



Joint Budget Committee

Staff Figure Setting FY 2026-27

**Department of Human Services
Behavioral Health Administration and
Office of Civil and Forensic Mental Health**

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How to Use this Document

The Department Overview contains a table summarizing the staff recommended incremental changes followed by brief explanations of each incremental change. A similar overview table is provided for each division, but the description of incremental changes is not repeated, since it is available under the Department Overview. More details about the incremental changes are provided in the sections following the Department Overview and the division summary tables.

Decision items, both department-requested items and staff-initiated items, are discussed either in the Decision Items Affecting Multiple Divisions or at the beginning of the most relevant division. Within a section, decision items are listed in the requested priority order, if applicable.

Department Overview

The Department of Human Services is responsible for the administration and supervision of all non-medical public assistance and welfare programs in the state. This document includes discussion of two of the Department’s seven Long Bill divisions: the Behavioral Health Administration and the Office of Civil and Forensic Mental Health.

- **Behavioral Health Administration (BHA):** The BHA is responsible for the oversight of the state’s public behavioral health system. Funding primarily supports community-based prevention, treatment, and recovery services for people with mental health and substance use disorders. The BHA is within the Department of Human Services, but is lead by an independent commissioner.
- **Office of Civil and Forensic Mental Health (OCFMH):** OCFMH provides mental health care including pre-trial, inpatient hospitalization, and transitional services. OCFMH operates two state mental health hospitals in Pueblo and the Fort Logan campus in Denver. Patients can be ordered to inpatient treatment at the hospitals by civil or criminal courts.

Summary of Staff Recommendations

Department of Human Services

Item	Total Funds	General Funds	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$2,699,933,511	\$1,335,685,386	\$463,704,148	\$235,357,775	\$665,186,202	5,536.3
Total	\$2,699,933,511	\$1,335,685,386	\$463,704,148	\$235,357,775	\$665,186,202	5,536.3
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$2,699,933,511	\$1,335,685,386	\$463,704,148	\$235,357,775	\$665,186,202	5,536.3
R1 Youth services radios	327,600	327,600	0	0	0	0.0
R2 Autism facility licensing	0	0	0	0	0	0.0
R3/R18/BA5 HSMA funding for SNAP admin	-187,500	-500,000	26,198,485	0	-25,885,985	0.0
R4a MHTLH Medicaid cash fund [1]	-5,165,030	0	0	-5,165,030	0	0.0
R4b Hospital patient revenues [1]	0	-3,520,630	372,250	3,148,380	0	0.0
R4c Increase contracted competency beds [1]	0	0	0	0	0	0.0
R5 TANF state policy changes	0	0	0	0	0	0.0
R6 County Block Grant Support Fund	0	0	0	0	0	0.0
R7 Reduce HCA case management	-531,629	-531,629	0	0	0	0.0
R8 Modify county funding study	0	0	0	0	0	0.0
R9 Reduce department admin	-3,455,758	-2,961,750	-43,916	-22,700	-427,392	0.0
R10 Reduce Reg Center record system	-290,000	0	0	-290,000	0	0.0
R11 Reduce peer support [1]	-649,260	-649,260	0	0	0	0.0
R12 Reduce Tony Grampas	-400,000	-400,000	5,022	-5,022	0	0.0

