



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number: LLS 22-0144 **Date:** May 23, 2022
Prime Sponsors: Rep. Benavidez; Amabile **Bill Status:** Deemed Postponed Indefinitely
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Bill Topic: **EMERGENCY MENTAL HEALTH TREATMENT AND EVAL STANDARD**

Summary of Fiscal Impact:

<input 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

This bill would have changed the standard for an emergency 72-hour mental health hold. It would have increased state expenditures and local workload on an ongoing basis.

Appropriation Summary: For FY 2022-23, the bill would have required an appropriation of \$160,936 to the Department of Human Services.

Fiscal Note Status: The fiscal note reflects the introduced bill, which was recommended by the Legislative Oversight Committee Concerning the Treatment of Persons with Mental Health Disorders in the Criminal and Juvenile Justice Systems. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Table 1
State Fiscal Impacts Under HB 22-1065

		Budget Year FY 2022-23	Out Year FY 2023-24
Revenue		-	-
Expenditures	General Fund	\$160,936	\$152,551
	Centrally Appropriated	\$16,591	\$18,280
	Total Expenditures	\$177,527	\$170,831
	Total FTE	1.3 FTE	1.3 FTE
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$24,140	\$22,883

Summary of Legislation

This bill changes the standard for an emergency 72-hour mental health commitment for treatment and evaluation (mental health hold) to include when a person appears to have a mental health disorder or be gravely disabled, and if a person appears to present a substantial risk of harm to self or others. It also defines “substantial risk.”

Assumptions

In calendar year 2019, 49,754 mental health holds were placed in Colorado. This fiscal note assumes that by lowering the threshold for placing mental health holds, this bill may increase the number of holds placed.

State Expenditures

The bill increases state expenditures in the Department of Human Services by \$177,527 in FY 2022-23 and \$170,831 in FY 2023-24 from the General Fund. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under HB 22-1065

	FY 2022-23	FY 2023-24
Department of Human Services		
Personal Services	\$84,387	\$92,059
Operating Expenses	\$1,350	\$1,350
Capital Outlay Costs	\$6,200	\$0
Legal Services	\$68,999	\$59,142
Centrally Appropriated Costs ¹	\$16,591	\$18,280
FTE – Personal Services	0.9 FTE	1.0 FTE
FTE – Legal Services	0.4 FTE	0.3 FTE
Total Cost	\$177,527	\$170,831
Total FTE	1.3 FTE	1.3 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Department of Human Services. The Office of Behavioral Health requires 1.0 FTE program manager to interpret and promulgate rules, update health and legal forms, and provide statewide training and support to ensure accurate use of 72-hour mental health holds based on the new criteria. Training and technical assistance on the new criteria will be provided to all professionals allowed to place mental health holds, including medical professionals, peace officers, and courts.

- **Legal services.** DHS will require legal services to review the new criteria, modify legal forms, and for ongoing litigation expenses. This work will require 700 legal services hours in FY 2022-23 and 600 hours in future years, at the blended hourly rate of \$98.57.

Judicial Department. To the extent that changing the standard for an emergency 72-hour mental hold increases mental health case filings, workload for the judicial agencies may increase. Any increase in workload is expected to be minimal and require no change in appropriations.

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 beginning in FY 2022-23. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by \$24,140 in FY 2022-23 and \$22,883 in FY 2023-24, which will decrease the amount of General Fund available for other purposes.

Local Government

To the extent that this bill increases the number of individuals placed in a mental health hold, workload will increase for local agencies to provide services and treatment.

Effective Date

The bill was deemed postponed indefinitely by the House Appropriations Committee on May 12, 2022.

State Appropriations

For FY 2022-23, this bill requires a General Fund appropriation of \$160,936 and 0.9 FTE to the Department of Human Services. Of this amount, \$68,999 is reappropriated to the Department of Law, and 0.4 FTE.

State and Local Government Contacts

Human Services

Judicial

Public Safety