

State Expenditures

For FY 2013-14, this bill is anticipated to increase state expenditures by \$19.8 million and 0.9 FTE. In FY 2014-15, costs are assumed to be \$25.0 million and 1.0 FTE. All costs are paid with General Fund and are within the DHS. For FY 2013-14, the fiscal note assumes that RFPs will be issued in July 2013, and that contracts will be executed by October 1, 2013. **Costs for the first year, therefore, assume 9 months of expenditures.** Table 1 and the discussion that follows describe the cost components of the bill.

Table 1. Expenditures Under SB13-266		
Cost Components	FY 2013-14	FY 2014-15
Personal Services	\$67,280	\$73,402
FTE	0.9	1.0
Operating Expenses and Capital Outlay	5,653	950
Walk-in Crisis Services	7,553,265	9,404,350
Mobile Crisis Services	5,926,500	7,878,520
Respite and Short-term Residential Services	3,592,655	4,735,414
24-hour Crisis Telephone Line Services	2,046,675	2,298,405
Public Information Campaigns	600,000	600,000
TOTAL	\$19,792,028	\$24,991,041

Personal services. The DHS requires \$73,402 and 1.0 FTE to prepare RFPs, manage the stakeholder committee review process, oversee executed contracts, and prepare information for inclusion in any SMART Act reports. Due to the complexity of the contracts, this position is assumed to be a General Professional V. Salary costs are prorated in the first year to \$67,280 and 0.9 FTE to account for the General Fund paydate shift. Standard operating costs of \$950 per year and first-year capital outlay costs of \$4,703 are included.

Service delivery. Costs for services are based on the model developed and reported in the 2005 Technical Assistance Collaborative, Inc. (TAC) report, adjusted for 2012 caseload and inflation values. Services are assumed to be provided in 5 regions aligned with population centers and the regional care collaborative organizations (RCCOs) under Medicaid. While the calculations below show FTE, it should be noted that these are estimates of staffing patterns based on the TAC report and may fluctuate from location to location or the actual contracts executed. It should also be noted that FTE will not be state employees, but rather employees of the entities that are awarded state contracts.

- *Walk-in crisis services* costs are based on 24.0 FTE in each region. Salary and operating costs are \$9.4 million, prorated to \$7.6 million in FY 2013-14. First year totals include \$100,000 per region for start-up costs.

- *Mobile crisis services* costs are also based on 24.0 FTE in each region. Salary and operating costs are \$7.9 million per year, prorated to \$5.9 million in FY 2013-14. First year totals include \$3,522 per region for start-up costs.
- *Respite and short-term residential services* costs assume 17.0 FTE in each region. Salary and operating costs are \$4.7 million, prorated to \$3.6 million in FY 2013-14. First year totals include \$8,219 per region for start-up costs.
- *Crisis telephone line services* costs are based on the assumption that a hotline will be staffed by 10.0 FTE in each region. Salary and operating costs are \$2.3 million, prorated to \$2.0 million in FY 2013-14. First year totals include \$64,574 per region for start-up costs.

Public information campaigns. Total costs are assumed to be \$600,000 per year and will incorporate print, radio, internet, and video media, as well as a dedicated website.

Savings. It is possible that the addition of the services outlined in SB13-266 may result in decreased use of emergency rooms for behavioral health-related reasons or may allow some persons to remain in the community rather than become institutionalized or incarcerated. To the extent that this occurs, the bill's costs may be partially offset. As of this writing, no estimate on potential cost savings was available. The fiscal note assumes that if costs are reduced for the DHS, the Department of Corrections, or the Medicaid program (administered by the Department of Health Care Policy and Financing), any required reductions in appropriations will be addressed through the annual budget process.

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 SB13-266*		
Cost Components	FY 2013-14	FY 2014-15
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$6,177	\$6,749
Supplemental Employee Retirement Payments	3,786	5,097
TOTAL	\$9,963	\$11,846

*More information is available at: <http://colorado.gov/fiscalnotes>

Local Government Impact

It is possible that the addition of the services outlined in SB13-266 may result in fewer people being sent to county jail for offenses that stem from untreated behavioral health needs. To the extent that this occurs, county jail costs may be partially offset. As of this writing, no estimate on potential cost savings was available. The cost to house an offender in county jails varies from \$45 to \$50 per day in smaller rural jails to \$62 to \$65 per day for larger Denver-metro area jails. For the current fiscal year, the state reimburses county jails at a daily rate of \$50.44 to house state inmates.

State Appropriations

For FY 2013-14, the Department of Human Services requires an appropriation of \$19,792,028 General Fund and an allocation of 0.9 FTE.

Departments Contacted

Health Care Policy and Financing
Joint Budget Committee Staff

Human Services
Law