



Colorado Legislative Council Staff Fiscal Note
STATE
FISCAL IMPACT

Drafting Number: LLS 09-0111
Prime Sponsor(s): Sen. Boyd
Rep. Frangas

Date: January 8, 2009
Bill Status: Senate Health and Human Services
Fiscal Analyst: Bill Zepernick (303-866-4777)

TITLE: CONCERNING THE CREATION OF THE BEHAVIORAL HEALTH COMMISSION FOR THE PURPOSE OF GUIDING THE DEVELOPMENT OF AN INTEGRATED BEHAVIORAL HEALTH SYSTEM IN COLORADO, AND, IN CONNECTION THEREWITH, REQUIRING A POST-ENACTMENT REVIEW OF THE IMPLEMENTATION OF THIS ACT.

Fiscal Impact Summary	FY 2009-2010	FY 2010-2011
State Revenue	\$0	\$0
State Expenditures General Fund	\$587,130	\$736,158
FTE Position Change	5.5 FTE	7.5 FTE
Effective Date: July 1, 2009		
Appropriation Summary for FY 2009-2010: See the State Appropriations section of the fiscal note.		
Local Government Impact: None.		

Summary of Legislation

The bill, referred by the Health Care Task Force, creates the 27-member Behavioral Health Commission within the Department of Human Services for the purpose of guiding the development and implementation of an integrated behavioral health system in Colorado. The commission is allowed to contract out for services, develop and implement demonstration projects, and promulgate rules. The commission is required to perform multiple tasks, including:

- developing financing and budget strategies and multi-year plans,
- increasing collaboration across departments and organizations at the state and local levels,
- developing strategies for meeting the state's behavioral health needs such as workforce capacity and cultural competency of care,
- making legislative recommendations, and
- coordinating with other commissions and organizations.

In 2014, the legislative service agencies of the General Assembly are required to conduct a post-enactment review of the implementation of the bill. The behavioral health commission is scheduled to sunset on July 1, 2019.

State Expenditures

General Fund expenditures will increase by \$587,130 and 5.0 FTE in FY 2009-10 and \$736,158 and 6.5 FTE in FY 2010-11 for the Department of Human Services. The Department of Law will also require 0.5 FTE in FY 2009-10 and 1.0 FTE in FY 2010-11 for legal services. A summary of the bill's costs are shown in Table 1.

Table 1. Expenditures Under SB09-011		
Cost Components	FY 2009-10	FY 2010-11
Personal Services	\$349,264	\$447,822
FTE	5.0	6.5
Operating Expenses and Capital Outlay	\$44,017	\$12,175
Travel, Per Diem, and Expenses	\$81,259	\$95,981
Legal Services	\$67,590	\$135,180
FTE	0.5	1.0
Leased Space	\$45,000	\$45,000
TOTAL	\$587,130	\$736,158

The Behavior Health Commission, established as if transferred by a **Type 1** transfer, has independent rule-making and programmatic decision-making authority. The scope of the commission is broad and would affect the planning and budgeting of multiple state agencies involved in providing behavioral health services. The commission is required to create and implement outcome measures, service standards, strategic plans, financing strategies, and perform other tasks to form an integrated system of behavioral health in the state.

Staff Expenses. To support the work of the commission, it is estimated that the commission will use 5.0 FTE and \$349,264 for personal services in FY 2009-10. The commission will require an executive director, fiscal and policy analysts, a rule drafter, a program assistant for administrative support, and a budget specialist to address cross-system budgeting issues. Indirect support for the council includes staff for contract management and accounting. The fiscal note assumes that management for the commission will be hired in July 2009. Other employees will be hired in phases as the commission members get appointed and it begins its operations in September 2009. The amount spent on personal services is expected to increase in FY 2010-11 to 6.5 FTE and \$447,822 to reflect full-year staffing.

Commission Expenses. The 27-member commission is expected to hold 20 meetings and subcommittee meetings in FY 2009-10. This will increase to 24 meetings in FY 2010-11. Total commission expenses for travel, per diem, and other expenses are estimated to be \$81,259 in FY 2009-10 and \$95,981 in FY 2010-11. Commission members are assumed to come from communities throughout Colorado. All commission members are to be reimbursed for travel expenses. Commission members not employed by the state are also entitled to receive a reasonable per diem and reimbursement for expenses.

Legal Services. The commission has the authority to draft rules. During its first year, it is estimated that 900 hours of legal services from the Department of Law (0.5 FTE) will be required to support the rule-making process. At the standard rate of \$75.10 per hour, this will cost \$67,590 for FY 2009-10. Legal services requires are estimated to increase during FY 2010-11 to 1800 hours (1.0 FTE), for a cost of \$135,180

Leased Space. The commission will require leased space, which will provide both office space for commission staff and public meetings. The annual cost for leased space is estimated to be \$45,000, based on 3,000 square feet at a cost of \$15 per square foot.

Expenditures Not Included

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. The centrally appropriated costs subject to this policy are summarized in Table 2.

Table 2. Expenditures Not Included Under SB09-011*		
Cost Components	FY 2009-10	FY 2010-11
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$50,402	\$65,516
Supplemental Employee Retirement Payments	8,763	13,242
TOTAL	\$59,165	\$78,758

*More information is available at: http://www.state.co.us/gov_dir/leg_dir/lcsstaff/2009/comsched/CommonPolicies2009.pdf

State Appropriations

For FY 2009-10, the fiscal note indicates that the Department of Human Services should receive an appropriation of \$587,130 from the General Fund and 5.0 FTE. The Department of Law requires \$67,590 in reappropriated funds from this amount and 0.5 FTE.

Department Differences

Due to the broad scope of the commission and administrative demands of such a large commission, the Department of Human Services anticipates expenditures of \$730,840 and 7.0 FTE in FY 2009-10 and \$871,048 and 8.8 FTE in FY 2010-11, including staff and reappropriated funds for legal services at the Department of Law. However, this analysis concluded that the commission could be implemented with lower levels of FTE and legal services. Specifically, the fiscal note includes fewer FTE for support staff (accounting and program assistants) than the department estimate and reduces the hours of legal services during the commission's first year. This is based on comparison of accounting and program assistant staff levels at other agencies, the total number of

staff and commissioners served by support staff, and the regularity of commission meetings, which may simplify travel planning and reimbursement processes. Also, this analysis assumes that the need for legal services will be less during the first year of the commission's operations as rule making will likely not begin until a number of public meetings have occurred.

Departments Contacted

Corrections

Governor's Office

Human Services

Law

Public Health and Environment

Education

Health Care Policy Financing

Judicial

Legislature