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Final Fiscal Note

Drafting Number:	LLS 23-0055	Date:	August 7, 2023
Prime Sponsors:	Rep. Michaelson Jenet Sen. Cutter	Bill Status:	Signed into Law
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Bill Topic: SCHOOL MENTAL HEALTH ASSESSMENT

Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> School District
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill requires the Behavioral Health Administration to administer a mental health screening program available to public schools serving grades 6 through 12. The bill increases state expenditures on an ongoing basis starting in FY 2023-24.

Appropriation Summary: For FY 2023-24, the bill requires and includes an appropriation of \$475,278 to the Behavioral Health Administration

Fiscal Note Status: This revised fiscal note reflects the enacted bill.

**Table 1
State Fiscal Impacts Under HB 23-1003**

		Budget Year FY 2023-24	Out Year FY 2024-25
Revenue		-	-
Expenditures	General Fund	\$475,278	\$2,797,684
	Centrally Appropriated	\$36,294	\$55,067
	Total Expenditures	\$511,572	\$2,852,751¹
	Total FTE	2.0 FTE	3.0 FTE
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$71,292	\$419,653

¹ This amount does not include \$14.1 million to continue and expand the I Matter Program. See Table 3.

Summary of Legislation

The bill requires the Behavioral Health Administration (BHA) to administer a mental health screening program. BHA is required to select a qualified provider to conduct the screenings through a competitive process.

School requirements. To participate a school must be public, serve any of the grades 6 through 12 and meet one of the following criteria:

- lack a school-based health center,
- have fewer than the recommended number of school psychologists, or
- have a high risk of student suicide.

Participating schools are required to provide written notices to parents and allow them to request that their child not participate, but any child 12 or older may opt-in or opt-out regardless of their parent's request.

Provider requirements. The provider selected by BHA is required to conduct the screenings for all participating schools, using a screening tool that is available in the student's native language and reproducible in an accessible format. Based on the outcome of the screening, the provider is required to:

- notify the school and parents if a student is in need of immediate attention from a mental health professional;
- notify the parents (pending the student's consent if 12 or over) if a student is suffering from a mental health concern and is in need of services and provide information on behavioral health resources; or
- refer the student over the age of 12 directly to behavioral health services if the student is in need of services.

The bill requires the BHA to develop a process for the Department of Health Care Policy and Financing (HCPF) to reimburse the program for services provided to students covered by Medicaid or the Children's Health Plan Plus (CHP+)

Background

House Bill 21-1258 established the temporary behavioral health services program (I Matter), managed by the Behavioral Health Administration (BHA), to provide up to six free therapy sessions per year for youth in Colorado and reimburse participating licensed therapists. The program is open to youth 18 years of age or younger or 21 years of age or younger if receiving special education services. Currently, students apply for the program and are then screened to determine whether the program will provide them with an appropriate level of care. HB 22-1243 renewed the program through June 30, 2024, with an annual appropriation of \$6 million.

Assumptions

The fiscal note assumes that:

- 25 percent of schools will participate in the screenings, based on participation in the 2021 Healthy Kids Colorado Survey;
- 100 percent of those schools will be eligible to participate based on data indicating that all but the smallest schools do not currently meet the National Association of School Psychologists recommended staffing levels and Healthy Kids Colorado survey data indicating that many schools have populations of students who are at higher risk of suicide relative to other groups; and
- about 37 percent of students will participate based on opt-out rates from a 2019 South Carolina mental health screening program.

Given the expected average number of students per participating school, 93,933 students are estimated to be screened under the program. It is further assumed that:

- about 25 percent of students screened will be referred to the I Matter program if available, based on the 2021 Health Kids Colorado Survey; and
- about 65 percent of the screened population will enroll in the I Matter program if funding for the program is extended.

Lastly, it is assumed that screenings will not be eligible for reimbursement under Medicaid or CHP+

State Expenditures

The bill increases state General Fund expenditures by about \$512,000 in FY 2023-24 and \$2.9 million in FY 2024-25 as shown in Table 2 and discussed below.

