



Colorado General Assembly
Joint Budget Committee

JOINT BUDGET COMMITTEE STAFF FY 2021-22 BUDGET BRIEFING SUMMARY

Department of Human Services
Office of Behavioral Health and Office of Operations

The Department of Human Services is responsible for the administration and supervision of all non-medical public assistance and welfare programs in the state. This briefing document concerns behavioral health services (services for people with mental health and substance use disorders), which are overseen by the Office of Behavioral Health, and the Office of Operations, which provides Department-wide facility maintenance and management, accounting, payroll, contracting, purchasing, and field audits. Appropriations to these offices comprise 17.9 percent of total Department appropriations, and consist of 65.8 percent General Fund, 14.0 percent cash funds, 10.4 percent reappropriated funds, and 9.8 percent federal funds.

FY 2020-21 APPROPRIATION AND FY 2021-22 REQUEST

| DEPARTMENT OF HUMAN SERVICES | | | | | | |
|------------------------------------------------------|----------------------|----------------------|---------------------|----------------------|---------------------|----------------|
| | TOTAL FUNDS | GENERAL FUND | CASH FUNDS | REAPPROPRIATED FUNDS | FEDERAL FUNDS | FTE |
| FY 2020-21 APPROPRIATION: | | | | | | |
| HB 20-1360 (Long Bill) | 413,019,540 | 274,192,165 | 50,273,323 | 46,192,934 | 42,361,118 | 1,900.7 |
| Other legislation | (4,102,178) | (3,298,776) | (503,402) | (300,000) | 0 | (5.0) |
| TOTAL | \$408,917,362 | \$270,893,389 | \$49,769,921 | \$45,892,934 | \$42,361,118 | 1,895.7 |
| FY 2021-22 REQUESTED APPROPRIATION: | | | | | | |
| FY 2020-21 Appropriation | \$408,917,362 | 270,893,389 | \$49,769,921 | \$45,892,934 | \$42,361,118 | 1,895.7 |
| Annualize prior year balancing actions | 37,407,033 | 25,747,546 | 11,552,863 | 106,624 | 0 | 0.5 |
| Annualize prior year legislation | 2,065,369 | 1,561,967 | 503,402 | 0 | 0 | 3.0 |
| R1 Behavioral health services for children in crisis | 910,000 | 910,000 | 0 | 0 | 0 | 0.0 |
| R2 Family First Prevention Services Act | 735,117 | 735,117 | 0 | 0 | 0 | 0.9 |
| Indirect cost assessment | 411,674 | 0 | 192,469 | 140,236 | 78,969 | 0.0 |
| Centrally appropriated line items | 147,843 | 53,371 | 0 | 94,472 | 0 | 0.0 |
| R26 Meal interagency agreement true-up | 140,827 | 0 | 0 | 140,827 | 0 | 0.0 |
| Annualize prior year budget actions | 77,235 | 954,530 | 100,000 | (977,295) | 0 | 20.5 |
| R7 Substance use treatment | (11,419,598) | (11,419,598) | 0 | 0 | 0 | 0.0 |
| R15 Community behavioral health services | (2,833,334) | (1,500,000) | (1,333,334) | 0 | 0 | 0.0 |
| Non-prioritized budget requests | (1,433,200) | (1,496,940) | 0 | 63,740 | 0 | 0.0 |
| R30 Reduction of central administrative staff | (538,149) | (339,032) | 0 | (199,117) | 0 | (7.0) |
| TOTAL | \$434,588,179 | \$286,100,350 | \$60,785,321 | \$45,262,421 | \$42,440,087 | 1,913.6 |
| INCREASE/(DECREASE) | \$25,670,817 | \$15,206,961 | \$11,015,400 | (\$630,513) | \$78,969 | 17.9 |
| Percentage Change | 6.3% | 5.6% | 22.1% | (1.4%) | 0.2% | 0.9% |

ANNUALIZE PRIOR YEAR BALANCING ACTIONS: The request includes an increase of \$37.4 million total funds for prior year balancing actions, summarized in the following table.

