



**Legislative  
Council Staff**

*Nonpartisan Services for Colorado's Legislature*

**FISCAL NOTE**

**Drafting Number:** LLS 20-0295  
**Prime Sponsors:**

**Date:** October 25, 2019  
**Bill Status:** Bill Request  
**Fiscal Analyst:** Ariel Hammerquist | 303-866-3469  
Ariel.Hammerquist@state.co.us

**Bill Topic:** **SUBSTANCE USE DISORDER RECOVERY**

**Summary of  
Fiscal Impact:**

- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

This bill provides funding for the implementation and expansion of several programs and makes changes to state law concerning an individual's recovery from a substance use disorder. This bill increases state and local government expenditures on an ongoing basis.

**Appropriation  
Summary:**

For FY 2020-21, this bill requires appropriations totaling \$7.6 million to multiple state agencies.

**Fiscal Note  
Status:**

The fiscal note reflects the bill draft requested by the Opioid and Other Substance Use Disorders Study Committee.

**Table 1  
State Fiscal Impacts Under Bill 5**

	FY 2020-21	FY 2021-22
<b>Revenue</b>	-	-
<b>Expenditures</b>		
General Fund	\$3,547,433	\$5,805,890
Marijuana Tax Cash Fund	\$4,000,000	\$4,000,000
Centrally Appropriated	\$65,754	\$77,115
<b>Total</b>	<b>\$7,613,187</b>	<b>\$9,883,005</b>
<b>Total FTE</b>	<b>4.2 FTE</b>	<b>4.9 FTE</b>
<b>Transfers</b>	-	-
<b>TABOR Refund</b>	-	-

## **Summary of Legislation**

This bill provides funding for the implementation and expansion of several programs and makes changes to state law concerning an individual's recovery from a substance use disorder, as discussed below.

**Peer coaching and peer specialist training — CDLE.** The bill includes an annual General Fund appropriation of \$250,000 to the Department of Labor and Employment (CDLE) for the purpose of providing individuals with peer coaching or peer specialist training.

**Continuation of Opioid and Other Substance Use Disorders Committee.** The bill continues the Opioid and Other Substance Use Disorders Committee for an additional four years and allows it to meet up to six times every odd year.

**Opioid bill review.** The bill requires the Substance Abuse Trend and Response Task Force to convene stakeholders to review progress in bills originating in the Opioid and Other Substance Use Disorders Committee and generate policy recommendations. The task force is required to submit a report to the Opioid and Other Substance Use Disorders Committee.

**Child abuse, neglect, or dependency.** The bill modifies the definition of "child abuse or neglect" in regards to substance exposure in the Colorado Children's Code to include any newborn child who is affected by alcohol or drug exposure and where factors are present that threaten the health or welfare of the newborn child. Under current law, "child abuse and neglect" from substance exposure is defined as when a child tests positive for a schedule I or schedule II controlled substance, unless the schedule II controlled substance is the result of the mother's lawful use of that drug. There is an exception for when substances are taken as prescribed while being monitored by a licensed health care provider. The bill requires the DHS to promulgate rules to determine whether a child is abused, neglected, or dependent under this new criteria.

**Housing assistance program — DOLA.** The bill increases the appropriation from the Marijuana Tax Cash Fund (MTCF) for the housing assistance program in the Division of Housing in the Department of Local Affairs (DOLA) from \$1.0 million to \$5.0 million for FY 2020-21 through FY 2022-23 and extends funding through FY 2024-25.

**Review and Research.** The bill directs the Center for Research into Substance Use Disorder Prevention, Treatment, and Recovery Support Strategies (center) at the University of Colorado to conduct a review of treatment and recovery services and authorizes the center to conduct ongoing research related to perinatal substance exposure, as described below.

- *Review of treatment and recovery services.* The bill directs the center to conduct a comprehensive review of Colorado's substance use disorder treatment and recovery services to inform a state plan. The state plan will address the delivery of services across the continuum of care for individuals at risk of experiencing relapse after a period of recovery. The center must report its findings and recommendations to the Opioid and Other Substance Use Disorders Committee by August 1, 2021. The bill includes a General Fund appropriation of \$500,000 to the center for this purpose.
- *Perinatal substance use data linkage project.* The bill authorizes the perinatal substance use data linkage project, operated by the center, to conduct ongoing research related to the occurrence of perinatal substance exposure for determining child abuse, neglect, or dependency.

**Individual placement and support program — DHS.** The bill includes an annual General Fund appropriation of \$2 million to the Office of Behavioral Health (OBH) in the Department of Human Services (DHS) to expand the individual placement and support program.

