

Joint Budget Committee Staff FY 2025-26 Budget Briefing Summary

Human Services

The Department of Human Services is responsible for the administration and supervision of most non-medical public assistance and welfare programs in the state. The Department’s FY 2024-25 appropriation represents approximately 6.0 percent of statewide operating appropriations and 8.0 percent of statewide General Fund appropriations.

The divisions included in this summary are the Behavioral Health Administration and the Office of Civil and Forensic Mental Health.

Summary of Request

Department of Human Services						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$583,022,290	\$436,867,422	\$76,534,519	\$26,164,204	\$43,456,145	1,739.5
Other legislation	18,096,052	9,327,198	4,000,000	0	4,768,854	4.2
Total	\$601,118,342	\$446,194,620	\$80,534,519	\$26,164,204	\$48,224,999	1,743.7
FY 2025-26 Requested Appropriation						
FY 2024-25 Appropriation	\$601,118,342	\$446,194,620	\$80,534,519	\$26,164,204	\$48,224,999	1,743.7
R4 Reduce private competency contracts	-2,000,000	-2,000,000	0	0	0	0.0
R5 Reduce consent decree fines	-5,000,000	-5,000,000	0	0	0	0.0
R6 Staffing Fort Logan G-wing	6,632,910	6,632,910	0	0	0	55.4
R7 Transitional living homes	4,972,384	-12,195	0	4,984,579	0	31.4
R9 Maintain electronic hospital records	819,724	819,724	0	0	0	0.0
BHA R1 Increase access to care	3,150,656	3,150,656	0	0	0	0.0
BHA R2 Child and youth implement plan	350,000	350,000	0	0	0	0.0
BHA R3 Crisis line consolidation	-200,000	-3,696,622	3,496,622	0	0	0.0
BHA R4 Alternative funding for services	-1,600,000	-1,438,286	-161,714	0	0	0.0
BHA R5 School mental health screening	-775,998	-775,998	0	0	0	0.0
BHA R6 Right-sizing IMatter	-6,074,762	-6,074,762	0	0	0	0.0
BHA R7 BHE Licensing spending authority	420,977	0	420,977	0	0	4.0
BHA R8 High acuity crisis	1,160,250	4,510,666	0	0	-3,350,416	0.0
Indirect cost assessments	215,553	0	119,681	38,725	57,147	0.0
Annualize prior year legislation	-2,478,792	1,671,208	-4,150,000	0	0	-1.3
Annualize prior year budget actions	3,422,389	223,804	1,948,841	463,641	786,103	0.0
Total	\$604,133,633	\$444,555,725	\$82,208,926	\$31,651,149	\$45,717,833	1,833.2

Department of Human Services						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Increase/-Decrease	\$3,015,291	-\$1,638,895	\$1,674,407	\$5,486,945	-\$2,507,166	89.5
Percentage Change	0.5%	-0.4%	2.1%	21.0%	-5.2%	0.1

DHS R4 Reduce private hospital contracts: The Department requests an ongoing reduction of \$2.0 million General Fund. The request decreases private hospital inpatient competency restoration contract beds from approximately 69 to 64. The reduction is expected to serve 15 fewer clients per year. The Department indicates that a level of evidence is not applicable.

Additional information is provided in the last issue brief.

DHS R5 Reduce consent decree fines: The Department requests an ongoing reduction of \$5.0 million General Fund. The request decreases the appropriation for consent decree fines from \$12.2 million to \$7.2 million. The Department indicates that a level of evidence is not applicable.

Additional information is provided in the last issue brief.

DHS R6 Staffing Fort Logan G-wing: The Department requests an increase of \$6.9 million General Fund and 56.9 FTE in FY 2025-26. This amount decreases to \$6.7 million in FY 2026-27. The request is expected to support the staff required to open a new 16-bed unit at Fort Logan. The Department indicates that a level of evidence is not applicable.

The unit was constructed using federal stimulus funds from the American Rescue Plan Act of 2021 (ARPA) from [H.B. 22-1303 \(Increase Residential Behavioral Health Beds\)](#). The unit is expected to open in 2025 and received a quarter year of funding to support hiring in FY 2024-25. The request represents an increase to the full year of staffing and operating costs.

Additional information is provided in the last issue brief.

DHS R7 Transitional living homes: The Department requests an ongoing increase of \$5.2 million total funds. These amounts include an increase of \$5.2 million Medicaid funds, and a decrease of \$12,195 General Fund. The request would provide the Department with spending authority for an approved Medicaid waiver for the operation of Mental Health Transitional Living Homes. The homes were established using ARPA funds from H.B. 22-1303. The Department indicates that a level of evidence is not applicable.

Additional information is provided in the last issue brief.

