an additional four years and allows it to meet up to six times every odd year.

**Opioid bill review.** The bill requires the Substance Abuse Trend and Response Task Force in the Department of Law to convene stakeholders to review progress in bills originating in the committee and generate policy recommendations. The task force is required to submit a report to the committee by January 1, 2021, and annually thereafter.

**Child abuse, neglect, or dependency.** The bill modifies the definition of "child abuse or neglect" in regards to substance exposure in the Colorado Children's Code to include any newborn child who is affected by alcohol or drug exposure and where factors are present that threaten the health or welfare of the newborn child. Under current law, "child abuse or neglect" from substance exposure is defined as when a child tests positive for a schedule I or schedule II controlled substance, unless the schedule II controlled substance is the result of the mother's lawful use of that drug. There is an exception for when substances are taken as prescribed while being monitored by a licensed health care provider. The bill requires the DHS to promulgate rules to determine whether a child is abused, neglected, or dependent under this new criteria.

**Review and research.** The bill directs the Center for Research into Substance Use Disorder Prevention, Treatment, and Recovery Support Strategies (center) at the University of Colorado to conduct a review of treatment and recovery services and to conduct ongoing research related to perinatal substance exposure, as described below.

- *Review of treatment and recovery services.* The bill directs the center to conduct a comprehensive review of Colorado's substance use disorder treatment and recovery services to inform a state plan. The state plan will address the delivery of services across the continuum of care for individuals at risk of experiencing relapse after a period of recovery. The center must report its findings and recommendations to the Opioid and Other Substance Use Disorders Committee by August 1, 2021. The bill includes a General Fund appropriation of \$500,000 to the center for this purpose for FY 2020-21 only.
- *Perinatal substance use data linkage project.* The bill authorizes the perinatal substance use data linkage project, operated by the center, to conduct ongoing research related to the occurrence of perinatal substance exposure for determining child abuse, neglect, or dependency. The bill includes a General Fund appropriation of \$75,000 to the center for FY 2020-21 and thereafter.

## State Expenditures

This bill will increase state General Fund expenditures by \$5,656,131 and 3.5 FTE in FY 2020-21 and \$9,940,395 and 4.3 FTE in FY 2021-22 and future years to multiple state agencies. These costs are shown in Table 2 and discussed below.

**Table 2**  
**Expenditures Under SB 20-028**

	<b>FY 2020-21</b>	<b>FY 2021-22</b>
<b>Department of Human Services</b>		
Personal Services	\$177,983	\$237,309
Operating Expenses	\$4,050	\$4,050
Capital Outlay	\$18,600	\$0
Travel	\$1,560	\$1,560
Housing Assistance Program	\$2,000,000	\$4,000,000
Individual Placement and Support Program	\$875,557	\$1,847,724
Recovery Support Services Grant Program	\$1,625,557	\$3,345,397
Legal Services	\$74,620	\$63,960
Centrally Appropriated Costs*	\$38,461	\$50,634
FTE – Personal Services	2.3 FTE	3.0 FTE
FTE – Legal Services	0.4 FTE	0.3 FTE
<b>DHS Subtotal</b>	<b>\$4,816,388</b>	<b>\$9,550,634</b>
<b>Department of Labor and Employment</b>		
Personal Services	\$74,814	\$44,888
Operating Expenses	\$1,350	\$675
Capital Outlay	\$6,200	-
Peer Coaching and Specialist Program	\$167,636	\$204,437
Centrally Appropriated Costs*	\$14,743	\$9,045
FTE – Personal Services	0.8 FTE	0.5 FTE
<b>CDLE Subtotal</b>	<b>\$264,743</b>	<b>\$259,045</b>

**Table 2  
Expenditures Under SB 20-028 (Cont.)**

	<b>FY 2020-21</b>	<b>FY 2021-22</b>
<b>University of Colorado</b>		
Review of Treatment and Recovery Services	\$500,000	-
Perinatal Substance Use Data Linkage	\$75,000	\$75,000
<b>UC Subtotal</b>	<b>\$575,000</b>	<b>\$75,000</b>
<b>Legislative Department</b>		
Personal Services	-	\$33,573
Committee Reimbursement	-	\$13,784
Centrally Appropriated Costs*	-	\$8,359
FTE – Personal Services	-	0.5 FTE
<b>Legislative Subtotal</b>	<b>-</b>	<b>\$55,716</b>
<b>Total Cost</b>	<b>\$5,656,131</b>	<b>\$9,940,395</b>
<b>Total FTE</b>	<b>3.5 FTE</b>	<b>4.3 FTE</b>

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

**Department of Human Services.** The DHS will have costs of \$4,816,388 and 2.3 FTE in FY 2020-21 and \$9,550,634 and 3.0 FTE in FY 2021-22 as described below.

