



**Legislative Council Staff**

*Nonpartisan Services for Colorado's Legislature*

**Revised Fiscal Note**

(replaces fiscal note dated January 22, 2024)

<b>Drafting Number:</b>	LLS 24-0337	<b>Date:</b>	March 19, 2024
<b>Prime Sponsors:</b>	Sen. Michaelson Jenet; Cutter Rep. Brown; Rutinel	<b>Bill Status:</b>	House Health & Human Services
		<b>Fiscal Analyst:</b>	Kristine McLaughlin   303-866-4776 kristine.mclaughlin@coleg.gov

**Bill Topic:** **CONTINUE YOUTH MENTAL HEALTH SERVICES PROGRAM**

<b>Summary of Fiscal Impact:</b>	<input type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input type="checkbox"/> Statutory Public Entity

The bill continues the I Matter program and makes changes to vendor procurement and reporting requirements for the program. The bill increases state expenditures on an ongoing basis.

**Appropriation Summary:** For FY 2024-25, the fiscal note estimates the bill requires an appropriation of \$11.1 million to the Behavioral Health Administration. The bill includes an appropriation of \$6 million.

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

**Table 1  
State Fiscal Impacts Under SB 24-001**

		<b>Budget Year FY 2024-25</b>	<b>Out Year FY 2025-26</b>
<b>Revenue</b>		-	-
<b>Expenditures</b>	General Fund	\$11,074,762	\$11,074,762
	Centrally Appropriated	\$18,536	\$18,536
	<b>Total Expenditures</b>	<b>\$11,093,298</b>	<b>\$11,093,298</b>
	<b>Total FTE</b>	<b>1.0 FTE</b>	<b>1.0 FTE</b>
<b>Transfers</b>		-	-
<b>Other Budget Impacts</b>	General Fund Reserve	\$1,661,214	\$1,661,214

## **Summary of Legislation**

The temporary behavioral health services program (I Matter) program in the Behavioral Health Administration (BHA) is scheduled to repeal on June 30, 2024. This bill eliminates this repeal date, making it a permanent program. Additionally, the bill places new procurement and data collection requirements on the BHA including:

- making the program subject to the requirements of the state procurement code,
- requiring the vendor to develop a survey for participants and evaluation data, and
- reducing the reporting requirements from twice to once a year.

## **Background**

House Bill 21-1258 established the I Matter to provide up to six free therapy sessions per year for youth in Colorado and reimburse participating licensed therapists. The program is open to youth 18 years of age or younger or 21 years of age or younger if receiving special education services. HB 22-1243 renewed the program through June 30, 2024. For the current year, the program received an appropriation of \$6 million, of which \$5 million is used to contract with a vendor to provide services and \$1 million is spent on administration and marketing. The BHA currently has 1.0 FTE for the program.

[House Bill 23-1003](#) established a mental health screening program under the BHA available to public schools serving grades 6 through 12. Screenings will start in FY 2024-25, at which point referrals to the I Matter program are expected to increase, if the I Matter program is extended. Thus, this fiscal note reflects the costs of continuing the I Matter program, including the expected costs from the increase in referrals and utilization of then program under HB 23-1003.

## **Assumptions**

Under the screening program created by HB 23-1003, it is assumed that 93,933 children and youth will receive a mental health screening, based on the following assumptions:

- 25 percent of schools will participate in the screenings, based on participation in the 2021 Healthy Kids Colorado Survey; and
- about 37 percent of students will participate based on opt-out rates from a 2019 South Carolina mental health screening program.

Of the 93,933 students screened, 13,738 are expected to be referred to and receive services in the I Matter Program, if it is continued, based on the following assumptions:

- about 25 percent of students screened will be referred to the I Matter program if available, based on the 2021 Health Kids Colorado Survey; and
- about 65 percent of that population will enroll.

Assuming an average service cost of \$733 per year for 13,738 children and youth statewide, service cost under the program are estimated to be \$10.1 million after accounting for the expansion of utilization under HB 23-1003. By continuing the I Matter Program, the fiscal note assumes that it is this higher level of spending for services that will continue (rather than the current \$5 million appropriated for services before the screening program has been implemented.) These costs are described in more detail in the State Expenditure section below.

**State Expenditures**

The bill increases state General Fund expenditures by about \$11.1 million in FY 2024-25 and ongoing to continue the I Matter program. These costs, which account for both the continuation of the program and increased utilization following implementation of HB 23-1003, are shown in Table 2 and discussed below.

**Table 2  
 Expenditures Under SB 24-001**

	<b>FY 2024-25</b>	<b>FY 2025-26</b>
<b>Behavioral Health Administration</b>		
Personal Services	\$76,967	\$76,967
Operating Expenses	\$7,950	\$7,950
I Matter Services <sup>1</sup>	\$10,074,762	\$10,074,762
Statewide Marketing	\$915,083	\$915,083
Centrally Appropriated Costs <sup>2</sup>	\$18,536	\$18,536
<b>Total Cost</b>	<b>\$11,093,298</b>	<b>\$11,093,298</b>
<b>Total FTE</b>	<b>1.0 FTE</b>	<b>1.0 FTE</b>

<sup>1</sup> The costs for I Matter services include \$5 million in continuation funding plus an additional \$5.1 million to account for increased utilization if the program is extended.

<sup>2</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Behavioral Health Administration.** It is estimated that \$11.1 million and 1.0 FTE will be needed to continue the program. This amount includes \$6 million in continuation funding, plus \$5.1 million per year to cover the projected increase in referrals to the program resulting from HB 23-1003, as discussed in the Assumption Section above. In addition, workload to the BHA will increase to collect new data requirements. This work can be accomplished using the resources included in this fiscal note estimate.

**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.

## **Effective Date**

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

## **State Appropriations**

For FY 2024-25, the bill includes an appropriation of \$6,000,000 from the General Fund to the Behavioral Health Administration, and 1.0 FTE. This appropriation is based on the BHA estimate in the Departmental Difference section below.

Based on the assumptions outlined above and the anticipated costs in State Expenditures section, the fiscal note estimates that the bill requires an appropriation of \$11,074,762 for FY 2024-25.

## **Departmental Difference**

The Behavioral Health Administration estimates that the bill requires \$6.0 million per year, starting in FY 2024-25. This amount only includes the continuation of current appropriations for the I Matter Program, and does not account for increased utilization arising from implementation of HB 23-1003. The fiscal note estimates that an additional \$5.1 million is required to cover the assumed increase in referrals to the I Matter Program from HB 23-1003.

The BHA assumes that if utilization increases they can reduce the number of therapy sessions to operate within current funding levels. Since they are statutorily required to provide at least three sessions and the current average is four, the fiscal note assumes that this strategy will not sufficiently contain costs in referrals increase and the BHA would likely be required to seek supplemental funding through the budget process.

## **State and Local Government Contacts**

Behavioral Health Administration

Human Services

---

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](#).