



## Legislative Council Staff Nonpartisan Services for Colorado's Legislature

# Revised Fiscal Note

(replaces fiscal note dated April 2, 2024)

**Drafting Number:** LLS 24-0314      **Date:** April 30, 2024  
**Prime Sponsors:** Rep. Armagost; deGruy Kennedy      **Bill Status:** Senate Health and Human Services  
 Sen. Mullica; Will      **Analyst:** Kristine McLaughlin | 303-866-4776  
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**Bill Topic:**      **TREATMENT FOR SUBSTANCE USE DISORDERS**

**Summary of Fiscal Impact:**

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

The bill creates and expands programs and services for substance use disorder treatments. Beginning in FY 2024-25, the bill increases state and local revenue and expenditures on an ongoing basis, it also diverts and transfers money between funds.

**Appropriation Summary:** For FY 2024-25, the bill requires an appropriation of \$3.0 million to multiple state agencies. This amount is lower than total costs because \$1,025,500 was appropriated through the Long Bill for the partial hospitalization services required by the bill.

**Fiscal Note Status:** This revised fiscal note reflects reengrossed bill. The bill was recommended by the Opioid and Other Substance Use Disorders Study Committee.

**Table 1  
State Fiscal Impacts Under HB 24-1045**

		<b>Budget Year FY 2024-25</b>	<b>Out Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
<b>Revenue</b>		-	-	-	-
<b>Expenditures</b>	General Fund	\$1,969,092	\$2,595,664	\$3,345,217	\$2,541,578
	Cash Funds	\$268,410	\$553,095	\$740,063	\$728,697
	Federal Funds	\$733,894	\$4,042,874	\$6,984,851	\$6,730,273
	Central Approp.	\$86,342	\$125,548	\$117,638	\$80,195
	<b>Total Expenditures</b>	<b>\$3,057,738</b>	<b>\$7,317,181</b>	<b>\$11,187,769</b>	<b>\$10,080,743</b>
	<b>Total FTE</b>	<b>4.4 FTE</b>	<b>6.5 FTE</b>	<b>6.0 FTE</b>	<b>4.0 FTE</b>

**Table 1**  
**State Fiscal Impacts Under HB 24-1045 (Cont.)**

		<b>Budget Year FY 2024-25</b>	<b>Out Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
<b>Transfers<sup>1</sup></b>	General Fund	(\$200,000)	(\$200,000)	(\$150,000)	(\$150,000)
	Cash Funds	\$200,000	\$200,000	\$150,000	\$150,000
	<b>Net Transfers</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Diversions</b>	General Fund	(\$44,059)	(\$46,736)	(\$46,736)	(\$46,736)
	Cash Funds	\$44,059	\$46,736	\$46,736	\$46,736
	<b>Net Diversion</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Budget</b>	GF Reserve	\$295,364	\$389,350	\$501,783	\$381,237

<sup>1</sup> This transfer is made via an appropriation from the General Fund to the Child Abuse Prevention Trust Fund.

## Summary of Legislation

The bill creates and expands programs and services for substance use disorder (SUD) treatments. Specifically, the bill:

**Expands Behavioral Health Diversion Programs.** The bill appropriates \$500,000, half to the Department of Human Services (CDHS) and half to the Judicial Department, for use on district attorney adult pretrial diversion programs.

**Provides reentry services under Medicaid.** By July 1, 2025, the bill requires the Department of Health Care Policy and Financing (HCPF) to provide the following reentry services to people immediately before they are released from the Division of Youth Services (DYS) in the CDHS or a Department of Corrections (DOC) facility:

- medicated-assisted treatment (MAT) medications, via an opioid treatment program;
- a 30-day supply of additional medications, if needed; and
- case management services, which are assumed to include screening, brief intervention, and care coordination services.

Additionally, if county jails that provide these services can participate in the program in such a way that no additional state funds are required, HCPF will include those county jails in the program.

**Provides partial hospitalization services for SUD under Medicaid.** The bill requires HCPF to seek federal authorization to provide partial hospitalization services for SUD.