Item	Total Funds	General Funds	Cash Funds	Reapprop. Funds	Federal Funds	FTE
R13 Reduce collab management	0	-1,400,000	1,400,000	0	0	0.0
R14 Reduce foster parent training	-150,000	-150,000	0	0	0	0.0
R15 Reduce NGRI transition serv [1]	-300,000	-300,000	0	0	0	0.0
R16 Reduce child abuse hotline	-629,000	-629,000	0	0	0	0.0
R17 Reduce Summer EBT	-360,066	-180,033	0	0	-180,033	0.0
BHA R1 Reduce admin [1]	-551,200	-551,200	0	0	0	-4.0
BHA R2 Repeal safety net assist [1]	0	0	0	0	0	0.0
BHA R3 Repeal SUD grant [1]	0	0	0	0	0	0.0
BHA R4 Reduce care coordination [1]	-250,000	-250,000	0	0	0	0.0
Statewide R6 Prior reduction ops [1]	-95,771	-79,490	0	0	-16,281	0.0
BA1 SNAP errors	606,937	0	417,270	0	189,667	6.0
BA2 PITP services [1]	0	0	0	0	0	0.0
BA3 County admin districts	0	0	0	0	0	0.0
BA4 Adoption expenditures	27,206,557	14,605,014	1,077,515	0	11,524,028	0.0
BA6 CBMS modifications	-1,823,210	-1,823,210	0	0	0	0.0
BA7 Staff training cash fund	118,922	0	118,922	0	0	0.0
SI consent decree increase [1]	280,545	280,545	0	0	0	0.0
SI reversion reductions	-171,611	-150,000	0	-21,611	0	0.0
SI adoption cash fund	1,023,217	0	1,023,217	0	0	0.0
SI kinship foster care	0	0	0	0	0	0.0
SI SFSS contingency fund	2,000,000	0	1,000,000	1,000,000	0	0.0
SI RRF transfer to GF	0	0	0	0	0	0.0
SI OCCF refinance of GF	0	-250,000	250,000	0	0	0.0
SI transitional jobs reduction	-1,304,502	-1,304,502	0	0	0	0.0
SI county tax base relief reduction	-1,100,000	-1,100,000	0	0	0	0.0
SI food assistance grant reduction	-500,000	-500,000	0	0	0	0.0
SI diaper distribution reduction	-500,000	-500,000	0	0	0	0.0
SI BHA refinance [1]	0	-1,000,000	1,000,000	0	0	0.0
SI Circle reduction [1]	-150,000	-150,000	0	0	0	0.0
SI High risk families CF repeal [1]	0	0	0	0	0	0.0
Employee compensation common policies	26,726,536	16,190,787	1,333,738	6,570,177	2,631,834	0.0
Operating common policies	-18,908,314	-2,382,803	-1,174,673	-10,604,356	-4,746,482	0.0
Impacts driven by other agencies	1,588,676	1,514,347	108,446	-1,247,156	1,213,039	1.4
Technical adjustments	865,378	865,378	0	0	0	0.0
Prior year actions	-29,388,618	-13,289,430	-1,998,212	-4,145,950	-9,955,026	38.5
Total	\$2,693,816,410	\$1,334,916,120	\$494,792,212	\$224,574,507	\$639,533,571	5,578.2
Changes from FY 2025-26	-\$6,117,101	-\$769,266	\$31,088,064	-\$10,783,268	-\$25,652,631	41.9
Percentage Change	-0.2%	-0.1%	6.7%	-4.6%	-3.9%	0.0
FY 2026-27 Executive Request	\$2,705,065,728	\$1,346,488,956	\$501,708,949	\$222,766,688	\$634,101,135	5,622.7
Staff Rec. Above/-Below Request	-\$11,249,318	-\$11,572,836	-\$6,916,737	\$1,807,819	\$5,432,436	-44.5

[1] Items discussed in this document. Other items were discussed in prior staff briefings. Amounts reflect the staff recommendation for Long Bill appropriations and do not reflect reductions that may occur in separate legislation.

R4a MHTLH Medicaid cash fund [legislation]: Staff recommends elimination of state-operated mental health transitional living homes (MHTLHs).

Year 1: Unknown

The recommendation reflects the elimination of \$5.2 million received from RAEs for state-operated homes. Staff is currently unsure of the fiscal impact of eliminating state-operated homes because the Department indicates that the current appropriation is insufficient to support the current number of state-operated and contracted beds.

The Department requests that the Committee sponsor legislation to create a cash fund to receive Medicaid payments from RAEs for state-operated homes. Staff does not recommend approval of the request due to the TABOR revenue impact of counting Medicaid payments as cash funds.

R4b Hospital patient revenues [legislation]: Staff recommends net-zero adjustments to patient revenues for the state hospitals.

Year 1 and ongoing: \$0, including a decrease of \$3.5 million General Fund offset by an increase of \$0.4 million cash funds and \$3.1 million reappropriated funds.

