



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1132: MILITARY FAMILY BEHAVIORAL HEALTH GRANT PROGRAM

Prime Sponsors:

Rep. Camacho; Stewart R.
Sen. Hinrichsen; Bridges

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Published for: House Health & Human Services**Drafting number:** LLS 25-0479**Version:** Initial Fiscal Note**Date:** February 7, 2025**Fiscal note status:** The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill creates the Military Family Behavioral Health Grant Program in the Behavioral Health Administration and redirects firearm excise tax money to this new program in place of the existing Veterans Mental Health Services Program in the Department of Military and Veterans Affairs.

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

- State Expenditures

Appropriations. For FY 2025-26, the bill requires a reduction of \$1.5 million of reappropriated funds from the Behavioral Health Administration to the Department of Military and Veterans Affairs.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures (No Net Change) ¹	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

¹ The bill reduces expenditures in the Department of Military and Veterans Affairs and increases spending in the Behavioral Health Administration, resulting in no net change in state expenditures. See change by departments in Table 2.

Summary of Legislation

The bill creates the Military Family Behavioral Health Grant Program in the Behavioral Health Administration (BHA). The grant program will provide grants to nonprofits to establish and expand community behavioral health programs for service members, veterans, and their families. The bill outlines who is eligible to receive grants, what nonprofits must demonstrate when applying for a grant, and how the BHA must prioritize applicants.

The bill funds the new grant program using money transferred under current law from the Firearms and Ammunition Excise Tax Cash Fund to the Behavioral and Mental Health Cash Fund. Of the first \$8 million transferred to the Mental Health Cash Fund under current law, the first \$5.0 million to be used to expand the Veterans Mental Health Services Program. Under this bill, the amount dedicated to the Veterans Mental Health Services Program in the Department of Military and Veterans Affairs (DMVA) is reduced to \$3.5 million and \$1.5 million must go toward the new Military Family Behavioral Health Grant Program in the BHA.

Background

In November 2024, voters passed Proposition KK which created a new tax on firearms, firearm parts, and ammunition. Currently, the first \$30 million in excise tax revenue is transferred from the Firearms and Ammunition Excise Tax Cash Fund to fund victim services and then the next \$5.0 million is transferred to the Behavioral and Mental Health Cash Fund for use to expand the Veterans Mental Health Services program in the DMVA. Based on the [fiscal note for House Bill 24-1349](#), transfers to the Behavioral and Mental Health Cash Fund are projected to begin in FY 2025-26.

State Expenditures

While the bill shifts \$1.5 million in spending between state agencies and programs, it results in no net change in state expenditures. The bill decreases expenditure in the DMVA by \$1.5 million by decreasing funding allocated to the Veterans Mental Health Services Program and increases spending in the BHA to administer the new grant program by the same amount. This shift in spending is shown in Table 2 and described below. Costs for both programs are paid from the Behavioral and Mental Health Cash Fund. Should excise tax revenue not be sufficient to fully fund the transfer to the Behavioral and Mental Health Cash Fund, the Veterans Mental Health Services Program in the DMVA is first in line for funding, followed by the new grant program in the BHA.

Table 2
State Expenditures
All Departments

Department	Budget Year FY 2025-26	Out Year FY 2026-27
Department of Military and Veterans Affairs	-\$1,500,000	-\$1,500,000
Behavioral Health Administration	\$1,500,000	\$1,500,000
Total Costs	\$0	\$0

Department of Military Affairs

Under current law, the Veterans Mental Health Services Program in the DMVA will receive an additional \$5.0 million in FY 2025-26, on top of the \$660,000 they currently spend in FY 2024-25. This bill reduces funding for the program by \$1.5 million, which will result in total funding of \$4.2 million for the program in FY 2025-26 and ongoing, assuming current appropriations continue at the same level. Because the department has not yet received excise tax funding, the decrease in funds under the bill will not result in a reduction in services under the DMVA grant program, but will instead limit expansion of the program once excise tax revenue is received by the state.

Behavioral Health Administration

Expenditures will increase by \$1.5 million in the BHA to distribute grants to local nonprofits that provide mental health services to veterans and their families. The fiscal note assumes any administrative expenses in BHA can be covered using the funding provided, but that overall any administrative effort is minimal and most or all of the \$1.5 million will go toward grants.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2025-26, the bill requires a reduction of \$1.5 million in reappropriated funds from the Behavioral Health Administration to the Department of Veterans and Military Affairs from the Behavioral Health Cash Fund.

State and Local Government Contacts

Behavioral Health Administration