| ANNUALIZE PRIOR YEAR BALANCING ACTIONS | | | | | | |
|--------------------------------------------------------------|---------------------|---------------------|---------------------|----------------------|---------------|------------|
| | TOTAL FUNDS | GENERAL FUND | CASH FUNDS | REAPPROPRIATED FUNDS | FEDERAL FUNDS | FTE |
| FY 20-21 Ft. Logan personal services reduction | \$14,482,717 | \$14,482,717 | \$0 | \$0 | \$0 | 0.0 |
| FY 20-21 Delay HB 19-1287 | 5,000,000 | 0 | 5,000,000 | 0 | 0 | 0.0 |
| FY 20-21 Circle program treatment reduction | 3,081,081 | 581,081 | 2,500,000 | 0 | 0 | 0.0 |
| FY 20-21 R25 Substance use treatment | 2,800,000 | 1,300,000 | 1,500,000 | 0 | 0 | 0.0 |
| FY 20-21 Provider rate reduction | 1,746,333 | 1,285,861 | 353,848 | 106,624 | 0 | 0.0 |
| FY 20-21 Delay SB 19-008 | 1,146,861 | 1,146,861 | 0 | 0 | 0 | 0.5 |
| Prior year R12 Contract physician salary adjustment | 1,127,667 | 1,127,667 | 0 | 0 | 0 | 0.0 |
| FY 20-21 Jail-based behavioral health reduction | 1,100,000 | 1,100,000 | 0 | 0 | 0 | 0.0 |
| FY 20-21 Services for Juvenile and Adult Offenders reduction | 1,000,000 | 0 | 1,000,000 | 0 | 0 | 0.0 |
| FY 20-21 Assertive Community Treatment reduction | 1,000,000 | 1,000,000 | 0 | 0 | 0 | 0.0 |
| FY 20-21 Forensic services reduction | 807,479 | 807,479 | 0 | 0 | 0 | 0.0 |
| FY 20-21 Contract Medical Services reduction | 750,000 | 750,000 | 0 | 0 | 0 | 0.0 |
| FY 20-21 STIRRT program reduction | 750,000 | 750,000 | 0 | 0 | 0 | 0.0 |
| FY 20-21 Delay SB 19-228 | 652,376 | 0 | 652,376 | 0 | 0 | 0.0 |
| FY 20-21 Community Transition Services reduction | 600,000 | 600,000 | 0 | 0 | 0 | 0.0 |
| FY 20-21 Crisis system public information campaign | 600,000 | 600,000 | 0 | 0 | 0 | 0.0 |
| FY 20-21 Secure transportation pilot program | 546,639 | 0 | 546,639 | 0 | 0 | 0.0 |
| FY 19-20 Budget balancing adjustment | 126,689 | 126,689 | 0 | 0 | 0 | 0.0 |
| FY 20-21 Forensic community-based services reduction | 89,191 | 89,191 | 0 | 0 | 0 | 0.0 |
| TOTAL | \$37,407,033 | \$25,747,546 | \$11,552,863 | \$106,624 | \$0 | 0.5 |

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes an increase of \$2.1 million total funds to reflect the FY 2021-22 impact of bills passed in previous sessions, summarized in the following table.

| ANNUALIZE PRIOR YEAR LEGISLATION | | | | | | |
|-----------------------------------------|--------------------|--------------------|------------------|----------------------|---------------|------------|
| | TOTAL FUNDS | GENERAL FUND | CASH FUNDS | REAPPROPRIATED FUNDS | FEDERAL FUNDS | FTE |
| HB 20-1398 Funding Capital Construction | \$1,561,967 | \$1,561,967 | \$0 | \$0 | \$0 | 0.0 |
| HB 20-1391 Behavioral Health programs | 503,402 | 0 | 503,402 | 0 | 0 | 3.0 |
| TOTAL | \$2,065,369 | \$1,561,967 | \$503,402 | \$0 | \$0 | 3.0 |

R1 BEHAVIORAL HEALTH SERVICES FOR CHILDREN IN CRISIS: The request includes an increase of \$910,000 General Fund in FY 2021-22 for improved hotline, walk-in, and mobile crisis services for children and youth. The request includes three components.

- \$250,000 for the development and first-year implementation of child, youth, and family-specific training for crisis system staff.
- \$200,000 for the development and first-year implementation of training in specific interventions for children and youth with disabilities.
- \$160,000 for hotline staff and clinical providers to attend the trainings. This would be administered via regional payments to the seven regional Administrative Services Organizations (ASOs) and reimbursements to hotline staff.
- \$300,000 for 3.0 FTE for the hotline vendor for additional follow-up services.

The request would annualize to \$530,000 General Fund in FY 2022-23.

R2 FAMILY FIRST PREVENTION SERVICES ACT: The request includes an increase of \$735,117 General Fund and 0.9 FTE for the implementation of the federal Family First Prevention Services Act of 2018. This request was discussed by Ms. Robin Smart on November 18, 2020 during the briefing for the Division of Child Welfare.

INDIRECT COST ASSESSMENT: The request includes net adjustments to indirect costs across these Divisions.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes an adjustment of \$147,843 total funds, including \$53,371 General Fund, for Capitol Complex Leased Space.

