



Legislative Council Staff

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Fiscal Note

Drafting Number: LLS 22-0802 **Date:** March 16, 2022
Prime Sponsors: Rep. Gonzales-Gutierrez **Bill Status:** House HHS
 Sen. Winter; Rankin **Fiscal Analyst:** Erin Reynolds | 303-866-4146
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Bill Topic: **BEHAVIORAL HEALTH-CARE CONTINUUM GAP GRANT PROGRAM**

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

The bill creates a grant program in the Behavioral Health Administration to be awarded to nonprofits, community-based organizations, and local governments for community investment grants and children, youth, and family services grants. It will increase state expenditures through FY 2026-27.

Appropriation Summary: For FY 2022-23, the bill requires an appropriation of \$90.0 million to the Department of Human Services.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB 22-1281¹

		Budget Year FY 2022-23	Out Year FY 2023-24
Revenue		-	-
Expenditures	Cash Funds ²	\$90,000,000	-
	Centrally Appropriated	\$83,835	\$76,171
	Total Expenditures	\$90,083,835	\$76,171
	Total FTE	5.0 FTE	4.5 FTE
Transfers		-	-
Other Budget Impacts		-	-

¹ FY 2022-23 funding will be spent over four fiscal years, as detailed in Table 2 in the State Expenditures section.

² Money in the Behavioral and Mental Health Cash Fund comes from federal ARPA funds.

Summary of Legislation

The bill creates the Community Behavioral Health-Care Continuum Gap Grant Program to be administered by the Behavioral Health Administration (BHA) and appropriates \$90.0 million from the Behavioral and Mental Health Cash Fund to the grant program. Of the money appropriated, the BHA must award \$45.0 million for community investment grants and \$45.0 million for children, youth, and family services grants. Grants may be awarded to nonprofit and community-based organizations as well as local governments that identify a source of contributing funds or non-financial contributions. The BHA must begin accepting grants applications no later than December 31, 2022.

The BHA must develop a behavioral health-care services assessment tool that grant applicants can use to identify regional gaps in services on the behavioral health-care service continuum. In awarding grants, the BHA must give preference to applicants providing a service that addresses a gap in services identified with the assessment tool.

Grant recipients are required to spend or obligate grant funding by December 31, 2024, and spend all funding by December 31, 2026. Grant recipients may use no more than 10 percent of grant funding for administrative costs. Each grant recipient must report to the BHA information about the use of the grant award. The Department of Human Services (DHS) must report on the grant program during its SMART Act hearing. The bill is repealed January 31, 2027.

Background

The Behavioral Health Transformational Task Force recommended that the General Assembly address gaps in the continuum of care through grants to local governments and community-based organizations using federal American Rescue Plan Act (ARPA) funds.

State Expenditures

The bill increases state expenditures in the Department of Human Services by \$90.0 million over four and a half fiscal years, from FY 2022-23 through FY 2026-27. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under HB 22-1281¹

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Department of Human Services				
Personal Services	\$376,151	\$346,535	\$316,920	\$316,920
Operating Expenses	\$6,750	\$6,075	\$5,400	\$5,400
Capital Outlay Costs	\$31,000	-	-	-
Community Investment Grants	\$5,536,803	\$16,610,409	\$11,073,606	\$11,073,606
Children, Youth, Family Services Grants	\$5,536,803	\$16,610,409	\$11,073,606	\$11,073,606
Centrally Appropriated Costs ²	\$83,835	\$76,171	\$68,507	\$68,507
Total	\$11,571,342	\$33,649,599	\$22,538,039	\$22,538,039
Total FTE	5.0 FTE	4.5 FTE	4.0 FTE	4.0 FTE

¹ Expenditures may continue through mid-FY 2026-27 within the resources shown in Table 2.

² Centrally appropriated costs are not included in the bill's appropriation.

Department of Human Services. Over four fiscal years, the DHS requires 1.0 FTE Contract Administrator, 2.0 FTE Program Management, and 1.0 Data Manager to oversee grant award selection, contracts, and compliance; oversee contracts in each grant program; and provide reporting. In addition, the DHS requires 18 months of a Grants Specialist to support applicants with writing and budgeting in FY 2022-23 and FY 2023-24. Overall, costs for the DHS represent 2 percent of grant funding.

- **Grants.** Grant amounts assume grants will be awarded in equal amounts over four fiscal years, except that first-year funding will rollover into FY 2023-24. The actual timing of issuing grants may differ depending on applications received and BHA funding decisions.

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.

Local Government

Local governments that apply for and receive grants will have a corresponding increase in revenue and expenditures.

Effective Date

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

State Appropriations

For FY 2022-23, the bill requires an appropriation of \$90,000,000 from the Behavioral and Mental Health Cash Fund to the Department of Human Services, and 5.0 FTE. Funding will roll-forward through FY 2026-27.

State and Local Government Contacts

Human Services

Information Technology