



Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number: LLS 22-0816 **Date:** August 22, 2022
Prime Sponsors: Sen. Gonzales; Lee **Bill Status:** Signed into Law
Rep. Bacon; Benavidez **Fiscal Analyst:** Matt Bishop | 303-866-4796
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Bill Topic: **HEALTH NEEDS OF PERSONS IN CRIMINAL JUSTICE SYSTEM**

Summary of Fiscal Impact:

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

The bill provides funding for behavioral health needs and continuity of care for individuals in the criminal justice system. It increases local revenue in FY 2022-23 and FY 2023-24, and increases and state and local expenditures on an ongoing basis.

Appropriation Summary: For FY 2022-23, the bill requires and includes appropriations of \$61.4 million. See the State Appropriations section for detail.

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

Table 1
State Fiscal Impacts Under SB 22-196

| | | Budget Year FY 2022-23 | Out Year FY 2023-24 |
|-----------------------------|---------------------------|-----------------------------------|--------------------------------|
| Revenue | | - | - |
| Expenditures | General Fund | \$81,164 | \$64,711 |
| | Cash Funds ¹ | \$60,325,095 | \$2,700,491 |
| | Federal Funds | \$81,164 | \$64,710 |
| | Centrally Appropriated | \$320,707 | \$430,547 |
| | Total Expenditures | \$60,808,130 | \$3,260,459 |
| | Total FTE | 17.6 FTE | 19.9 FTE |
| Transfers | | - | - |
| Other Budget Impacts | General Fund Reserve | \$12,175 | \$9,707 |

¹ Money in the Behavioral and Mental Health Cash Fund comes from federal ARPA funds.

Summary of Legislation

The bill creates the Early Intervention, Deflection, and Redirection from the Criminal Justice System Grant Program in the Department of Human Services (CDHS) to support community responses to behavioral health crises and mitigate individuals' involvement in the criminal justice system related to behavioral health needs. The bill creates a grant review committee, specifies how grant awards may be used, establishes parameters for eligible entities, and requires CDHS to share information about the 988 crisis hotline. CDHS must review and award grants in collaboration with the Department of Public Safety (CDPS). The bill allocates \$50.7 million from the Behavioral and Mental Health Cash Fund for the program. CDHS must report on the program to the legislature each year. The program repeals after the last report, in January 2027.

The bill allocates \$3.0 million from the Behavioral and Mental Health Cash Fund to the Department of Corrections (DOC) to provide medication-assisted treatment to individuals in its custody in FY 2022-23 and FY 2023-24, and \$4.0 million to the Judicial Department for pretrial diversion programs. The bill requires district attorneys to report on the number of individuals screened for or referred to behavioral health treatment as part of pretrial diversion programs.

The bill creates the Behavioral Information and Data-Sharing Program in the CDPS to enable counties to integrate their jail data system to exchange behavioral health information with the Colorado Integrated Criminal Justice Information System. CDPS must convene a committee to review applications and collaborate with the Office of Information Technology to oversee the technical implementation. The bill allocates \$3.5 million from the Behavioral and Mental Health Cash Fund for the program.

The Department of Health Care Policy and Financing (HCPF) must evaluate whether the state should seek additional federal authority to provide services through the federal Medical Assistance Program to individuals immediately prior to release from a correctional facility and, if it determines so, to submit a report to the Joint Budget Committee by October 1, 2023.

Community corrections programs in CDPS must partner with a county department of human or social services to facilitate enrolling offenders into Medicaid.

State Expenditures

The bill increases state expenditures by \$60.8 million in FY 2022-23, primarily from the Behavioral and Mental Health Cash Fund; expenditures in HCPF are paid from the General Fund and federal funds. Costs in FY 2023-24 are estimated to be \$3.1 million from the General Fund, cash funds, and federal funds. Expenditures are shown in Table 2 and detailed below.

**Table 2
Expenditures Under SB 22-196**

| Cost Components | FY 2022-23 | FY 2023-24 |
|--|---------------------|--------------------|
| Department of Human Services | | |
| Personal Services | \$448,976 | \$448,976 |
| Operating Expenses | \$8,100 | \$8,100 |
| Capital Outlay Costs | \$37,200 | - |
| Grants | \$49,748,648 | - |
| Centrally Appropriated Costs ¹ | \$100,386 | \$100,386 |
| FTE – Personal Services | 6.0 FTE | 6.0 FTE |
| CDHS Subtotal | \$50,343,310 | \$557,462 |
| Judicial Department | | |
| Pretrial Diversion Programs | \$4,000,000 | - |
| Judicial Subtotal | \$4,000,000 | - |
| Department of Public Safety | | |
| Personal Services | \$169,588 | \$413,831 |
| Operating Expenses | \$3,375 | \$6,075 |
| Capital Outlay Costs | \$18,600 | \$12,400 |
| Grant Awards and Technical Support | \$1,129,899 | \$100,000 |
| Centrally Appropriated Costs ¹ | \$40,254 | \$142,907 |
| FTE – Personal Services | 2.5 FTE | 4.5 FTE |
| CDPS Subtotal | \$1,361,716 | \$675,213 |
| Office of Information Technology (CDPS) | | |
| Personal Services | \$889,769 | \$889,769 |
| Operating Expenses | \$11,340 | \$11,340 |
| Capital Outlay Costs | \$49,600 | - |
| Server Licenses | \$810,000 | \$810,000 |
| Centrally Appropriated Costs ¹ | \$164,036 | \$164,036 |
| FTE – Personal Services | 8.4 FTE | 8.4 FTE |
| OIT Subtotal | \$1,924,745 | \$1,875,145 |
| Department of Corrections | | |
| MAT Expansion Infrastructure | \$3,000,000 | - |
| DOC Subtotal | \$3,000,000 | - |