**Expands the Colorado Child Abuse Prevention Trust Fund.** The bill appropriates \$150,000 annually and an additional \$50,000 in the first two years from the General Fund to the Colorado Child Abuse Prevention Trust Fund under the Department of Early Childhood (CDEC).

**Provides safety net provider application support services.** The bill requires the BHA to contract with an independent third-party to support providers seeking to become approved BHA safety net providers.

**Creates the Contingency Management Grant Program.** The bill creates a grant program in the BHA to support selected substance use disorder treatment programs and appropriates \$750,000 to the program.

**Other changes.** The bill makes several other changes as outlined below. Specifically, it:

- places new reporting requirements on HCPF and the BHA..
- prohibits state-regulated insurance plans from applying a prior authorization requirement for SUD treatment drugs based on dosage, and prohibits insurance from applying a different reimbursement rate for SUD treatment drugs to pharmacists and take-home drugs.
- requires the BHA to promulgate rules around gaining a certificate as an addiction specialist or technician.
- requires the various boards under the DORA and potentially the Department of Public Health and Environment (CDPHE) to develop a statewide drug therapy protocol for pharmacists to prescribe, dispense, and administer select MAT drugs.
- makes changes to the MAT expansion pilot program including making pharmacies eligible for grants, removing the restriction on the number of counties that may be selected for participation, expanding membership requirements for the board, and changing the reporting requirements.
- requires the BHA to collect data on and review the admission criteria for withdrawal management facilities.
- continues the Opioid and Other Substance Use Disorders Study Committee for the 2025 interim.

## State Revenue

The bill impacts cash fund revenue to DORA every other year starting in FY 2024-25 by increasing the number of pharmacists paying Prescription Drug Monitoring Program (PDMP) licenses fees. However, any impact on overall revenue to the program is estimated to be minimal, assuming fees are adjusted to align with PDMP costs. The bill may also reduce state revenue from criminal fees and fines. These impacts are discussed below.

**State regulated insurance plan requirements—fee impact on pharmacists.** The bill amends the practice of pharmacy to include exercising prescriptive authority for select FDA-approved product or medication for opioid use disorder in accordance with federal law, if authorized through a collaborative agreement. This will require participating pharmacists to register with the PDMP to provide these services. The registration fee is currently \$22 for a two-year license. As there are approximately 10,000 licensed pharmacists in the state, revenue could increase by up to \$220,000. However, given that program costs are not affected by the bill, it is assumed that DORA will adjust the PDMP registration fee so that overall revenue is held constant. Thus, any increase in PDMP revenue is assumed to be minimal under the bill.

**Behavioral Health Diversion Pilot program.** The bill will minimally reduce state revenue from criminal fees and fines credited to the Judicial Department if more individuals are diverted into community-based treatment rather than being convicted of criminal offenses. Fine penalties for most misdemeanors and petty offenses range from \$50 to \$5,000 depending on the offense. Fees are also imposed for a variety of court-related costs, which vary based on the offense but may include probation supervision. Revenue from criminal fees and fines is subject to TABOR. Actual state revenue impact will depend on myriad factors and cannot be estimated.

## State Transfers and Diversions

The bill transfers and diverts money between funds as outlined below.

**State transfers.** The bill requires the following transfer from the General Fund to the Child Abuse Prevention Trust Fund in CDEC: \$200,000 per year in FY 2024-25 and FY 2025-26, and \$150,000 per year starting in FY 2026-27 and future years. It is assumed that this transfer will occur via an appropriation to the Child Abuse Prevention Trust Fund from the General Fund. Use of these funds are described in the CDEC section of the State Expenditures section below.

**State diversions.** This bill diverts about \$44,000 in FY 2024-25 and \$47,000 in FY 2025-26 and ongoing from the General Fund. This revenue diversion occurs because the bill increases costs in the Department of Regulatory Agencies, Division of Insurance, which is funded with premium tax revenue that would otherwise be credited to the General Fund.