The Department requests that the Committee sponsor legislation to create a cash fund to receive private insurance, Medicare, and Medicaid payments from RAEs for the state hospitals. Staff does not recommend approval of the request due to the TABOR revenue impact of counting Medicaid payments as cash funds.

R4c Increase competency contract beds: Staff recommends denial of the Department request to increase funding for contracts with private hospitals for inpatient competency restoration beds.

R11 Reduce peer support: Staff recommends approval of the Department request to eliminate a contract for peer services at the state hospitals.

Year 1 and ongoing: -\$649,260 General Fund

R15 Reduce NGRI transition services: Staff recommends approval of the Department request to reduce community transition services for people found Not Guilty by Reason of Insanity (NGRI). Staff further recommends net-zero changes to align line items with recent transfers and reducing OCFMH transfer authority.

Year 1 and ongoing: -\$300,000 General Fund

BHA R1 Reduce admin: Staff recommends approval of the BHA's request to reduce administrative appropriations.

Year 1: -\$551,200 General Fund and 4.0 FTE

Year 2 and ongoing: -\$557,600 General Fund and 4.0 FTE

BHA R2 Repeal safety net assistance [legislation]: Staff recommends approval of the BHA's request to eliminate a safety net assistance contract required by H.B. 24-1045 (SUD Treatment).

Year 1 and ongoing: -\$500,000 General Fund

The reduction would be reflected in separate legislation rather than the Long Bill if approved by the Committee.

BHA R3 Repeal SUD Grant [legislation]: Staff recommends legislation to repeal the Building SUD Treatment Capacity Grant.

Year 1 and ongoing: -\$3,000,000 Marijuana Tax Cash Fund.

The reduction would be reflected in separate legislation rather than the Long Bill if approved by the Committee. The BHA request used MTCF savings from the repeal to offset a General Fund reduction. Staff does not recommend approval of this portion of the request.

BHA R4 Reduce care coordination: Staff recommends approval of the BHA’s request to align appropriations for care coordination with recent expenditures.

Year 1 and ongoing: -\$250,000 General Fund

Statewide R6 Repeal recovery grants [legislation]: Staff recommends approval of the Executive Branch’s request to repeal the Recovery Support Grant program from S.B. 21-137 (Behavioral Health Recovery Act).

Year 1 and ongoing: -\$1,600,000 General Fund

The reduction would be reflected in separate legislation rather than the Long Bill if approved by the Committee. Amounts in the summary table reflect other reductions approved by the Committee in the Division of Child Welfare.

BA2 PITP services [legislation]: Staff recommends denial of the Department’s request to increase state-operated services for people determined to be Permanently Incompetent to Proceed (PITP) for legislation to be considered outside of the budget process.

Staff initiated consent decree increase: Staff recommends a \$0.3 million General Fund inflationary increase for consent decree fines and fees.

Staff initiated BHA admin refinance: Staff recommends a net-zero, one-time refinance of General Fund with cash funds in the administration line item.

Year 1 only: \$0, including a decrease of \$1.0 million General Fund offset by an equal increase of cash funds.

Staff initiated Circle program reduction: Staff recommends an ongoing reduction for the Circle program based on recent expenditures.

Year 1 and ongoing: -\$150,000 General Fund

Staff initiated High Risk Families Cash Fund repeal [legislation]: Staff recommends that the Committee sponsor legislation to repeal the High Risk Families Cash Fund and transfer the fund balance to the General Fund.

Estimated one-time revenue increase: \$22,973 General Fund

Major Differences from The Request

- Requests to repeal programs are reflected as \$0 in the tables throughout this document because reductions are expected to occur in separate legislation rather than the Long Bill if approved by the Committee.
- Staff recommends denial of the R4 request to create two new cash funds for patient revenues due to the TABOR revenue impact. Staff recommends net-zero spending authority adjustments for the state hospitals, including refinancing Medicaid payments from RAEs with General Fund, and eliminating state-operated Mental Health Transitional Living Homes. Several alternative options are discussed in the narrative.
- Staff recommends denial of several General Fund increases, including an increase for SUD treatment in BHA R3, increases for contracted competency beds in R4, and increases for PITP services in BA2.
- Staff recommends net-zero adjustments to line items with historic transfers in OCFMH, and reduced transfer authority provided in a Long Bill footnote.
- Staff recommends an inflationary increase for consent decree fines and fees.