**Recovery support services grant program — DHS.** The bill creates the Recovery Support Services Grant Program to provide recovery-oriented services to individuals with a substance use and co-occurring mental health disorder. Grant funds may be used to assist individuals by providing guidance on navigating treatment support systems, connecting them with resources, or offering opportunities to engage in activities focused on mental or physical wellness or community service. The bill includes an annual appropriation of \$3.5 million to the OBH in the DHS. The DHS shall submit a report on the grant program to the General Assembly by March 1, 2021, and by March 1 each year thereafter.

## **Background**

The Center for Research into Substance Use Disorder Prevention, Treatment, and Recovery Support Strategies was created in 2017 to establish and expand programs for substance use treatment, prevention, and recovery; establish innovative treatments for substance use disorders; and expand partnerships and collaboration with substance use disorder professionals and organizations. The center is funded through an appropriation from the MTCF and any gifts, grants, or donations made to the program.

## **State Expenditures**

This bill will increase state expenditures by \$7.6 million and 4.2 FTE in FY 2020-21 and \$9.9 million and 4.9 FTE in FY 2021-22 and future years. These costs are shown in Table 2 and discussed below.

**Table 2  
 Expenditures Under Bill 5**

	<b>FY 2020-21</b>	<b>FY 2021-22</b>
<b>Department of Local Affairs</b>		
Personal Services	\$31,766	\$34,654
Operating Expenses and Capital Outlay Costs	\$7,010	\$810
Housing Assistance Program	\$3,961,224	\$3,964,536
Centrally Appropriated Costs*	\$8,816	\$9,077
FTE – Personal Services	0.5 FTE	0.6 FTE
<b>DOLA Subtotal</b>	<b>\$4,008,817</b>	<b>\$4,009,077</b>
<b>Department of Human Services</b>		
Personal Services	\$197,759	\$237,309
Operating Expenses and Capital Outlay Costs	\$22,380	\$4,050
Travel	\$1,560	\$1,560
Individual Placement and Support Program	\$875,557	\$1,850,827
Recovery Support Services Grant Program	\$1,625,557	\$3,350,827
Legal Services	\$74,620	\$63,960
Centrally Appropriated Costs*	\$42,195	\$50,634
FTE – Personal Services	2.5 FTE	3.0 FTE
FTE – Legal Services	0.4 FTE	0.3 FTE
<b>DHS Subtotal</b>	<b>\$2,839,626</b>	<b>\$5,559,167</b>
<b>Department of Labor and Employment</b>		
Personal Services	\$74,814	\$44,888
Operating Expenses and Capital Outlay Costs	\$7,415	\$675
Peer Coaching and Specialist Program	\$167,771	\$204,437
Centrally Appropriated Costs*	\$14,743	\$9,045
FTE – Personal Services	0.8 FTE	0.5 FTE
<b>CDLE Subtotal</b>	<b>\$264,743</b>	<b>\$259,045</b>
<b>University of Colorado</b>		
Review of treatment and recovery services	\$500,000	-
<b>UC Subtotal</b>	<b>\$500,000</b>	<b>-</b>
<b>Legislative Department</b>		
Personal Services	-	\$33,573
Committee Reimbursement	-	\$13,784
Centrally Appropriated Costs*	-	\$8,359
FTE – Personal Services	-	0.5 FTE
<b>Legislative Subtotal</b>	<b>-</b>	<b>\$55,716</b>
<b>Total Cost</b>	<b>\$7,613,187</b>	<b>\$9,883,005</b>
<b>Total FTE</b>	<b>4.2 FTE</b>	<b>4.9 FTE</b>

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

**Department of Local Affairs.** Starting in FY 2021-22, this bill increases expenditures in the DOLA by \$4 million to expand supportive housing programs. In addition, the DOLA requires 0.6 FTE to provide technical assistance, training, and administrative oversight.

**Department of Human Services.** The DHS will have costs of \$2.8 million and 2.9 FTE in FY 2020-21 and \$5.5 million and 3.3 FTE in FY 2021-22. All other workload impacts created by the bill can be accomplished within existing resources.

- *Individual placement and support program.* Each Individual Placement Service contracted program costs \$166,597. The fiscal note assumes that the included appropriation of \$2 million in the bill will result in approximately 11 new programs. Beginning in FY 2020-21, the DHS requires 1.5 FTE to provide technical assistance, training, and administrative oversight for the additional programs. DHS also requires \$780 for travel. It is assumed that staff will be hired in August 2020, the programs will begin operating on January 1, 2021. First-year costs have been prorated to reflect these start dates and the General Fund pay date shift.
- *Recovery services grant program.* The average cost of recovery based contracts in the DHS is \$300,000. The fiscal note assumes that the included appropriation of \$3.5 million in the bill will result in approximately 11 new programs. Beginning in FY 2020-21, the DHS requires 1.5 FTE to provide technical assistance, training, and administrative oversight for these additional programs. DHS also requires \$780 for travel. It is assumed that staff will be hired in August 2020, the programs will begin operating on January 1, 2021. First-year costs have been prorated to reflect these start dates and the General Fund pay date shift.