## State Expenditures

The bill impacts state expenditures in at least eight state agencies on an ongoing basis, including the Judicial Department, CDHS, HCPF, DOC, BHA, CDEC, DORA, and the Legislative Department. It will increase expenditures in all but one of the agencies, DOC, which will have cost savings from shifting medical costs to Medicaid. In FY 2024-25, the majority of these costs are from the General Fund with a significant portion from federal funds and the remainder from the following cash funds: the Healthcare Affordability and Sustainability Cash Fund, the Colorado Child Abuse Prevention Trust Fund, and the Division of Insurance Cash Fund. In FY 2026-27, expenditures will increase as a result of increased costs in HCPF, which will be primarily funded from federal funds with a large portion paid from the General Fund. Costs are shown in Table 3 and discussed below.

**Table 3  
Expenditures Under HB 24-1045**

	<b>FY 2024-25</b>	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>FY 2027-28</b>
<b>Judicial Department</b>				
Grant Program	\$250,000	-	-	-
<b><u>Judicial Subtotal</u></b>	<b><u>\$250,000</u></b>	<b><u>=</u></b>	<b><u>=</u></b>	<b><u>=</u></b>
<i>General Fund</i>	\$250,000	-	-	-
<b>Department of Human Services</b>				
Grant Program	\$250,000	-	-	-
<b><u>CDHS Subtotal</u></b>	<b><u>\$250,000</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<i>General Fund</i>	\$250,000	-	-	-
<b>Department of Health Care Policy and Financing</b>				
Personal Services	\$235,125	\$338,244	\$338,244	\$261,250
Operating Expenses	\$3,456	\$5,120	\$5,120	\$3,840
Capital Outlay Costs	\$20,010	\$6,670	-	-
Reentry Services—State Facilities	-	\$3,989,322	\$7,978,516	\$7,978,516
Reentry Services Systems Costs	\$677,194	\$237,510	\$241,310	-
Partial Hospitalization Costs <sup>1</sup>	-	\$6,400,000	\$6,400,000	\$6,400,000
Partial Hospitalization Savings <sup>1</sup>	-	(\$5,374,500)	(\$5,374,500)	(\$5,374,500)
Centrally Appropriated Costs <sup>2</sup>	\$55,349	\$81,052	\$81,052	\$61,499
FTE – Personal Services	2.7 FTE	4.0 FTE	4.0 FTE	3.0 FTE
<b><u>HCPF Subtotal</u></b>	<b><u>\$991,134</u></b>	<b><u>\$5,683,418</u></b>	<b><u>\$9,669,742</u></b>	<b><u>\$9,330,605</u></b>
<i>General Fund</i>	\$169,995	\$1,243,702	\$2,051,081	\$1,997,441
<i>Cash Funds</i>	\$31,896	\$315,790	\$552,758	\$541,392
<i>Federal Funds</i>	\$733,894	\$4,042,874	\$6,984,851	\$6,730,273
<i>Centrally Appropriated Costs</i>	\$55,349	\$81,052	\$81,052	\$61,499
<b>Department of Corrections</b>				
State Facility Reentry Services	-	(\$5,280,000)	(\$5,280,000)	(\$5,280,000)
<b><u>DOC Subtotal</u></b>	<b><u>\$0</u></b>	<b><u>(\$5,280,000)</u></b>	<b><u>(\$5,280,000)</u></b>	<b><u>(\$5,280,000)</u></b>
<i>General Fund</i>	-	(\$5,280,000)	(\$5,280,000)	(\$5,280,000)

<sup>1</sup> \$1,025,500 was appropriated through the FY 2024-25 Long Bill for the partial hospitalization services required by the bill. This amount reflects the net impact of the costs/savings from this service. These costs have been excluded from the fiscal note since they have already been accounted for in the Long Bill.