- Staff recommends a reduced appropriation for the youth Psychiatric Residential Treatment Facility (PRTF) on the Fort Logan campus based on current construction status. The adjustment is reflected as the annualization of H.B. 22-1283.
- The staff recommendation includes adjustments for the annualizations of programs that have repealed, including H.B. 22-1326 (Fentanyl) and S.B. 25-238 (Repeal School Screenings).
- Staff recommends repeal of the High Risk Families cash fund.
- Staff recommends consolidating line items in the BHA that support safety net funding through BHASO contracts, and separating administrative funding into multiple new line items in the FY 2026-27 Long Bill.

(5) Behavioral Health Administration

The BHA is responsible for the oversight of the state’s public behavioral health system. Funding primarily supports community-based prevention, treatment, and recovery safety net services for people with mental health and substance use disorders who are uninsured or under-insured. This may include services that are not covered by Medicaid.

The Behavioral Health Administration was established pursuant to H.B. 21-1097 (Establish Behavioral Health Administration) and H.B. 22-1278 (Behavioral Health Administration). The BHA was first reflected in the FY 2022-23 Long Bill. Prior to FY 2022-23, all behavioral health funding in the Department was appropriated to the Office of Behavioral Health. The creation of the BHA separated existing behavioral health programs between the BHA and the Office of Civil and Forensic Mental Health.

Behavioral Health Administration

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$308,938,042	\$149,444,489	\$80,178,479	\$10,123,701	\$69,191,373	167.5
Total FY 2025-26	\$308,938,042	\$149,444,489	\$80,178,479	\$10,123,701	\$69,191,373	167.5
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$308,938,042	\$149,444,489	\$80,178,479	\$10,123,701	\$69,191,373	167.5
BHA R1 Reduce admin	-551,200	-551,200	0	0	0	-4.0
BHA R2 Repeal safety net assist	0	0	0	0	0	0.0
BHA R3 Repeal Building SUD grant	0	0	0	0	0	0.0
BHA R4 Reduce care coordination	-250,000	-250,000	0	0	0	0.0
Statewide R6 Prior reduction options	0	0	0	0	0	0.0
Staff initiated BHA refinance	0	-1,000,000	1,000,000	0	0	0.0
Staff initiated Circle reduction	-150,000	-150,000	0	0	0	0.0
Operating common policies	-446,119	0	-238,124	-7,098	-200,897	0.0
Impacts driven by other agencies	1,180	0	630	18	532	0.0
Prior year actions	-961,593	-347,101	-845,889	24,645	206,752	0.0
Total FY 2026-27	\$306,580,310	\$147,146,188	\$80,095,096	\$10,141,266	\$69,197,760	163.5
Changes from FY 2025-26	-\$2,357,732	-\$2,298,301	-\$83,383	\$17,565	\$6,387	-4.0
Percentage Change	-0.8%	-1.5%	-0.1%	0.2%	0.0%	-2.4%
FY 2026-27 Executive Request						
FY 2026-27 Executive Request	\$301,705,284	\$143,218,199	\$79,148,059	\$10,141,266	\$69,197,760	163.5
Staff Rec. Above/-Below Request	\$4,875,026	\$3,927,989	\$947,037	\$0	\$0	0.0

→ R1 Reduce BHA admin

Request

The request decreases funding for administrative costs that are duplicative of administrative requirements for BHASOs.

- Year 1: -\$551,200 General Fund and 4.0 FTE.
- Year 2 and ongoing: -\$557,600 and 4.0 FTE.

Health/life/safety impact: Low

Recommendation

Staff recommends approval of the request.

Analysis

The request reduces funding associated with 4.0 FTE positions and IT infrastructure costs. The BHA indicates that the positions are duplicative with administrative responsibilities of Behavioral Health Service Organizations (BHASOs). Positions include:

- 1.0 FTE contract administrator
- 2.0 FTE care coordinators
- 1.0 FTE engagement specialist

Contract administration

The BHA subcontracts 95.0 percent of its total budget and manages about 300 purchase orders, contracts, and interagency agreements annually. Each FTE on the contract team executes 125-250 contracting actions per year on average. This reduction will decrease the team from ten positions to nine. The BHA assumes that this position is no longer needed because the BHA will manage 17 fewer complex contracts under the BHASO system.