R26 MEAL INTERAGENCY AGREEMENT TRUE-UP: The request includes an increase of \$140,827 reappropriated funds to address rising costs of staffing, food, and operations related to the Departments interagency agreement with the Colorado Department of Corrections to provide meals for offenders at San Carolos Correctional Facility, La Vista Correctional Facility, and the Youth Offender System.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes a net increase of \$77,235 total funds for prior year budget actions, summarized in the following table.

| ANNUALIZE PRIOR YEAR BUDGET ACTIONS | | | | | | |
|-----------------------------------------------------|-----------------|------------------|------------------|----------------------|---------------|-------------|
| | TOTAL FUNDS | GENERAL FUND | CASH FUNDS | REAPPROPRIATED FUNDS | FEDERAL FUNDS | FTE |
| FY 20-21 R4 L2 Operating and staffing | \$976,683 | \$976,683 | \$0 | \$0 | \$0 | 20.5 |
| FY 20-21 R1 CMHIP reduction | 113,639 | 113,639 | 0 | 0 | 0 | 0.0 |
| FY 20-21 Plan Successful Gambling Addiction Program | 50,000 | 0 | 50,000 | 0 | 0 | 0.0 |
| FY 20-21 R30 Revert evaluation funding | 50,000 | 0 | 50,000 | 0 | 0 | 0.0 |
| FY 20-21 Statewide indirect cost recoveries | (977,295) | 0 | 0 | (977,295) | 0 | 0.0 |
| FY 20-21 R19 Replace phone systems | (105,792) | (105,792) | 0 | 0 | 0 | 0.0 |
| FY 20-21 R34 MH technical correction | (30,000) | (30,000) | 0 | 0 | 0 | 0.0 |
| TOTAL | \$77,235 | \$954,530 | \$100,000 | (\$977,295) | \$0 | 20.5 |

R7 SUBSTANCE USE TREATMENT: The request includes a one-time decrease of \$11.4 million General Fund and a reallocation of \$5.4 million of cash funds from the Marijuana Tax Cash Fund for substance use disorder (SUD) treatment services. The request is based on expected impacts of the residential SUD benefit that will be included as a Medicaid benefit beginning in January 2021. This request is discussed in the second briefing issue.

R15 COMMUNITY BEHAVIORAL HEALTH SERVICES: The request includes a decrease of \$2.8 million total funds for a one-time balancing request that impacts two line items.

- Mental Health Services for Juvenile and Adult Offenders (a decrease of \$1.3 million cash funds from the Marijuana Tax Cash Fund): this line item funds community based behavioral health services for justice-involved individuals, which can sometimes overlap with services paid by parole and/or probation. Base funding for this line item is \$5.7 million cash funds.
- Jail-Based Behavioral Health (a decrease of \$1.5 million General Fund): this line item provides funding to county sheriffs for screening, assessment, and treatment for substance use disorders and co-occurring substance use and mental health disorders to people who need such services while they are in jails. This line item has experienced reversions in prior years. Base funding for this line item is \$14.5 million total funds, including \$7.3 million General Fund.

NON-PRIORITIZED BUDGET REQUESTS: The request includes a reduction of \$1.4 million total funds for prioritized requests in other departments.

| NONPRIORITIZED BUDGET REQUESTS | | | | | | |
|----------------------------------------------------|----------------------|----------------------|------------|----------------------|---------------|------------|
| | TOTAL FUNDS | GENERAL FUND | CASH FUNDS | REAPPROPRIATED FUNDS | FEDERAL FUNDS | FTE |
| NP2 Annual fleet vehicle request | \$128,767 | \$65,027 | \$0 | \$63,740 | \$0 | 0.0 |
| NP3 Extend pause annual depreciation lease payment | (1,561,967) | (1,561,967) | 0 | 0 | 0 | 0.0 |
| TOTAL | (\$1,433,200) | (\$1,496,940) | \$0 | \$63,740 | \$0 | 0.0 |

R30 REDUCTION OF CENTRAL ADMINISTRATIVE STAFF: The request includes a decrease of \$538,149 total funds, including a decrease of \$339,032 General Fund and \$199,117 reappropriated funds, as the result of personal services

cost savings strategies implemented in FY 2020-21. This request eliminates 7.0 vacant positions in the Financial Services and Administrative Solutions offices.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

2020 SESSION BUDGET BALANCING ACTIONS: In response to the budget challenges in the 2020 Session, the Joint Budget Committee and the General Assembly took actions that reduced the FY 2019-20 General Fund appropriations to the Department of Human Services by \$27.1 million. Fiscal year 2020-21 appropriations to the Department were further reduced by \$88.5 million. The General Assembly's actions made an additional \$17.2 million available for balancing purposes by refinancing General Fund appropriations with cash funds and federal funds. These adjustments contributed to the net decrease in the Department's General Fund and total funds budget for FY 2020-21.

R7 SUBSTANCE USE TREATMENT: The Department requests a one-time reduction of \$11.4 million General Fund in FY 2021-22 for the administration of substance use disorder treatment services in the Office of Behavioral Health. This request is based on the expectation that current clients receiving services will be eligible for the new Medicaid benefit, beginning January 1, 2021.

BEHAVIORAL HEALTH TASK FORCE: In September 2020, the Governor's Behavioral Health Task Force released a behavioral health "blueprint" and full report, which include the task force's set of recommendations and findings. This briefing issue previews Phase One items expected to have a budgetary impact.

FOR MORE INFORMATION

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TO READ THE ENTIRE BRIEFING: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2020.