**Table 3  
 Expenditures Under HB 24-1045 (Cont.)**

	<b>FY 2024-25</b>	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>FY 2027-28</b>
<b>Behavioral Health Administration</b>				
Personal Services	\$93,268	\$108,666	\$108,666	\$38,497
Operating Expenses	\$1,664	\$1,920	\$1,920	\$640
Capital Outlay Costs	\$13,340	-	-	-
Application Support Services	\$500,000	\$500,000	\$500,000	\$500,000
Contingency Management Grant Costs	\$671,880	\$678,550	\$678,550	-
Withdrawal Facility Data Management	\$18,945	\$5,000	\$5,000	\$5,000
Centrally Appropriated Costs <sup>2</sup>	\$23,449	\$27,155	\$27,155	\$9,265
FTE – Personal Services	1.3 FTE	1.5 FTE	1.5 FTE	0.5 FTE
<b><u>BHA Subtotal</u></b>	<b><u>\$1,322,546</u></b>	<b><u>\$1,321,291</u></b>	<b><u>\$1,321,291</u></b>	<b><u>\$553,402</u></b>
<i>General Fund</i>	\$1,299,097	\$1,294,136	\$1,294,136	\$544,137
<i>Centrally Appropriated Costs</i>	\$23,499	\$27,155	\$27,155	\$9,265
<b>Various Agencies</b>				
Reentry Services Reinvestment	-	\$5,280,000	\$5,280,000	\$5,280,000
<b><u>Various Agency Subtotal</u></b>	<b><u>-</u></b>	<b><u>\$5,280,000</u></b>	<b><u>\$5,280,000</u></b>	<b><u>\$5,280,000</u></b>
<i>General Fund</i>	-	\$5,280,000	\$5,280,000	\$5,280,000
<b>Department of Early Childhood</b>				
Child Care Task Force for SUD Treatment	\$50,000	\$50,000	-	-
Prenatal Substance Exposure Initiatives	\$150,000	\$150,000	\$150,000	\$150,000
<b><u>CDEC Subtotal</u></b>	<b><u>\$200,000</u></b>	<b><u>\$200,000</u></b>	<b><u>\$150,000</u></b>	<b><u>\$150,000</u></b>
<i>Cash Funds</i>	\$200,000	\$200,000	\$150,000	\$150,000

**Table 3  
Expenditures Under HB 24-1045 (Cont.)**

	<b>FY 2024-25</b>	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>FY 2027-28</b>
<b>Department of Regulatory Agencies</b>				
Personal Services	\$29,332	\$36,665	\$36,665	\$36,665
Operating Expenses	\$512	\$640	\$640	\$640
Capital Outlay Costs	\$6,670	-	-	-
Centrally Appropriated Costs <sup>2</sup>	\$7,544	\$9,431	\$9,431	\$9,431
FTE – Personal Services	0.4 FTE	0.5 FTE	0.5 FTE	0.5 FTE
<b><u>DORA Subtotal</u></b>	<b><u>\$44,059</u></b>	<b><u>\$46,736</u></b>	<b><u>\$46,736</u></b>	<b><u>\$46,736</u></b>
<i>Cash Funds</i>	\$36,514	\$37,305	\$37,305	\$37,305
<i>Centrally Appropriated Costs</i>	\$7,544	\$9,431	\$9,431	\$9,431
<b>Legislative Department</b>				
Personal Services	-	\$36,361	-	-
Operating Expenses	-	\$640	-	-
Capital Outlay Costs	-	\$6,670	-	-
Member Per Diem	-	\$6,713	-	-
Travel Reimbursement	-	\$7,440	-	-
Centrally Appropriated Costs <sup>2</sup>	-	\$7,910	-	-
FTE – Personal Services	-	0.5 FTE	-	-
<b><u>Legislative Subtotal</u></b>	<b><u>\$0</u></b>	<b><u>\$65,734</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<i>General Fund</i>	-	\$57,824	-	-
<i>Centrally Appropriated Costs</i>	-	\$7,910	-	-
<b><u>Grand Total</u></b>	<b><u>\$3,057,738</u></b>	<b><u>\$7,317,181</u></b>	<b><u>\$11,187,769</u></b>	<b><u>\$10,080,743</u></b>
<i>Total General Fund</i>	\$1,969,092	\$2,595,664	\$3,345,217	\$2,541,578
<i>Total Cash Funds</i>	\$268,410	\$553,095	\$740,063	\$728,697
<i>Total Federal Funds</i>	\$733,894	\$4,042,874	\$6,984,851	\$6,730,273
<i>Total Centrally Appropriated Costs</i>	\$86,342	\$125,548	\$117,638	\$80,195
<b>Total FTE</b>	<b>4.4 FTE</b>	<b>6.5 FTE</b>	<b>6.0 FTE</b>	<b>4.0 FTE</b>