**Table 2
Expenditures Under SB 22-196 (Cont.)**

| Cost Components | FY 2022-23 | FY 2023-24 |
|---|---------------------|--------------------|
| Department of Health Care Policy and Financing | | |
| Personal Services | \$49,048 | \$73,571 |
| Operating Expenses | \$1,080 | \$1,350 |
| Capital Outlay Costs | \$6,200 | - |
| Contractor Costs | \$106,000 | \$54,500 |
| Centrally Appropriated Costs ¹ | \$16,031 | \$23,218 |
| FTE – Personal Services | 0.7 FTE | 1.0 FTE |
| HCPF Subtotal | \$178,359 | \$152,639 |
| Total | \$60,808,130 | \$3,260,459 |
| Total FTE | 17.6 FTE | 19.9 FTE |

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

Department of Human Services. Staff will be required in CDHS to create policies for the grant program, review applications, monitor grants, and report on the program. This is estimated to require 6.0 FTE in FY 2022-23; standard operating and capital outlay costs are included. The remaining money from the appropriation required by the bill, about \$50 million, will be available to make grants. It is assumed that staffing costs will continue in future years, and that ongoing staff costs will be paid from the General Fund starting in FY 2024-25 through the program's repeal in FY 2026-27.

Judicial Department. Workload will increase to distribute funds appropriated by the bill to district attorneys for pretrial diversion programs. Of the \$4.0 million appropriation, the department may use up to five percent for administration, or \$200,000. Any money not spent in FY 2022-23 remains available for this purpose in FY 2023-24. Any reduction in cases due to pretrial diversion programs may reduce workload in trial courts; however, this workload decrease is expected to be minimal and no change in appropriations is required.

Department of Public Safety. Workload will increase for to administer the grant program to counties. The department requires 2.5 FTE to create policies, review applications, report on the grant program, and to collaborate with the Office of Information Technology (OIT). Standard operating and capital outlay costs are included. The fiscal note assumes all grants will be awarded in FY 2022-23. CDPS requires an additional 2.0 FTE in FY 2023-24 to maintain the Colorado Integrated Criminal Justice Information System (CICJIS). These outyear personnel costs have been revised in the final fiscal note to reflect new information. Depending on the implementation timeline for awarding grants and monitoring and reporting requirements, additional funding or spending authority may be required beginning in FY 2023-24. In addition, the expansion of the CICJIS will require ongoing funding, which will be addressed through the annual budget process.

Office of Information Technology. Costs will increase to facilitate counties connecting to the CICJIS through new application programming interfaces and additional security functions. These costs are paid through a reappropriation from CDPS. Workload will increase to serve on the application review committee for CDPS' grant program and to facilitate technical assistance through the Behavioral Information and Data-Sharing Program. These workload increases can be accomplished within existing appropriations.

Department of Corrections. The \$3.0 million appropriated by the bill will provide infrastructure improvements for medication-assisted treatment (MAT) in multiple prison facilities. Workload will also increase to report on the use of the funds, consistent with state and federal requirements. Any money not spent in FY 2022-23 remains available to the program in FY 2023-24. Additional funding may be required in future years to fully implement the MAT expansion to all incarcerated individuals.

Department of Health Care Policy and Financing. In order to apply for federal funding for continuity of care services, the department will hire a contractor. Based on similar applications, this is expected to require 750 contractor hours and 1.0 FTE in HCPF to manage the project over the next two years. Personal services and operating expenditures assume an October 1, 2022, start date and account for the General Fund pay date shift. If federal approval is granted, Medicaid services costs will be adjusted through the annual budget process subject to available resources.

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.

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 the amounts in Table 1, which will decrease the amount of General Fund available for other purposes.

Local Government

The bill increases revenue and expenditures in counties in several ways. Revenue and expenditures will increase in counties that receive grants from CDPS for information sharing programs. Revenue and expenditures may increase in district attorney offices that receive funding from the Judicial Department for pretrial diversion programs, and workload will increase for additional reporting requirements. Finally, workload may increase in county departments of human or social services to work with community corrections programs in order to facilitate Medicaid enrollment.

Effective Date

This bill was signed into law by the Governor and took effect on May 19, 2022.

State Appropriations

For FY 2022-23, the bill requires and includes the following appropriations from the Behavioral and Mental Health Cash Fund, which are further appropriated to departments through December 30, 2024:

- \$50.7 million to the Department of Human Services, and 6.0 FTE;
- \$4.0 million to the Judicial Department;
- \$3.0 million to the Department of Corrections; and
- \$3.5 million to the Department of Public Safety, and 2.5 FTE; of this amount, \$1,760,709 is reappropriated to the Office of information Technology for FY 2022-23, with an additional 8.4 FTE.

In addition, the bill requires and includes an appropriation of \$162,328 to the Department of Health Care Policy and Financing, including \$81,164 General Fund and \$81,164 federal funds and 0.7 FTE.

State and Local Government Contacts

Corrections
District Attorneys
Human Services
Joint Budget Committee Staff
Legislative Council Staff
Public Safety

Counties
Health Care Policy and Financing
Information Technology
Judicial
Municipalities