Care coordination

Care coordination FTE have been added to the BHA from H.B. 22-1278 (BHA) and a FY 2023-24 budget request. The request will reduce care coordination staff from five to three. The JBC Staff recommendation for FY 2023-24 provided a caveat that the staffing needs of the BHA were likely to change if responsibilities shifted to BHASOs in the future. The request indicates that the BHA is shifting a majority of care coordination services to BHASOs.

Additional resources for contracted care coordination services have been added to a separate line item through S.B. 21-137 (Behavioral Health Recovery Act), S.B. 22-177 (Investments in Care Coordination), and H.B. 22-1256 (Modifications to Civil Commitment). Statute requires care coordination responsibilities for comprehensive providers, BHASOs, and the BHA. Care coordination is further addressed in BHA R4.

Engagement specialist

One engagement specialist was added to the BHA from H.B. 22-1278, and an additional three were added by the FY 2023-24 staffing request. This request assumes that there is a reduced need for outreach with implementation of BHASOs, who are responsible for region-specific outreach.

IT Operating

The request also includes a reduction of \$124,886 for operating information technology costs. The request indicates that the reduction can be supported as IT projects move from development to maintenance phases, and some IT responsibilities have moved to BHASOs.

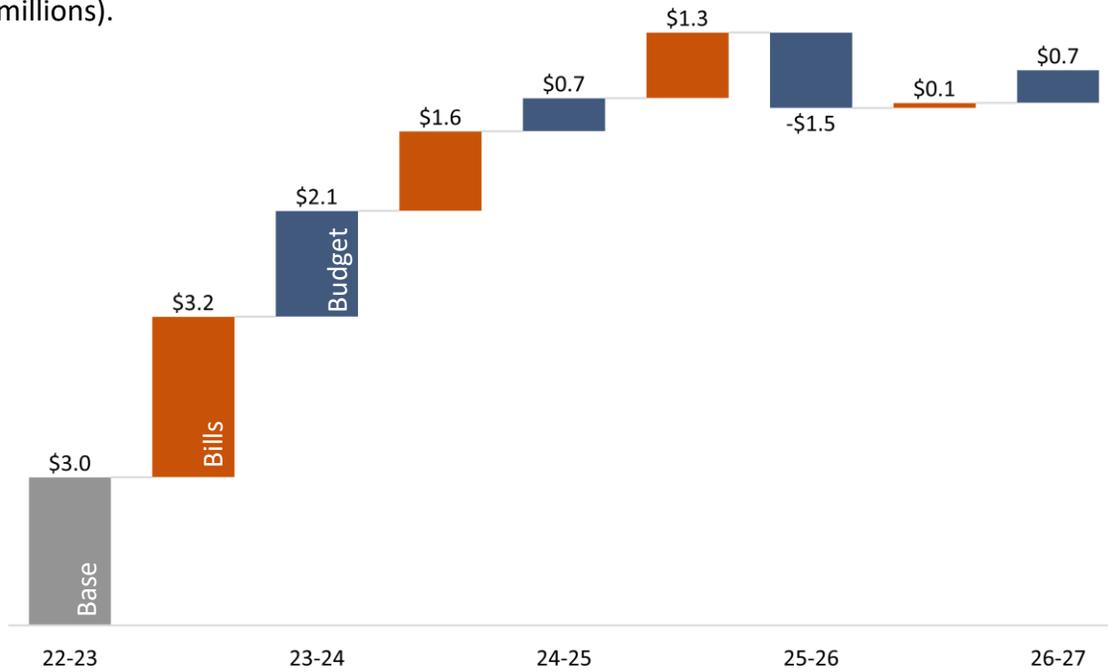
Recent funding history

Of the 167.5 FTE included in the BHA Long Bill section for FY 2025-26, 93.7 percent are provided in a single administrative line item. The administrative appropriation for FY 2025-26 is \$22.9 million total funds, including \$10.6 million General Fund. This represents a General Fund increase of 69.2 percent since the division was created in FY 2022-23.