<sup>2</sup> Centrally appropriated costs are not included in the bill's appropriation.

## **Judicial Department**

The bill appropriates \$250,000 to the Judicial Department, for use on district attorney adult pretrial diversion programs. Based on previous grants, the Department will distribute the fund to between two and three districts. Workload will minimally increase to distribute the extra funds; this can be accomplished within existing resources.

## **Department of Human Services**

The bill appropriates \$250,000 to CDHS, for use on district attorney adult pretrial diversion programs. Similar to the Judicial Department, it is assumed that CDHS will distribute the full amount to between two and three districts in FY 2024-25 only.

## **Department of Health Care Policy and Financing**

The bill requires HCPF to provide two new services: reentry services and partial hospitalization services.

**Reentry services.** The bill requires HCPF to provide reentry services, pending federal approval. SB 22-196 instructed HCPF to study the impact of providing these services. The following estimates were based on the preliminary findings of the study. This service will also affect the reinvestment plan and DOC as discussed below in other sections.

- **State incarcerated population.** Serving the state incarcerated population immediately prior to release is estimated as the equivalent of serving about 1,400 members year-round at an annual cost of around \$6,000. Because the work of requesting federal approval cannot begin until after the bill is passed, the fiscal note assumes that HCPF cannot meet the implementation date specified in the bill and that implementation will begin no sooner than January 1, 2026.
- **County jail population.** If county jails that provide these services can participate in the program at no additional cost to the state, HCPF will support those jails in participating in the program by providing administrative support and facilitating the receipt of federal dollars. If these services can be provided under the budget neutrality requirement, it is estimated that implementation will begin no sooner than FY 2027-28 and may result in local governments receiving additional funds through the federal government that would have to be expended per the reinvestment plan (discussed below).
- **Staff.** HCPF will need 4.0 FTE to oversee the program. As with previous complex waivers, 2.0 FTE ongoing and 1.0 term-limited FTE are required to oversee the waiver process, conduct stakeholder and provider outreach, and manage the ongoing benefit once approved by the federal government. The other 1.0 FTE will be dedicated to the unique data issues related to this population and their high turnover rate. In the event that the county jail population is included in the program additional resources may be requested through the normal budget process, likely no sooner than FY 2026-27.



- **Systems costs.** HCPF will need to hire a contractor to make the systems changes required to provide services to a new population. It is estimated to require about 5,000 hours in FY 2024-25 and 2,000 hours annually until FY 2026-27.

**Partial hospitalization services.** The bill instructs HCPF to provide partial hospitalization services. These are classified as level 2.5 services on the system used by HCPF and its SUD treatment providers, the American Society of Addiction Medicine (ASAM) level of care criteria. Providing level 2.5 services will drive a cost increase that will be partially offset by a reduction in utilization of higher level services. The bill specifies that services must be implemented no later than July 1, 2026; however, given that implementation of these services can begin July 1, 2024, this earlier implementation date is assumed. Funding for these services in FY 2024-25 were appropriated through the Long Bill. These costs in FY 2024-25 have been excluded from this fiscal note since they have already been accounted for through the Long Bill. Ongoing costs in FY 2026-27 and future years are shown in Tables 1 and 2.

