



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 26-1063: TREATING PEOPLE WITH BEHAVIORAL HEALTH DISORDER

**Prime Sponsors:**

Rep. Bradfield; Rydin  
Sen. Amabile

**Fiscal Analyst:**

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**Fiscal note status:** This revised fiscal note reflects the introduced bill, as amended by the House Health and Human Services Committee. It also makes a technical correction to the prior fiscal note to include the fee revenue estimate and narrative adjustments. The introduced bill was recommended by the Treatment of Persons with Behavioral Health Disorders in the Criminal and Juvenile Justice Systems Committee.

### Summary Information

**Overview.** The bill changes requirements for providers of secure transportation services.

**Types of impacts.** The bill is projected to affect the following areas on an ongoing basis:

- State Revenue
- State Expenditures
- Local Government
- TABOR Refunds

**Appropriations.** For FY 2026-27, the bill requires an appropriation of \$146,482 to the Department of Public Health and Environment.

**Table 1**  
**State Fiscal Impacts**

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29	Out Year FY 2029-30
State Revenue	\$178,500	\$0	\$0	\$178,500
State Expenditures	\$180,790	\$28,954	\$28,954	\$118,263
Transferred Funds	\$0	\$0	\$0	\$0
Change in TABOR Refunds	\$178,500	\$0	\$0	\$178,500
Change in State FTE	1.6 FTE	0.3 FTE	0.3 FTE	1.2 FTE

Fund sources for this impact are shown in the tables below.

**Table 1A  
State Revenue**

<b>Fund Source</b>	<b>Budget Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>	<b>Out Year FY 2028-29</b>	<b>Out Year FY 2029-30</b>
General Fund	\$0	\$0	\$0	\$0
Cash Funds	\$178,500	\$0	\$0	\$178,500
<b>Total Revenue</b>	<b>\$178,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$178,500</b>

**Table 1B  
State Expenditures**

<b>Fund Source</b>	<b>Budget Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>	<b>Out Year FY 2028-29</b>	<b>Out Year FY 2029-30</b>
General Fund	\$103,787	\$0	\$0	\$0
Cash Funds	\$42,696	\$22,561	\$22,561	\$92,838
Federal Funds	\$0	\$0	\$0	\$0
Centrally Appropriated	\$34,308	\$6,393	\$6,393	\$25,425
<b>Total Expenditures</b>	<b>\$180,790</b>	<b>\$28,954</b>	<b>\$28,954</b>	<b>\$118,263</b>
<b>Total FTE</b>	<b>1.6 FTE</b>	<b>0.3 FTE</b>	<b>0.3 FTE</b>	<b>1.2 FTE</b>

## Summary of Legislation

[House Bill 21-1085](#) required secure transportation service providers to be licensed by a county's board of commissioners and authorized these services to be paid by the state Medicaid program. Under current law, secure transportation services cannot be provided by personnel employed by or contracted with a law enforcement agency.

This bill transfers licensing authority from counties to CDPHE starting January 1, 2027, and allows entities who contract with law enforcement agencies to provide secure transportation services. CDPHE is required to maintain a public list of approved providers.

Finally, the bill clarifies that the State Board of Health establishes training requirements for a provider to be licensed as a Medicaid provider of secure transportation requirements, not counties.

## State Revenue

The bill increases state revenue by an estimated \$178,500 in FY 2026-27, and by the same amount every three years thereafter. This revenue is subject to TABOR.

**Fee Impact on Secure Transportation Service Providers**

Legislative Council Staff is required to estimate the fee impact of bills that create or increase any fee collected by a state agency. These fee amounts are estimates only, actual fees will be set administratively by the CDPHE to cover its costs discussed in the State Expenditure section. The fiscal note estimates this will result in 85 secure transportation agencies paying about \$2,100 every three years starting in FY 2026-27. These funds will be deposited into an unspecified CDPHE cash fund (See Technical Note). Table 2 below identifies the fee impact of this bill.

**Table 2**  
**Fee Impact on Secure Transportation Service Providers**

<b>Fiscal Year</b>	<b>Type of Fee</b>	<b>Estimated Fee</b>	<b>Number Affected</b>	<b>Total Fee Impact</b>
FY 2026-27	Secure Transportation License	\$2,100	85	<b>\$178,500</b>
FY 2027-28	Secure Transportation License	\$0	0	<b>\$0</b>
FY 2028-29	Secure Transportation License	\$0	0	<b>\$0</b>
FY 2029-30	Secure Transportation License	\$2,100	85	<b>\$178,500</b>

**State Expenditures**

The bill increases state expenditures in CDPHE by about \$181,000 in FY 2026-27, and then by about \$29,000 per year, except that costs will be about \$118,000 in FY 2029-30 and every three years thereafter. In the first year, costs in CDPHE will be primarily paid from the General Fund, with some costs paid using cash funds from the new fee created by the bill, before shifting to cash funds only in future years. These impacts are shown in Table 3 and discussed below.

