



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

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# Fiscal Note

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**Drafting Number:** LLS 21-0644 **Date:** April 05, 2021  
**Prime Sponsors:** Sen. Kolker; Simpson **Bill Status:** Senate HHS  
Rep. Cutter; Soper **Fiscal Analyst:** Aaron Carpenter | 303-866-4918  
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**Bill Topic:** **988 SUICIDE PREVENTION LIFELINE NETWORK**

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**Summary of Fiscal Impact:**

<input checked="" 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 type="checkbox"/> Statutory Public Entity

The bill replaces the Colorado Crisis Service hotline with the 988 suicide prevention lifeline. The bill increases state revenue and expenditures on an ongoing basis.

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**Appropriation Summary:** For FY 2021-22, the bill requires appropriations of \$8.5 million to multiple state agencies.

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**Fiscal Note Status:** This fiscal note reflects the introduced bill.

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**Table 1**  
**State Fiscal Impacts Under SB 21-154**

		<b>Budget Year FY 2021-22</b>	<b>Out Year FY 2022-23</b>
<b>Revenue</b>	Cash Funds	\$ 8,553,330	\$10,732,920
	<b>Total Revenue</b>	<b>\$ 8,553,330</b>	<b>\$10,732,920</b>
<b>Expenditures</b>	General Fund	\$74,566	-
	Cash Funds	\$8,446,917	\$7,965,897
	Centrally Appropriated	\$25,743	\$32,990
	<b>Total Expenditures</b>	<b>\$8,547,226</b>	<b>\$7,998,887</b>
	<b>Total FTE</b>	<b>1.3 FTE</b>	<b>2.0 FTE</b>
<b>Transfers</b>		-	-
<b>TABOR Refund</b>		-	-

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## **Summary of Legislation**

The bill replaces the current crisis response hotline in the Office of Behavioral Health (OBH) with the 988 crisis hotline. By July 1, 2022, the OBH must contract with a nonprofit to create the 988 crisis hotline center to provide intervention services and crisis care coordination. The nonprofit must:

- have an active agreement with the national 988 hotline;
- meet national suicide lifeline requirement guidelines;
- deploy mobile response units and co-responder programs; and
- coordinate access to walk-in centers; and provide follow up services.

The OBH must also collaborate with the National Suicide Prevention Lifeline and Veterans Crisis Line for consistent public messaging. Finally, the OBH must report on implementation of the hotline and beginning January 1, 2023, as well as usage and expenditures from cash fund.

The bill creates the 988 Surcharge Cash Fund. The fund will contain money from a surcharges imposed on phone service users and a charge on prepaid wireless phones. The 988 phone service surcharge must be set by the Public Utilities Commissions by October 1, 2021, and cannot exceed \$0.50 per month. The surcharge takes effect January 1, 2022. The bill sets the charge on prepaid wireless phones at 1.4 percent of the transaction of purchasing prepaid wireless service until December 31, 2021, and then a rate established by PUC after January 1, 2022.

## **Background**

On July 16, 2020, the Federal Communications Commission adopted rules to establish a three-digit phone number (988) for Americans in crisis to connect with suicide prevention and mental health resources. The rules require phone service providers by July 16, 2022, to direct 988 calls to the existing National Suicide Prevention Lifeline (1-800-273-8255).

Colorado currently operates the Colorado Crisis Services Hotline (1-844-493-8255), which is a 24-hour crisis telephone line. While distinct from the National Suicide Prevention Lifeline, the OBH does provide resources to respond to cases reported to the National Suicide Prevention Lifeline. In addition, both the National Suicide Prevention Lifeline and Colorado Crisis Services are answered by the same call center. Currently, the OHB has a budget of \$5.3 million from both General Fund and federal funds for these calls.

## **Assumptions**

The fiscal note assumes that creation of a three-digit number will increase the number of calls to the lifeline, which will be state-funded. Specifically, based on methodology provided by the federal 988 vendor, the 988 number will increase calls by 107 percent in FY 2022-23, for a total of 502,933 calls.

**State Revenue**

The bill will increase state cash fund revenue by \$8.6 million in FY 2021-22 and \$10.8 million in FY 2022-23, from the surcharge imposed on phone service users and the charge on prepaid wireless phones. This revenue is subject to TABOR.

**Fee impact on 988 Surcharge and Prepaid Wireless Phone Charge.** Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. These fee amounts are estimates only, actual fees will be set administratively by the PUC based on cash fund balance, estimated program costs, and the estimated number of phones subject to the fee. It should be noted that the fee can only be changed on January 1. The table below identifies the fee impact of this bill.

**Table 2  
Fee Impact on SB 21-154**

<b>Fiscal Year</b>	<b>Type of Fee</b>	<b>Proposed Fee</b>	<b>Number Affected</b>	<b>Months</b>	<b>Total Fee Impact</b>
<b>FY 2021-22</b>	988 Surcharge	\$0.15	5.8 million	6	\$5, 220,000
	988 Prepaid Wireless Charge (October-December, 2021)	\$0.56	712,250	3	\$1,196,580
	988 Prepaid Wireless Charge (January-June, 2022)	\$0.50	712,250	6	\$2,136,750
<b>FY 2021-22 Total</b>					<b>\$8,553,330</b>
<b>FY 2022-23</b>	988 Surcharge (July-December, 2022)	\$0.15	5.8 million	6	\$5,220,000
	988 Prepaid Wireless Charge (July- December 2022)	\$0.50	712,250	6	\$2,136,750
	988 Surcharge (January-June 2023)	\$0.07	5.8 million	6	\$2,436,000
	988 Prepaid Wireless Charge (January-June 2023)	\$0.22	712,250	6	\$940,170
<b>FY 2022-23 Total</b>					<b>\$10,732,920</b>

**988 Surcharge.** Beginning January 1, 2022, the bill will increase revenue to the 988 Surcharge Cash Fund. The fiscal note assumes that the surcharge will apply to around 5.8 million telephone users per month. The fee in the second half of FY 2022-23 is put at a level to remain constant and to cover remaining costs of FY 2022-23 and FY 2023-24.

