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Fiscal Note

Drafting Number: LLS 22-0871 **Date:** March 3, 2022
Prime Sponsors: Rep. Exum; Van Winkle **Bill Status:** House Education
 Sen. Kolker **Fiscal Analyst:** Josh Abram | 303-866-3561
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Bill Topic: **SCHOOL SECURITY AND BEHAVIORAL HEALTH SERVICES FUNDING**

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input checked="" type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill creates a cash fund and appropriates money to three programs related to school safety and behavioral mental health. The bill increases state expenditures beginning in FY 2022-23.

Appropriation Summary: For FY 2022-23, the bill includes appropriations totaling \$8.0 million for the Department of Public Safety and the Colorado Department of Education, and requires an appropriation of \$6.0 million to the Department of Human Services.

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

Table 1
State Fiscal Impacts Under HB 22-1243

		Budget Year FY 2022-23	Out Year FY 2023-24
Revenue		-	-
Expenditures	General Fund	\$12,000,000	\$6,000,000
	Cash Funds	\$2,000,000	-
	Total Expenditures	\$14,000,000	\$6,000,000
	Total FTE	1.0 FTE	1.0 FTE
Transfers¹	General Fund	(\$6,000,000)	-
	Cash Funds	\$6,000,000	-
	Net Transfer	\$0	-
Other Budget Impacts	General Fund Reserve	\$1,800,000	\$900,000

¹ Partial funding for the School Security Disbursement program will be transferred to the program cash fund via an appropriation from the General Fund.

Summary of Legislation

The bill creates the School Security Disbursement Program Cash Fund to consist of money the General Assembly may appropriate or transfer to the fund. Money in the fund is continuously appropriated to the Department of Public Safety (DPS) for allocation to public schools from the School Security Disbursement Program. The DPS may use up to three percent of funds for administrative expenses. For FY 2022-23, the bill appropriates \$6.0 million from the General Fund to the cash fund. The School Security Disbursement Program only becomes law if House Bill 22-1120 becomes law. On June 30, 2024, unexpended money in the fund transfers to the General Fund.

Under current law, the Temporary Youth Mental Health Services Program in the Department of Human Services (DHS) repeals on June 30, 2022. This bill extends the repeal date until June 30, 2024.

For FY 2022-23, the bill appropriates \$2.0 million from the Behavioral and Mental Health Cash Fund to the Colorado Department of Education (CDE). The department may use this appropriation for the Behavioral Health Care Professional Matching Grant Program. Any unused funds as of July 1, 2023, are further appropriated to the CDE from July 1, 2023, until December 30, 2024.

Background

School Security Disbursement Program. Created by Senate Bill 18-269, the program provides funding to public schools for capital construction to improve the security of facilities or vehicles; training for threat assessment; on-site school resource officers; and staff training. The program repealed July 1, 2021. House Bill 22-1120, currently under consideration, recreates the program beginning with FY 2022-23.

Temporary Youth Mental Health Services Program. Created by House Bill 21-1258, the program reimburses mental health counselors for providing up to three mental health sessions to youths screened into the program. The program received a \$9.0 million appropriation for the current FY 2021-22.

Behavioral Health Care Professional Matching Grant Program. This matching grant program in the CDE helps public schools increase the number of school professionals providing substance abuse and behavioral health care to students, and provides training and resources for school staff on substance abuse prevention education and behavioral health.

State Transfers

Conditional on passage of HB 22-1120, this bill requires that \$6.0 million be transferred to the School Security Disbursement Program Cash Fund. This transfer is made via an appropriation from the General Fund to the cash fund.

State Expenditures

The bill increases state expenditures by \$14.0 million in FY 2022-23, and by \$6.0 million in FY 2023-24. New expenditures are in multiple agencies discussed below.

DPS—School Security Disbursement Program. Conditional on passage of HB 22-1120, the bill increases state cash fund expenditures in the DPS by \$6.0 million for FY 2022-23. HB22-1120 contains an appropriation recommendation to account for grants from the program, and for the administrative cost to DPS to manage the grant program and disburse funding to public schools. This bill appropriates an additional \$6.0 million to a newly created cash fund, and permits DPS to use up to three percent, \$180,000, of any money in the fund for administrative expenses.

DHS—Temporary Youth Mental Health Services Program. The bill increases state expenditures by \$6.0 million in FY 2022-23 and FY 2023-24 to continue the Temporary Youth Mental Health Services Program that is set to repeal on June 30, 2022. State expenditures for the program are a continuation of the DHS funding level and budget request for the current fiscal year, adjusted based on the program’s historical implementation. The enabling legislation appropriated about \$9.0 million for the program and 1.8 FTE, which was adjusted to 1.0 FTE for administration starting in FY 2022-23. This administrative staff cost will continue if the program is not repealed, in addition to existing program expenditures for third party vendor payments, and for an annual statewide marketing campaign. Some indirect costs for this bill are assumed to be part of the total appropriation and are not centrally appropriated through the annual budget process. These costs include employee insurance and supplemental employee retirement payments. A detail of expenditures for FY 2022-23 and FY 2023-24 are provided in Table 2.

Table 2
DHS Expenditures Under HB 22-1243

	FY 2022-23	FY 2023-24
Department of Human Services		
Personal Services	\$73,571	\$73,571
Operating Expenses	\$1,350	\$1,350
Capital Outlay Costs	\$6,200	-
Statewide Marketing Campaign	\$902,254	\$908,454
Third Party Vendor Payments	\$5,000,000	\$5,000,000
Other Indirect Costs	\$16,625	\$16,625
Total Cost	\$6,000,000	\$6,000,000
Total FTE	1.0 FTE	1.0 FTE

CDE—Behavioral Health Care Professional Matching Grant Program. For FY 2022-23, the bill appropriates \$2.0 million to the Colorado Department of Education from the Behavioral and Mental Health Cash Fund. Under current law, the CDE may use up to three percent, \$60,000, of program funding for administrative expenses.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve beginning in FY 2022-23. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by \$1,800,000 in FY 2022-23 and \$900,000 in FY 2023-24, which will decrease the amount of General Fund available for other purposes.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature, except that changes to the School Security Disbursement Program only take effect if HB 22-1120 becomes law, and then that section takes effect on the effective date of HB 22-1120.

State Appropriations

For FY 2022-23, the bill:

- requires a General Fund appropriation of \$6.0 million to the Department of Human Services, and 1.0 FTE;
- includes a conditional General Fund appropriation of \$6.0 million to the School Security Disbursement Program Cash Fund; and
- includes a cash fund appropriation of \$2.0 million from the Behavioral and Mental Health Cash Fund to the Colorado Department of Education.

State and Local Government Contacts

Education

Human Services

Public Safety