**Table 3**  
**State Expenditures**  
**Department of Public Health and Environment**

<b>Cost Component</b>	<b>Budget Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>	<b>Out Year FY 2028-29</b>	<b>Out Year FY 2029-30</b>
Personal Services	\$119,397	\$21,958	\$21,958	\$86,265
Operating Expenses	\$2,048	\$384	\$384	\$1,536
Inspection Travel Costs	\$4,818	\$0	\$0	\$4,818
Complaint Response Travel Costs	\$219	\$219	\$219	\$219
System Updates	\$20,000	\$0	\$0	\$0
Centrally Appropriated Costs	\$34,308	\$6,393	\$6,393	\$25,425
<b>Total Costs</b>	<b>\$180,790</b>	<b>\$28,954</b>	<b>\$28,954</b>	<b>\$118,263</b>
<b>Total FTE</b>	<b>1.6 FTE</b>	<b>0.3 FTE</b>	<b>0.3 FTE</b>	<b>1.2 FTE</b>

## **Department of Public Health and Environment**

CDPHE will have costs to assume responsibility for licensing secure transportation providers. This will include \$63,000 in initial administrative costs in the first year, \$118,000 in the first year and every three years to inspect all agencies currently licensed by counties, and \$29,000 annually to process complaints.

The fiscal note assumes that the initial administrative work will be completed between August and September of 2026, initial licenses will be issued between October and December of 2026, staff for complaint response will be hired in January 2027, and renewals will be issued between in the first half of FY 2029-30 and every three years thereafter.

### **Administrative Costs**

Initial one-time administrative costs include 0.5 FTE to promulgate rules and incorporate stakeholder feedback and \$20,000 to update technology systems. System updates will be performed by the current vendor used by the CDPHE for its ground ambulance registration system.

### **Inspection Costs**

Under current law, counties must inspect a total of 85 unique secure transportation agencies every three years as part of the license renewal process. Under the bill, these inspections will instead be performed by CDPHE. The fiscal note assumes inspections and processing will take 22 hours per agency resulting in the need for 0.9 FTE every three years. The fiscal note further assumes 25 percent of the inspections will be conducted outside of the metro area and inspectors will require a travel budget of \$219 per day.

### **Complaint Response Costs**

As the licensing authority, CDPHE will process complaints made against secure transportation providers. The fiscal note assumes this requires 0.3 FTE to manage these complaints and conduct one follow-up inspection conducted outside the metro area annually.

### **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 may include employee insurance, supplemental employee retirement payments, indirect cost assessments, and other costs, are shown in the table above.

## **TABOR Refunds**

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The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by \$178,500 in FY 2026-27 and by similar amounts every three years based on the expected license renewal cycle. This estimate assumes the March 2026 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2027-28. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save in FY 2026-27 and any future license renewal year when the state is over its revenue limit.

## **Local Government**

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County workload and expenditures will decrease since the bill transfers secure transportation provider licensing authority from counties to CDPHE. The fiscal note assumes that revenue from licensing fees will decrease proportionally.

## **Technical Note**

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The bill requires all secure transportation service providers to be licensed by CDPHE by January 1, 2027; however, CDPHE is not permitted to license providers until January 1, 2027, under the current effective date which may result in the department not meeting this deadline. As a result, secure transportation services may be limited, resulting in a decrease in secure transportation costs to the Department of Health Care Policy and the Behavioral Health Administration and an increase in other transportation costs, such as emergency transportation costs.

The bill does not specify where the new fee revenue will be deposited. The fiscal notes assumes that the CDPHE will use an existing cash fund, consistent with other licensure programs.

## **Effective Date**

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The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed, except that provisions of the bill concerning secure transportation licensing and fees take effect on January 1, 2027,

## **State Appropriations**

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For FY 2026-27, the bill requires an appropriation of \$146,482 and 1.6 FTE to the Department of Public Health and Environment, which includes \$103,787 from the General Fund and \$42,696 from an unspecified cash fund in the department.

## State and Local Government Contacts

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Behavioral Health Administration

Human Services

Counties

Law

Health Care Policy and Financing

Public Health and Environment