

  
*Colorado Legislative Council Staff Fiscal Note*  
**STATE**  
**FISCAL IMPACT**

**Drafting Number:** LLS 07-0582  
**Prime Sponsor(s):** Sen. Morse  
 Rep. Rice

**Date:** February 12, 2007  
**Bill Status:** Senate SVMA  
**Fiscal Analyst:** Amy Larsen (303-866-3488)

**TITLE:** CONCERNING THE CREATION OF A PILOT PROGRAM TO PROVIDE MENTAL HEALTH SERVICES TO FAMILIES OF RECENTLY DISCHARGED VETERANS.

Fiscal Impact Summary	FY 2007-2008	FY 2008-2009
<b>State Revenue</b>	\$ 0	\$ 0
<b>State Expenditures</b>		
Cash Funds Exempt Transfer to the Mental Health Services Pilot Program Fund	(\$ 300,000) 300,000	(\$ 300,000) 300,000
<b>FTE Position Change</b>	0.3 FTE	0.3 FTE
<b>Effective Date:</b> The program is effective upon signature of the Governor. However, provisions related to funding sources of the program are conditional upon passage of SB07-097.		
<b>Appropriation Summary for FY 2007-2008:</b> See State Appropriations section of the fiscal note.		
<b>Local Government Impact:</b> None.		

**Summary of Legislation**

The bill creates the Mental Health Services Pilot Program for Families of Recently Discharged Veterans. The 3-year pilot program is to provide mental health services to families of veterans who would otherwise not be able to receive such services, and is limited to the Colorado Springs area. Participating families pay a monthly fee of up to \$20 to the community mental health center, and the Department of Human Services (DHS) pays for a full range of mental health services.

By December 1, 2009, participating community mental health centers must report certain information to DHS, and DHS must provide a summary report to the General Assembly by February 1, 2010.

The bill also creates the Mental Health Services Pilot Program Fund and allows for funding from gifts, grants, matching funds, and donations for the program. In addition, it amends SB07-097 to specify that up to \$300,000 each year should be transferred from the Short-term Innovative Health Program Grant Fund to the Mental Health Services Pilot Program Fund. Up to 5 percent of the funding can be used for administrative costs of the program. These provisions of the bill are conditional upon passage of SB07-097.

## **State Expenditures**

State expenditures of DHS will increase by \$300,000 and 0.3 FTE in FY 2007-08 and continue through FY 2009-10.

**Administration.** DHS requires \$14,471 and 0.3 FTE each year for program administration including the development of reporting requirements, contract management, and data collection and evaluation. The bill limits administrative costs to 5 percent of program funding or \$15,000. Due to this limit, DHS is not expected to provide oversight related to client fees paid to the community mental health centers, write grant proposals, administer individual grants, or collect data beyond current practice for reports.

**Mental Health Services.** Currently, there is only one community mental health center in the Colorado Springs area. The fiscal note assumes that this center will be the sole contractor for the program, and based on the anticipated funding level of \$300,000, it will serve 93 individuals at an annual average cost of \$3,070 per capita. The center will retain the \$20 monthly payments from participating families for their administrative costs, and DHS will pay a total of \$285,529 each year for mental health services under the program.

**Funding.** As noted in the Summary of Legislation section, the bill identifies \$300,000 in funding from the Short-term Innovative Health Program Grant Fund. This fund is created in SB07-097 as part of a reallocation of tobacco settlement money, and is to be used for innovate health programs, with a duration of up to one year and which are designed to improve the health care of Coloradans. SB07-146 also allows for gifts, grants, and donations, but at this time none are identified. These funding mechanisms are conditional upon passage of SB07-097. If SB07-097 does not become law, the fiscal note assumes that General Fund monies will be used for the Mental Health Services Pilot Program for Families of Recently Discharged Veterans.

## **Expenditures Not Included**

Pursuant to a Joint Budget Committee policy, funding for the items noted below will not be included in fiscal note expenditure estimates. However, indirect costs are calculated for the purpose of identifying the "per applicant" cost of a new or revised fee to reflect the total direct and indirect costs required to support a particular program.

- group health, life and dental insurance
- inflation indices
- amortization equalization disbursements
- supplemental amortization equalization disbursements
- short-term disability
- leased space
- indirect costs

## **State Appropriations**

For FY 2007-08, the fiscal note indicates that the Department of Human Services should receive a cash funds exempt appropriation of \$300,000 and 0.3 FTE from the Mental Health Services Pilot Program Fund.

## **Departments Contacted**

Human Services

Military and Veterans Affairs

Treasury