**Prepaid Wireless Phone Charge.** Starting in FY 2021-22, the bill will increase 988 Surcharge Cash Fund revenue from the prepaid wireless charge. The fiscal note assumes that the charge will be imposed beginning October 1, 2021, on 712,250 transactions a month, and that the average transaction for a prepaid wireless phone is \$40, resulting in a \$0.56 fee per transaction. The note then estimates the fee will decrease for the next year, when set by the PUC. The fee in the second half of FY 2022-23 is shown in the table to remain constant and cover the remaining costs of FY 2022-23 and FY 2023-24.

**State Expenditures**

The bill will increase expenditures by \$8.5 million in FY 2021-22 and \$8.0 million in FY 2022-23, from the General Fund and 988 Surcharge Cash Fund as shown in Table 3 and described below.

**Table 3  
 Expenditures Under SB 21-154**

<b>Cost Components</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>
<b>Office of Behavioral Health</b>		
Personal Services	\$107,674	\$143,567
Operating Expenses	\$2,160	\$2,700
Capital Outlay Costs	\$12,400	-
988 Contract	\$8,024,683	\$7,818,030
Update Public Awareness Materials	\$300,000	-
Centrally Appropriated Costs <sup>1</sup>	\$25,743	\$32,990
FTE – Personal Services	1.3 FTE	2.0 FTE
<b>OBH Subtotal</b>	<b>\$8,472,660</b>	<b>\$7,997,287</b>
<b>Department of Revenue</b>		
Computer Programming	\$45,000	-
Contractor	\$27,600	\$1,600
Forms Update	\$1,966	-
<b>DOR Subtotal</b>	<b>\$74,566</b>	<b>\$1,600</b>
<b>Total</b>	<b>\$8,547,226</b>	<b>\$7,998,887</b>
<b>Total FTE</b>	<b>1.3 FTE</b>	<b>2.0 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Staffing costs.** The bill will require 2.0 FTE to manage and oversee the program and the increase in calls, to collect and report data, and to coordinate public messaging with the national 988 hotline and Veterans Crisis Hotline. Costs for each FTE are shown in Table 3 and include Personal Services costs, operating expenses, and capital outlay costs. Costs in FY 2021-22 are prorated for an October 1, 2021, start date.

**988 hotline.** The bill will increase cash fund expenditures by \$8.0 million in FY 2021-22 and \$7.8 million FY 2022-23 to contract with a nonprofit to run the 988 hotline. In addition, the fiscal note assumes an increased staffing ratio is required in order to meet the required mandates of the national 988 vendor. For the increase in costs, the fiscal note subtracts the current Colorado Crisis Services contract of \$5.3 million per year from the estimated total cost.

**Updating public awareness campaign.** In FY 2021-22 only, costs will increase by \$300,000 to update current Colorado Crisis Services public awareness campaign materials with the new 988 program.

**Gen Tax programing and testing.** To collect the prepaid wireless charge the DOR will program, test, and update database fields in the GenTax software system. Programming costs are estimated at 200 hours of contract programming at a rate of \$225 per hour. Costs for testing at the department are estimated at 566 hours of Tax Audit and Compliance contract testing at a rate of \$35 per hour and 204 hours of User Acceptance Testing at \$25.20 per hour. Expenditures in the Office of Research and Analysis are required for changes in the related GenTax reports so that the department can access and document tax statistics related to the new tax policy. These costs are estimated at 50 hours for data management and reporting at \$32 per hour. Costs in FY 2021-22 require funding from the General Fund as these changes must be implemented before the prepaid wireless phone charge can be collected. Costs in future years will be paid from the 988 Surcharge Cash Fund.

**Tax form updates.** In FY 2021-22 only, the bill will require a one-time update in forms for the new 988 prepaid wireless phone charge, estimated at \$1,966. This amount will be reappropriated from the DOR to the Department of Personnel and Administration.

**Public Utilities Commission.** Starting in FY 2021-22, workload in the PUC will increase to set the 988 Surcharge and the Prepaid Wireless phone charge. The fiscal note assumes this workload can be accomplished within existing 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 estimated to be \$25,743 in FY 2021-22 and \$32,990 in FY 2022-23.

**TABOR refunds.** The bill increases state revenue subject to TABOR. For FY 2022-23, the March 2021 LCS forecast projects revenue to fall short of the TABOR limit by \$28.6 million, or 0.2 percent of the limit. If actual revenue exceeds the limit, the bill will increase the amount required to be refunded to taxpayers from the General Fund in FY 2023-24.

## **Local Government**

To the extent the bill allows individuals to seek mental health care at the local level, costs and workload to those local systems will increase. In addition, expenditures to local law enforcement and other first responder personnel will decrease if individuals call 988 instead of 911 for a mental health crisis.

## **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 2021-22, the bill requires the following appropriations:

- \$8,446,917 and 1.3 FTE from the 988 Surcharge Cash Fund to the Department of Human Services; and
- \$74,566 from the General Fund to the Department of Revenue, of which \$1,966 is reappropriated to the Department of Personnel and Administration.

## **State and Local Government Contacts**

Human Services  
Regulatory Agencies

Information Technology  
Revenue

Personnel