- **Costs.** Based on utilization of other levels of care, it is assumed that 2,000 members would benefit from level 2.5 services, which would provide 10 days of partial hospitalization annually. Managed Care Organizations (MCEs) assessed the per member per day cost at \$320.
- **Savings.** The HCPF portion of the per member per day rate for level 3.1 services is \$190 and 3.5 is \$425. The savings shown above assumes that all level 3.1 clients could substitute level 2.5 services for up to 6 days and all level 3.5 clients could substitute for up to 3.5 days. It should be noted that the room and board portion of the level 3.1 rate is paid by the BHA. By reducing the demand from Medicaid clients, the BHA will be able to service more non-Medicaid clients, assuming funding for the BHA program remains constant.

## Department of Corrections

The DOC provides health care services to their incarcerated population. Costs for these services will be partially offset by the reentry services for state incarcerated populations provided by HCPF under the bill. When providing health care services for the total length of incarceration, DOC costs are estimated to be \$132 million per year. It is assumed that the availability of services through HCPF will offset no more than 4 percent of these DOC costs, resulting in a decrease in DOC expenditures of an estimated \$5.28 million per year starting in FY 2025-26.

## Behavioral Health Administration

The Behavioral Health Administration will have increased costs to provide the following services.

**Withdrawal management facilities.** Beginning July 1, 2025, the bill requires the BHA to collect data on admittance denials at withdrawal management facilities. Beginning January 1, 2025 the BHA will approve the facilities' admission criteria. This will result in the following impacts:

- \$19,000 in FY 2024-25 and \$5,000 annually thereafter for systems changes for the data collection; and

- 0.5 FTE to analyze the data and annually review admission criteria for the approximately 50 facilities in Colorado. First year costs are prorated for the January 1 start date. Standard operating and capital outlay expenses are included.

**Application support services.** The bill requires the BHA to provide application support services to providers seeking to become behavioral health safety net providers. Based on previous contracts for provider technical support, this will require an annual \$500,000 contract. The bill specifies that services must be implemented no later than July 1, 2025. Because implementation can begin July 1, 2024, that implementation date is assumed

**Contingency management grant program.** The bill creates the Contingency Management Grant Program and appropriates \$750,000 to the program. Based on past grant programs, this is estimated to require 1.0 FTE. Implementation will begin July 1, 2024. Per the bill, the program ends July 1, 2027.

**Fetal alcohol spectrum disorder.** Workload will minimally increase for the BHA to seek out grants to provide fetal alcohol spectrum disorder services. As the BHA receives grants, the BHA will expend the received funds but these amounts are unknown at this time.

## Reinvestment of Reentry Services Savings

As a condition of receiving federal funding for the reentry services, the Centers for Medicare and Medicaid Services (CMS) has mandated that states reinvest savings that result from the availability of federal funding in initiatives that increase access to or improve the quality of health care services for individuals who are incarcerated, soon-to-be released, or recently released from incarceration. As a result, it is assumed that the savings incurred in the DOC and potentially local governments from expanded reentry services under Medicaid will require a corresponding increase in state funding elsewhere. HCPF will include a reinvestment plan in the application for the federal waiver. Page 32-33 of the [CMS letter](#) provides more detail on which kinds of initiatives might be included and those that do not qualify. The reinvestment plan may increase expenditures in HCPF, DOC, the BHA, the Judicial Department, and local governments via a certified public expenditure from HCPF but at this time the exact impact on individual agencies is not known. The amounts appropriated to each department will be determined through the reinvestment plan and adjusted for through the annual budget process. The total appropriation will equal the reentry services savings described above.

## Department of Early Childhood

As described in the State Transfers section above, the bill requires appropriations from the General Fund to the Colorado Child Abuse Prevention Trust Fund to support initiatives to reduce prenatal substance exposure (\$150,000 per year starting in FY 2024-25) and to convene a stakeholder taskforce on identify strategies for increasing access to child care for families seeking substance use disorder treatment and recovery services (\$50,000 per year in FY 2024-25 and FY 2025-26 only). It is assumed that annual spending from the trust fund will equal the annual amount moved into the fund for these purposes.