DHS R9 Maintain electronic health records: The Department requests an increase of \$819,724 General Fund in FY 2025-26. This amount increases to \$894,724 General Fund in FY 2026-27 and ongoing. The request provides funding for increased contract costs related to maintaining the electronic health record system for the state hospitals. The Department indicates that a level of evidence is not applicable.

BHA R1 Increase access to care: The Administration requests an increase of \$3.2 million General Fund annually through FY 2027-28. The request decreases to \$2.2 million General Fund in FY 2028-29 and ongoing. Funding is expected to support care coordination for uninsured individuals with severe mental health disorders, additional staff at BHASOs for care navigation,

and care coordination capacity building for providers. The Administration indicates that the evidence level for the request is promising.

Additional information is provided in the first third brief.

BHA R2 Children and Youth implementation plan: The Administration requests \$350,000 General Fund on a one-time basis to contract for an assessment of existing resources. The request supports the BHA's Children and Youth Behavioral Health Implementation plan released in January 2024. The request indicates that a level of evidence is not applicable.

Additional information is provided in the first third brief.

BHA R3 Crisis line consolidation (requires legislation): The Administration requests a decrease of \$200,000 total funds to transition the Colorado Mental Health Telephone Hotline to the 988 Enterprise. Amounts include a decrease of \$3.7 million General Fund, offset by an increase of \$3.5 million cash funds from the 988 Enterprise Cash Fund. The cash fund is continuously appropriated to the BHA, but is reflected in the budget for informational purposes.

The Colorado Crisis Line (844-493-TALK) provides free, 24/7 support to people in crisis by trained professionals. 988 is a national network of local crisis contact centers designated by Congress in 2020. [Senate Bill 21-154 \(Suicide Prevention Lifeline Network\)](#) created the 988 Enterprise in Colorado. The 988 Enterprise is supported by a surcharge on all phone lines and is governed by a board of directors appointed by the Governor.

The Colorado Crisis Line pre-dates 988, but was in part maintained after 988 because 988 did not have geo-routing capability. Geo-routing means that a call is routed to the nearest contact center. Without geo-routing, calls are routed to a center based on area code. The Federal Communications Commission voted in October to begin requiring phone carriers to geo-route 988 calls.

There are additional features offered by the Colorado Crisis Line that are not yet available through 988, primarily peer support. The request proposes legislation to move the Colorado Crisis Line to the 988 Enterprise, and gradually phase out the Colorado Crisis Line if 988 meets the level of service and awareness of the Colorado Crisis Line.

BHA R4 Alternative funding for behavioral health services: The Administration requests a decrease of \$1.6 million total funds on an ongoing basis for programs with expected reversions or alternate fund sources. Amounts include a reduction of \$1.4 million General Fund and \$161,714 cash funds from the Marijuana Tax Cash Fund. The request indicates that a level of evidence is not applicable.

Reduced programs include the Circle Program, the Children and Youth Mental Health Treatment Act, and Treatment and Detox programs. The BHA anticipates that reductions will not impact services.

BHA R5 School mental health screening: The Administration requests a decrease of \$775,998 General Fund on an ongoing basis to adjust for lower than anticipated contracting costs. The request indicates that a level of evidence is not applicable.

The BHA initially estimated that [House Bill 23-1003 \(School Mental Health Assessment\)](#) would require two contracts, one for a qualified provider and one for a data vendor, for a total of \$2.5 million annually. The BHA has now contracted with a provider that can fulfill both requirements at a lower cost than anticipated. The request adjusts for the actual cost of the contract without reducing services.

BHA R6 Right-sizing IMatter: The Administration requests a decrease of \$6.1 million General Fund on an ongoing basis related to the annualization of [S.B. 24-001 \(Continue Youth Mental Health Services Program\)](#). IMatter is intended to provide 6 free, virtual therapy sessions for school-aged youth. The request indicates that a level of evidence is not applicable.

Senate Bill 24-001 (Continue Youth Mental Health Services Program) continued the IMatter program through 2034. The fiscal note estimated a cost of \$11.1 million to continue the program, compared to an historic appropriation of \$6.0 million and historic expenditure of \$5.1 million. The General Assembly appropriated \$5.0 million General Fund in FY 2024-25 to continue the program.

The “annualization of prior year legislation” section of the request increases the FY 2025-26 appropriation by \$6.1 million to align with the fiscal note. This request decreases the appropriation back down to a total of \$5.0 million General Fund to align with the General Assembly’s FY 2024-25 action on an ongoing basis.

The fiscal note assumed that the cost of continuing IMatter would increase due to the implementation of school-based mental health screenings. The BHA has indicated that \$5.0 million is sufficient to operate the program. If demand exceeds the appropriation, the BHA will have to reduce services, establish a waitlist, or request an increased appropriation.

