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Final Fiscal Note

Drafting Number: LLS 24-0328 Date: June 11, 2024
Prime Sponsors: Rep. Lynch Bill Status: Postponed Indefinitely
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Bill Topic: SUBSTANCE USE DISORDER TREATMENT AS BOND CONDITION

Summary of Fiscal Impact:
State Revenue [ ] State Transfer [ ] Local Government [x]
State Expenditure [x] TABOR Refund [ ] Statutory Public Entity [ ]

The bill would have allowed the court to order a person to participate in a medically guided treatment plan for a substance use disorder as a condition of bond. Starting in FY 2024-25, the bill would have increased state and local expenditures.

Appropriation Summary: For FY 2024-25, the bill would have required an appropriation of \$971,189 to the Judicial Department.

Fiscal Note Status: The final fiscal note reflects the introduced bill. This bill was postponed indefinitely by the House Judiciary committee on February 27, 2024; therefore, the impacts identified in this analysis do not take effect.

Table 1
State Fiscal Impacts Under HB 24-1126

Table with 4 columns: Category, Budget Year FY 2024-25, Out Year FY 2025-26. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (General Fund Reserve).

## Summary of Legislation

The bill allows the court to order an offender to participate in a medically guided treatment plan for a substance use disorder as a condition of bond, if:

- the plan is recommended by a substance use doctor; and
- the treatment provider and the offender have determined how the cost of compliance with the plan will be accomplished.

If the court orders participation in a treatment plan, the court and treatment provider must determine the process for the provider to report on the offender's compliance. The plan may include substance use monitoring at the provider's recommendation or if required by state law. If an offender fails to comply with the plan, the court may issue a warrant to bring the defendant before the court.

## Assumptions

According to Judicial Department data, there are about 186,000 criminal cases filed annually. It is unknown how many of these cases involved defendants with a substance use disorder, and it is unknown how many evaluations will be ordered by a judge. However, the fiscal note assumes that at least 10 percent of cases will include an order of an evaluation and a treatment plan and that those cases will include at least 1 hearing at 15 minutes for an evaluation and development of a treatment plan. Finally, the fiscal note assumes that evaluations and treatment will be paid by the defendant, not the state, and that treatment will occur on an outpatient basis.

## State Expenditures

The bill increases General Fund expenditures in the Judicial Department by about \$1.1 million in FY 2024-25, and \$913,000 in FY 2025-26. Expenditures are shown in Table 2 and discussed below.

**Table 2**  
**Expenditures Under HB 24-1126**

	FY 2024-25	FY 2025-26
<b>Judicial Department</b>		
Personal Services	\$744,435	\$744,435
Operating Expenses	\$15,994	\$15,994
Capital Outlay Costs	\$210,760	\$2,400
Centrally Appropriated Costs <sup>1</sup>	\$150,493	\$150,493
<b>Total Cost</b>	<b>\$1,121,682</b>	<b>\$913,322</b>
<b>Total FTE</b>	<b>6.6 FTE</b>	<b>6.6 FTE</b>

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

**Judicial Department.** Based on the assumptions outlined above, the Judicial Department requires 2.2 FTE county-level magistrates. Per Judicial Department common policies, county-level magistrates require support staff at a 2:1 ratio, resulting in a need for an additional 4.4 FTE. Magistrates also require additional operating expenses (\$4,420 per FTE per year) for robes, a law library, and travel, and additional capital outlay (\$77,609 per FTE in FY 2024-25 only) for a courtroom, audio-visual equipment, and a conference room. Costs assume a July 1, 2024, start date.

**Potential future costs.** These costs assume the low range of increased caseload. Reports show that 40 to 60 percent of cases may involve an opportunity for substance use disorder treatment.<sup>1</sup> Under the bill, judges have discretion of ordering treatment as a condition of bond. If additional resources are necessary, these will be requested through the annual 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.

## Local Government

Similar to the state, to the extent there are additional hearings, workload to district attorney offices will increase to attend additional hearings. District attorney offices are funded by counties.

## Effective Date

The bill takes effect July 1, 2024.

## State Appropriations

For FY 2024-25, the bill requires a General Fund appropriation of \$971,189 to the Judicial Department, and 6.6 FTE.

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<sup>1</sup> The Prevalence of Substance Use Disorders among Community-based Adults with Legal Problems in the U.S. Retrieved from: [https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7500665/#:~:text=Among%20adults%20with%20current%20general,CI%20%3D%202.8%3B%204.4\).](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7500665/#:~:text=Among%20adults%20with%20current%20general,CI%20%3D%202.8%3B%204.4).)

**State and Local Government Contacts**

Behavioral Health Administration  
Judicial

District Attorneys

Human 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 the [General Assembly website](#).