Table 2
Expenditures Under HB 23-1003

	FY 2023-24	FY 2024-25
Behavioral Health Administration		
Personal Services	\$152,163	\$234,917
Operating Expenses	\$3,105	\$4,050
Capital Outlay Costs	\$20,010	\$22,011
Qualified Provider Contract	-	\$2,011,706
Data Vendor Contract	\$300,000	\$525,000
Centrally Appropriated Costs ¹	\$36,294	\$55,067
Total	\$511,572	\$2,852,751
Total FTE	2.0 FTE	3.0 FTE

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

Behavioral Health Administration. BHA requires \$511,572 in FY 2023-24, \$2.9 million in FY 2024-25 and ongoing to contract with a qualified provider to conduct screenings as described below.

- **Staffing.** BHA requires 3.0 FTE starting in FY 2023-24 to contract a qualified provider, contact schools and draft participation agreements that assure some degree of consistency across schools, and evaluate and report on the program’s progress and areas for improvement. First-year staffing costs are prorated for the General Fund pay date shift and varying start dates between July 1, 2023, and January 1, 2024. Standard operating and capital outlay expenses are included for new staff.
- **Qualified provider contract.** BHA will hire a qualified provider to conduct in-person screenings for participating students, and transfer the results to the prescribed channel. The qualified provider contract is estimated to cost \$2.0 million annually beginning in FY 2024-25. The cost is based on the assumption that the contracted provider can screen 2 students an hour and that the provider will require tablets equipped with the Behavior Intervention Monitoring Assessment System (BIMAS) software.
- **Data vendor contract.** BHA will hire a data vendor to create an electronic screening tool to collect minimum necessary data for each student screened in accordance with health information privacy laws. This estimate is based on the data vendor contract for the Screening, Brief Intervention, and Referral to Treatment program in School-Based Health Centers.

I Matter Program. Starting in FY 2024-25, the bill may increase referrals to the I Matter Program if the program is extended (funding is set to expire before screenings can begin). It is estimated that \$14.2 million will be needed to continue the program, which includes \$6 million in continuation funding, plus \$8.2 million per year to cover an estimated 11,138 additional referrals to the program resulting from the student screenings. Because the bill does not continue the I Matter program, the fiscal note assumes that subsequent legislation will be needed to continue the program with the funding levels shown in Table 3. Costs may vary from this estimate based on the exact provisions of the any future legislation to continue the I Matter Program or create a similar program. If the I Matter program is not continued, costs may increase in other ways, such as increased behavioral health service utilization under Medicaid, CHP+, or other programs that screened students may be eligible for. These potential costs are not estimated.

**Table 3
Costs to Continue the I Matter Program**

	FY 2023-24	FY 2024-25
Behavioral Health Administration		
I Matter Continuation	-	\$6,000,000
I Matter Increase	-	\$8,168,052
Total Cost	-	\$14,168,052
Total FTE	-	1.0 FTE

Child welfare impacts. The screenings may result in an increase in reports of known or suspected child abuse or neglect. This will increase costs for the Department of Human Services, the trial courts, the Office of the Child’s Representative, and the Office of the Respondent Parents’ Counsel. Changes in caseload will be adjusted for through the annual budget process.

Department of Health Care Policy and Financing. Workload in HCPF will increase to seek federal approval to cover any services offered as a result of the screenings. This fiscal note assumes that the screenings are not eligible for reimbursement. If utilization of behavioral health services increases as a result of the screenings it will be adjusted for through the normal budget process.

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. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

School District

Starting in FY 2024-25, the bill will increase expenditures for schools participating in the program to send notifications; track opt-out responses; organize participating students such that a provider can see approximately two students per hour; and trigger a crisis response protocol if a provider refers a student to their care.

Effective Date

The bill was signed into law by the Governor and took effect on June 5, 2023.

State Appropriations

For FY 2023-24, the bill requires and includes an appropriation of \$475,278 from the General Fund to the Behavioral Health Administration in the Department of Human Services and 2.0 FTE.

State and Local Government Contacts

Behavioral Health Administration	Education
Human Services	Information Technology
Public Health and Environment	Health Care Policy and Financing
Child Welfare	Office of Respondent Parent’s Counsel

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit: leg.colorado.gov/fiscalnotes.