## Department of Regulatory Agencies

DORA requires 0.5 FTE to implement, ensure compliance, and respond to complaints. The bill amends the practice of pharmacy to include exercising prescriptive authority for any FDA-approved product or medication for opioid use disorder in accordance with federal law, if authorized through a collaborative agreement. Additionally, this bill requires the State Board of Pharmacy, the Colorado Medical Board, and the State Board of Nursing to develop a protocol for pharmacists to prescribe, dispense, and administer medicated assisted treatment.

## Legislative Department

The Legislative Department will have costs in FY 2025-26 only to continue the Opioid and Other Substance Use Disorder Study Committee for an additional year. The standard costs include support staff in the Legislative Department, as well as member per diem and travel reimbursement costs for the 10 committee members for 6 meetings to the General Assembly.

## 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 3 for all affected departments.

## 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.

## Local Government

**Behavioral Health Diversion programs.** The program affects local governments in several ways, as described below. The exact impact to any particular jurisdiction will depend on the amount of work required to develop the local redirection program and the number of individuals who participate in it:

- **District attorneys.** The bill increases district attorney workload to handle more diversion cases. It is assumed that these costs will be reimbursed through the grant program. Because it is not known how many individuals will be diverted into community-based treatment in lieu of the criminal justice system, these impacts have not been estimated.
- **Denver County Court.** For misdemeanors and petty offenses committed in Denver County, criminal fine and court fee revenue is collected by Denver County Court, and probation supervision is provided by the court. To the extent that this bill results in more individuals

diverted out of the criminal justice system, revenue and workload will decrease. Because the court has discretion when sentencing misdemeanors and petty offenses, the precise reduction to Denver County has not been estimated. Please refer to the State Revenue section above for information about fine penalty ranges and court fees.

- **County jails.** Under current law, a court may sentence an offender to jail for a class 1 petty offense and most misdemeanors. The range of the term of incarceration generally ranges from 0 to 18 months. This bill may result in fewer individuals being convicted of these offenses and sentenced to a term of incarceration in county jail. Because the courts have the discretion of incarceration or imposing a fine, the precise impact at the local level cannot be determined. Estimated costs to house an offender in a county jail vary.

**Reentry services.** County jails may be impacted by the reentry services program provided by HCPF starting in FY 2027-28. Costs may decrease if the program funds efforts currently funded at the county level but these savings will have to be reinvested as part of the reinvestment plan.

## Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed, except that Section 22 takes effect on July 1, 2025.

## State Appropriations

For FY 2024-25 the bill requires appropriations totaling \$2,971,396 to multiple state agencies as described below.

- **Judicial Department.** The bill includes a General Fund appropriation of \$250,000 to the Judicial Department.
- **Department of Human Services.** The bill includes a General Fund appropriation of \$250,000 to CDHS.
- **Department of Health Care Policy and Financing.** The bill includes an appropriation of \$935,785 and 2.7 FTE to HCPF, paid from the following funds:
  - \$169,995 from the General Fund;
  - \$31,896 from the Healthcare Affordability and Sustainability Cash Fund; and
  - \$733,894 from federal funds.
- **Behavioral Health Administration.** The bill requires a General Fund appropriation of \$1,299,097 to the BHA in the Department of Human Services and 1.3 FTE. Currently the bill includes an appropriation of \$1,325,647 to the BHA.
- **Department of Early Childhood.** The bill includes an appropriation of \$200,000 from the General Fund to the Child Abuse Prevention Trust Fund, to be further appropriated to the Department of Early Childhood.
- **Department of Regulatory Agencies.** The bill includes an appropriation of \$36,514 from the Division of Insurance Cash Fund to DORA and 0.4 FTE.

**State and Local Government Contacts**

Behavioral Health Administration	Connect for Health Colorado	Corrections
Denver County Courts	County Clerks	Counties
District Attorneys	Early Childhood	Governor
Health Care Policy and Financing	Higher Education	Human Services
Information Technology	Judicial	Labor
Law	Personnel	Public Defender
Public Health and Environment	Public Safety	Regulatory Agencies
Revenue	Sheriffs	Legislative Council Staff
Legislative Legal Services		

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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](http://leg.colorado.gov/fiscalnotes).