BHA R7 BHE Licensing spending authority: The Administration requests an increase of \$420,977 cash fund spending authority from the Behavioral Health Licensing Cash Fund in FY 2025-26. The cash fund supports licensing activities that were previously supported by the Colorado Department of Public Health and Environment (CDPHE) that transferred to the BHA in FY 2024-25 but were not accounted for in the Long Bill. The related spending authority has been removed from the CDPHE FY 2025-26 budget request.

The spending authority reflects existing revenue that the BHA does not have the authority to spend without an appropriation. The request does not represent a change in practice or fees. Fees range from \$500 to \$3,600.

BHA R8 High acuity crisis: The Administration requests an increase of \$1.2 million total funds in FY 2025-26. Amounts include an increase of \$4.5 million General Fund and a decrease of \$3.4 million federal funds. The request reflects a technical error to the out-year costs estimated in the fiscal note for [H.B. 24-1038 \(High Acuity Youth\)](#). The fiscal note mistakenly switched the General Fund and federal funds split for FY 2025-26.

The request only reflects a one-year adjustment related to the correction. Funding in FY 2026-27 and ongoing is intended to align with the fiscal note, which estimated a \$5.9 million General Fund appropriation for the BHA in FY 2026-27.

Indirect cost assessment: The request includes a net increase for the Department’s indirect cost assessment.

Annualize prior year legislation: The request includes a net decrease of \$2.5 million total funds for the out-year impact of prior year legislation for OCFMH and the BHA.

Annualize prior year legislation						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SB 24-001 IMatter	\$6,074,762	\$6,074,762	0	0	0	0.0
HB 22-1283 Youth behavioral health	1,250,000	1,250,000	0	0	0	0.0
SB 24-177 Eating disorder treatment	433,012	433,012	0	0	0	1.0
HB 23-1138 Adult competency	7,387	7,387	0	0	0	0.3
HB 24-1176 BH continuum gap grant	-4,000,000	0	-4,000,000	0	0	0.0
SB 21-129 Veterans suicide prevention	-3,089,376	-3,089,376	0	0	0	0.0
HB 24-1406 School-based mental health	-2,500,000	-2,500,000	0	0	0	0.0
HB 24-1045 Treatment for substance use	-254,961	-254,961	0	0	0	0.2
HB 22-1281 BH continuum gap grant	-161,161	-161,161	0	0	0	-2.0
HB 22-1326 Fentanyl	-150,000	0	-150,000	0	0	-0.5
SB 24-055 Ag and rural health	-33,842	-33,842	0	0	0	0.1
HB 24-1079 Persons detained in jail	-20,615	-20,615	0	0	0	0.0
HB 24-1217 Patient info	-10,900	-10,900	0	0	0	-0.1
Total	-\$2,455,694	\$1,694,306	-\$4,150,000	\$0	\$0	-1.0

Annualize prior year budget actions: The request includes a net increase of \$3.4 million total funds for the out-year impact of prior year budget actions for OCFMH and the BHA.

Annualize prior year budget actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 24-25 Step pay	\$6,658,947	\$4,924,150	\$784,521	\$448,943	\$501,333	0.0
FY 24-25 Salary survey	1,468,108	854,320	314,320	14,698	284,770	0.0
FY 24-25 R2 Reduce youth crime	850,000	0	850,000	0	0	0.0
FY 24-25 R1 Competency capacity	-5,102,343	-5,102,343	0	0	0	0.0
FY 2024-25 Targeted comp.	-452,323	-452,323	0	0	0	0.0
Total	\$3,422,389	\$223,804	\$1,948,841	\$463,641	\$786,103	0.0

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

American Rescue Plan Act Spending Update: This issue brief provides an update of the current expenditure status of American Rescue Plan Act of 2021 (ARPA) funded programs for the BHA and OCFMH as of September 30, 2024.

Budget Reduction Options: The Executive Budget Request includes reductions of \$26.5 million General Fund for the Department of Human Services, representing 2.1 percent of the General Fund appropriations in this Department. The request includes reductions of \$19.4 million General Fund, representing 4.4 percent of FY 2024-25 appropriations, for the sections of the

budget discussed in this document. This issue brief reviews these proposals and additional options identified by staff.

BHA Implementation and Requests: This issue brief provides an overview of the current implementation status for the Behavioral Health Administration, as well as the first two prioritized requests from the BHA.

Competency Updates and Requests: This issue brief provides an overview of the most recent information from the Office of Civil and Forensic Mental Health regarding the competency restoration waitlist, consent decree fines, and additional context for four of the Office's prioritized requests.

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 2024.