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Fiscal Note

Drafting Number: LLS 22-0805 Date: March 25, 2022
Prime Sponsors: Rep. Michaelson Jenet; Bradfield Bill Status: House HHS
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Bill Topic: YOUTH & FAMILY BEHAVIORAL HEALTH CARE

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

The bill requires the Colorado Department of Human Services to create an in-home and residential respite care program, provide operational support for psychiatric residential treatment facilities, and build a neuro-psych facility. The bill will increase state expenditures through FY 2025-26.

Appropriation Summary: For FY 2022-23, the bill requires an appropriation of \$53.4 million to the Department of Human Services.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB 22-1283

Table with 4 columns: Category, Budget Year FY 2022-23, and Out Year FY 2023-24. Rows include Revenue, Expenditures (Cash Funds, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts.

1 FY 2022-23 funding will be spent over four fiscal years, as detailed in Table 2 in the State Expenditures section. Money in the Behavioral and Mental Health Cash Fund consists of federal ARPA funds

Summary of Legislation

The bill requires the Colorado Department of Human Services (CDHS) to create an in-home and residential respite care program, provide operational support for psychiatric residential treatment facilities, and build a neuro-psych facility, as described below. For each of the three programs, the bill requires the General Assembly to appropriate funding from the Behavioral and Mental Health Cash Fund in FY 2022-23 for implementation costs, and requires the CDHS to obligate funds by December 30, 2024, and expend funds by December 31, 2026.

In-home and residential respite care services and facilities. Starting January 1, 2023, the bill requires the CDHS to create in-home and residential respite care services and facilities for children and families in 10 to 12 regions of the state as determined by the CDHS and a committee of stakeholders. Under the bill, respite care would be provided to foster care home to allow the foster parent or the foster child a temporary break. The bill outlines requirements for these services, including: time and capacity limitations, sibling placement, and reporting requirements, among others.

Support for psychiatric residential treatment facilities. Senate Bill 21-137 created a pilot program to provide emergency resources to licensed providers to serve children and youth whose behavioral or mental health needs require services and treatment in a residential child care facility. Starting July 1, 2022, the bill requires the CDHS to provide operational support for psychiatric residential treatment facilities for youth and qualified residential treatment programs for youth across the state for this program. The bill also extends the program to provide emergency resources to licensed providers serving youth who need services and treatment in a residential child care facility from July 1, 2025, to July 1, 2028.

Neuro-psych facility. Starting July 1, 2022, the CDHS must begin the process of building and staffing a neuro-psych facility at the Mental Health Institute in Fort Logan. The facility must have a capacity of up to 16 residential beds for youth who are under 21 years old.

Background

The Behavioral Health Transformational Task Force recommended that the General Assembly invest in increased adult inpatient and residential care using federal American Rescue Plan Act (ARPA) funds (Recommendation B.1). The task force report is available online at:

https://leg.colorado.gov/sites/default/files/images/committees/2017/bhttf_final_report.pdf

State Expenditures

The bill increases state expenditures in the CDHS by \$53.7 million over four fiscal years starting in FY 2022-23 from the Behavioral and Mental Health Cash Fund. Expenditures are shown in Table 2 and detailed below.

**Table 2
 Expenditures Under HB 22-1283**

Cost Components	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
CDHS–Respite Program				
Personal Services	\$239,201	\$239,201	\$239,201	\$239,201
Operating Expenses	\$4,050	\$4,050	\$4,050	\$4,050
Capital Outlay Costs	\$18,600	-	-	-
Contract Beds	\$2,171,750	\$2,171,750	\$2,171,750	\$2,171,750
Travel Reimbursement	\$3,001	\$3,001	\$3,001	\$3,001
Centrally Appropriated Costs ¹	\$51,517	\$51,517	\$51,517	\$51,517
FTE – Personal Services	3.0 FTE	3.0 FTE	3.0 FTE	3.0 FTE
Respite Program	\$2,488,119	\$2,469,519	\$2,469,519	\$2,469,519
CDHS–Operating Support				
Personal Services	\$92,059	\$92,059	\$92,059	\$92,059
Operating Expenses	\$1,350	\$1,350	\$1,350	\$1,350
Contract Beds	\$2,080,500	\$2,080,500	\$2,080,500	\$2,080,500
Travel Reimbursement	\$1,000	\$1,000	\$1,000	\$1,000
Centrally Appropriated Costs ¹	\$18,280	\$18,280	\$18,280	\$18,280
FTE – Personal Services	1.0 FTE	1.0 FTE	1.0 FTE	1.0 FTE
Operating Support Subtotal	\$2,193,189	\$2,193,189	\$2,193,189	\$2,193,189
CDHS–Psych Facility				
Capital Construction ²	\$35,000,000	-	-	-
Psych Facility Subtotal	\$35,000,000	-	-	-
Total	\$39,681,308	\$4,662,708	\$4,662,708	\$4,662,708
Total FTE	4.0 FTE	4.0 FTE	4.0 FTE	4.0 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

² Funds appropriated for bed construction in FY 2022-23 while be spent through FY 2024-25.

Respite program. Starting in FY 2022-23, expenditures in the CDHS will increase to create a respite program. The fiscal note assumes that the department will contract and provide staffing for three different bed types: two psychiatric residential treatment facility bed at \$1,000 per day; five qualified residential treatment program beds at \$500 per day, and five treatment foster care beds at \$290 per day. In addition to beds, the CDHS will require 3.0 FTE to oversee the different bed placements. Staff will contract with providers and oversee the contracts, coordinate bed placements, and determine admissions and discharges for bed types.

Operating support. Starting in FY 2022-23, expenditures in the CDHS will increase to provide operating support for the SB 21-137 pilot program. To provide support, the CDHS will continue the operation of six psychiatric residential treatment facility beds at the current rate of \$950 per day and continue the existing staff to support that placement.

Neuro-psych facility. Starting in FY 2022-23, expenditures in the CDHS will increase to build a new neuro-psych facility at the Fort Logan campus. The fiscal note estimates that it will cost \$35.0 million to build a new facility at the Fort Logan campus over approximately three years. Assuming the facility is up and running in FY 2024-25, expenditures in the CDHS will also increase to staff the 16 beds. It is assumed that ongoing staffing resources for the facility 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 shown in Table 2.

Effective Date

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

State Appropriations

For FY 2022-23, the bill requires an appropriation of \$53,390,244 from the Behavioral and Mental Health Cash Fund to the Department of Human Services and 4.0 FTE.

The fiscal note assumes that CDHS requires spending authority through FY 2025-26 for these appropriations.

State and Local Government Contacts

Child Protection Ombudsman
Human Services
Office of Respondent Parents' Counsel

Counties
Information Technology
Office of the Child's Representative