**Department of Labor and Employment.** Starting in FY 2021-22, this bill increases expenditures in the CDLE by \$250,000 to provide individuals with peer coaching and peer specialist training. This new program requires 0.8 FTE in FY 2021-22 and 0.5 FTE in FY 2022-23 and future years for a program manager who will oversee contracts, develop peer coaching and peer specialist training, and assist in training activities.

**University of Colorado.** In FY 2020-21 only, this bill appropriates \$500,000 to the center at the University of Colorado to conduct a comprehensive review of Colorado's substance use disorder treatment and recovery services to inform a state plan.

**Legislative Department.** The standard costs for Legislative Council Staff and the Office of Legislative Legal Services to staff an interim committee includes 0.3 FTE of a researcher, 0.1 FTE of an attorney, and 0.1 FTE of a legislative editor. Reimbursement for committee members assumes six meetings with costs of \$110.73 for per diem and \$119.00 for travel for six members, resulting in costs of \$13,784. These costs will be incurred in FY 2021-22 and FY 2023-24.

**Child abuse proceedings (DHS and Judicial Department).** By changing the definition of child abuse and neglect in regards to substance exposed newborns, the bill increases workload in the DHS, as well as the trial courts and other agencies within the Judicial Department. Specifically, the DHS will be required to update its rules and training materials for county caseworkers to reflect this change. For the Judicial Department, the bill may increase reports of child abuse and neglect to county departments of human services, which could ultimately increase the number of dependency and neglect cases heard by the courts. In addition, any increase in dependency and neglect caseload will lead to increased workload and potentially costs in the Office of the Child's Representative and the Office of Respondent Parent's Counsel for providing legal representation to children and indigent parents, respectively. At this time, the exact impact on dependency and neglect caseload cannot be estimated. It is assumed that any increases will be minimal and that the required work can be accomplished within existing appropriations to the Judicial Department.

- *Legal services.* The DHS requires \$74,620 and 0.4 FTE in FY 2020-21 and \$63,960 and 0.3 FTE in FY 2021-22 for legal services related to the modification of definition of child abuse, neglect, and dependency. DHS will require approximately 700 hours of legal service in FY 2020-21 and 600 hours in FY 2021-22 and future years to accommodate an increase in the number of appeals of findings of abuse and neglect.

**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 estimated to be \$65,754 in FY 2020-21 and \$77,115 in FY 2021-22.

## Local Government

This bill impacts local government revenue and expenditures in two ways. First, to the extent that any local government agencies or health facilities receive grants under any of the various programs created by or receiving funding under the bill, revenue and corresponding expenditures and workload will increase. Second, child welfare caseworkers may require additional training on the bill's changes to the definition of child abuse and neglect. This change may also result in additional reports of child abuse and neglect, which will increase staff time required to assess, investigate, and provide services in child welfare cases and to participate in any court proceeding associated with these cases.

## Technical Note

As described in the state expenditures section, the fiscal note assumes a January 2021 implementation date for the Individual Placement Services Program and the Recovery Services Grant Program in the first year. The included appropriations in the bill do not reflect this timeline and thus the required appropriations for FY 2020-21 in the fiscal note are less than the included appropriations.

## Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

## State Appropriations

For FY 2020-21, the bill requires the following appropriations totaling \$7,613,187:

- \$4,000,000 from the Marijuana Tax Cash Fund to the Department of Local Affairs;
- \$2,797,433 to the Department of Human Services and an allocation of 2.9 FTE. Of this amount, \$74,620 will be reappropriated along with an allocation of 0.4 FTE to the Department of Law. (As described in the Technical Note section, this appropriation is less than the \$5.5 million appropriation currently included in the bill because the fiscal note assumes a January 2021 implementation date for the Individual Placement Services Program and the Recovery Services Grant Program in the first year. Starting in the second year, the fiscal note estimate includes the \$2 million and \$3.5 million amounts to reflect the program's intended costs when fully implemented.)

- \$250,000 from the General Fund to the Department of Labor and Employment; and
- \$500,000 from the General Fund to the Department of Higher Education to be reappropriated to the University of Colorado.

For the programs in the DHS, the bill currently includes the following:

- \$2,000,000 from the General Fund for the Individual Placement and Support Program;
- \$3,500,000 from the General Fund for the Recovery Support Services Grant Program;

**State and Local Government Contacts**

Counties  
Information Technology  
Law  
Local Affairs

Higher Education  
Judicial  
Legislative Council Staff  
Public Health And Environment

Human Services  
Labor  
Legislative Legal Services