- *Housing assistance program.* The OBH will contract for statewide supportive housing services using existing staff through a managed service contract. It is assumed that this program will begin January 1, 2021, so only half of the \$4.0 million appropriation in the bill will be utilized in FY 2020-21. Costs for administering supportive housing options are expected to be 5 percent of the contract or \$100,000 in FY 2020-21 and \$200,000 in FY 2021-22.
- *Individual placement and support program.* Each Individual Placement Service contracted program costs \$166,597. The fiscal note assumes that the included appropriation of \$2.0 million in the bill will result in approximately 11 new programs. Beginning in FY 2020-21, the DHS requires 1.5 FTE to provide technical assistance, training, and administrative oversight for the additional programs. DHS also requires \$780 for travel. It is assumed that staff will be hired in September 2020 and the programs will begin operating on January 1, 2021. First-year costs have been prorated to reflect these start dates and the General Fund pay date shift.
- *Recovery services grant program.* The average cost of recovery based contracts in the DHS is \$300,000. The fiscal note assumes that the included appropriation of \$3.5 million in the bill will result in approximately 11 new programs. Beginning in FY 2020-21, the DHS requires 1.5 FTE to provide technical assistance, training, and administrative oversight for these additional programs. DHS also requires \$780 for travel. It is assumed that staff will be hired in September 2020 and the programs will begin operating on January 1, 2021. First-year costs have been prorated to reflect these start dates and the General Fund pay date shift.
- *Legal services.* The DHS requires and will reappropriate to the Department of Law \$74,620 in FY 2020-21 and \$63,960 in FY 2021-22 for legal services related to the modification of definition of child abuse, neglect, and dependency. DHS will require approximately 700 (0.4 FTE) hours of legal services in FY 2020-21 and 600 (0.3 FTE) hours in FY 2021-22 and future years to accommodate an increase in the number of appeals of findings of abuse or neglect.

**Department of Labor and Employment.** The bill increases expenditures in the CDLE by \$264,743 in FY 2020-21 and \$259,045 in FY 2021-22 to provide individuals with peer coaching and peer specialist training. This new program requires 0.8 FTE in FY 2020-21 and 0.5 FTE in FY 2021-22 and future years for a program manager who will oversee contracts, develop peer coaching and peer specialist training, and assist in training activities.

**University of Colorado.** In FY 2020-21 only, this bill appropriates \$500,000 to the center at the University of Colorado to conduct a comprehensive review of Colorado's substance use disorder treatment and recovery services to inform a state plan. Beginning in FY 2020-21 and ongoing, the center is appropriated \$75,000 for ongoing research related to the incidence of perinatal substance exposure or related infant and family health and human service outcomes based on the new definition of child abuse or neglect established under the bill.

**Legislative Department.** The standard costs for Legislative Council Staff and the Office of Legislative Legal Services to staff an interim committee includes 0.3 FTE of a researcher, 0.1 FTE of an attorney, and 0.1 FTE of a legislative editor. Reimbursement for the 10 committee members assumes 6 meetings with costs of \$110.73 for per diem and \$119.00 for travel, resulting in costs of \$13,784 to be incurred in FY 2021-22 and FY 2023-24.

**Child abuse proceedings — DHS and the Judicial Department.** By changing the definition of child abuse or neglect in regards to substance exposed newborns, the bill increases workload in the DHS, as well as the trial courts and other agencies within the Judicial Department. Specifically, the DHS will be required to update its rules and training materials for county caseworkers to reflect this change. For the Judicial Department, the bill may increase reports of child abuse or neglect to county departments of human services, which could ultimately increase the number of dependency and neglect cases heard by the courts.

In addition, any increase in dependency and neglect caseload will lead to increased workload and potentially costs in the Office of the Child's Representative and the Office of Respondent Parent's Counsel for providing legal representation to children and indigent parents, respectively. At this time, the exact impact on dependency and neglect caseload cannot be estimated. It is assumed that any increases will be minimal and that the required work can be accomplished within existing appropriations to the Judicial Department.

**Department of Law.** The Substance Abuse Trend and Response Task Force will have an increase in workload to convene stakeholders, generate policy recommendations and prepare an annual report but the fiscal note assumes this workload increase can be accomplished within the number of meetings current budgeted. If additional meetings are necessary, funding for legislative member per diem and travel will be requested through the annual budget process.

**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 \$53,204 in FY 2020-21 and \$68,038 in FY 2021-22.

## **Local Government**

This bill impacts local government revenue and expenditures in two ways. First, to the extent that any local government agencies or health facilities receive grants under any of the various programs created by or receiving funding under the bill, revenue and corresponding expenditures and

workload will increase. Second, child welfare caseworkers may require additional training on the bill's changes to the definition of child abuse or neglect. This change may also result in additional reports of child abuse or neglect, which will increase staff time required to assess, investigate, and provide services in child welfare cases and to participate in any court proceeding associated with these cases.

### **Technical Note**

As described in the state expenditures section, the fiscal note assumes a January 2021 implementation date for the Housing Assistance Program, the Individual Placement Services Program, and the Recovery Services Grant Program in the first year. The included appropriations in the bill do not reflect this timeline and thus the required appropriations for FY 2020-21 in the fiscal note are less than the included appropriations. For the programs in the DHS, the bill currently includes the following General Fund appropriations:

- \$4,000,000 for the Housing Assistance Program.
- \$3,500,000 for the Recovery Support Services Grant Program; and
- \$2,000,000 for the Individual Placement and Support Program.

### **Effective Date**

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

### **State Appropriations**

Although the bill includes appropriations of \$10,325,000 as discussed in the Technical Note above, the fiscal note indicates that for FY 2020-21, the bill requires General Fund appropriations totaling \$5,602,927 as follows:

- \$4,777,927 and 2.3 FTE to the Department of Human Services; Of this amount, \$74,620 will be reappropriated to the Department of Law with 0.4 FTE.
- \$250,000 to the Department of Labor and Employment; and
- \$575,000 to the Department of Higher Education to be reappropriated to the University of Colorado.

### **State and Local Government Contacts**

Counties	Higher Education	Human Services
Information Technology	Judicial	Labor
Law	Legislative Council	Legislative Legal Services
Local Affairs	Public Health and Environment	