Increases have been driven by legislation that created new programs in the BHA, as well as the FY 2023-24 budget request. Net General Fund increases over the last four fiscal years include \$6.3 million from legislation and \$2.0 million from budget decisions. Some FTE from ARPA grant programs are term-limited and are expected to be annualized out of the budget in FY 2027-28 after grant programs are concluded.

The Committee and General Assembly approved an ongoing 7.0 percent reduction to the BHA's administration line item in FY 2025-26. The reduction was a staff recommendation based on assumed vacancy savings. The Committee and General Assembly also approved a one-time General Fund refinance with cash funds in FY 2025-26. General Fund changes driven by bills and budget actions are provided in the charts below. Amounts are inclusive of annualizations.

General Fund changes from bills and budget actions for administration (amounts in millions).



Outside of the FY 2023-24 staffing request and FY 2025-26 budget balancing reductions, budget actions have only included increases for salary survey and step pay. The fiscal impact of bills has largely been driven by annualizations for the last three fiscal years. A complete accounting of changes by bill, budget action, or annualizations for the FY 2026-27 base request is provided in the table below.

Incremental Changes for BHA Administration Appropriations

Change	Total Funds	General Fund	FTE
FY 2022-23			
Base	\$9,641,341	\$2,995,485	87.4
18-200 (PERA)	59,263	9,744	0.0
22-181 (ARPA BH Workforce)	573,306	0	3.0
22-196 (ARPA CJ BH)	951,352	0	6.0
22-211 (Ridge View)	44,557	44,557	0.4
22-1052 (Student crisis)	74,990	74,990	0.9
22-1256 (Invol commit)	345,007	345,007	4.5
22-1278 (BHA)	2,403,284	2,495,231	10.2
22-1326 (Fentanyl)	286,092	286,092	3.6
22-1378 (Campus nav grant)	44,557	0	0.4
FY 2022-23 Total	\$14,423,749	\$6,251,106	116.4
FY 2023-24			
FY23 BA2 Safety net	\$80,611	\$80,611	1.2
22-1052 (Student crisis)	-69	-69	0.1
22-1256 (Invol commit)	576,814	576,814	5.2
22-1278 (BHA)	556,674	556,674	0.6
22-1326 (Fentanyl)	42,558	42,558	0.9
22-1378 (Campus nav grant)	-44,557	0	-0.4

Change	Total Funds	General Fund	FTE
22-181 (ARPA BH Workforce)	-573,306	0	0.0
22-196 (ARPA CJ BH)	-951,352	0	0.0
22-211 (Ridge View)	-44,557	-44,557	-0.4
Salary survey	575,650	80,588	0.0
R1 BHA Staffing	1,981,282	1,981,282	19.7
23-1003 (School screenings)	475,278	475,278	2.0
FY 2023-24 Total	\$17,098,775	\$10,000,285	145.3

FY 2024-25

FY24 R1 BHA Staffing	\$395,257	\$395,257	6.3
22-177 (ARPA Care coord)	275,333	275,333	3.0
22-181 (ARPA BH Workforce)	277,353	277,353	0.0
22-196 (ARPA CJ BH)	457,076	457,076	0.0
23-1003 (School screenings)	-214,300	-214,300	1.0
23-1138 (Adult competency)	325,429	325,429	2.7
22-1256 (Invol commit)	-363,546	-363,546	0.4
22-1281 (ARPA gap grant)	322,320	322,320	4.0
22-1303 (BH capacity)	93,409	93,409	1.0
Salary survey	938,459	279,728	0.0
24-055 (Ag BH)	77,116	77,116	0.9
24-1045 (SUD treat)	30,152	30,152	0.3
24-1079 (Emerg commit)	45,793	45,793	0.5
FY 2024-25 Total	\$19,758,626	\$12,001,405	165.4

FY 2025-26

24-055 (Ag BH)	\$1,158	\$1,158	0.1
24-1045 (SUD treat)	99,379	99,379	0.2
24-1079 (Emerg commit)	-20,615	-20,615	0.0
24-117 (Eating disorder)	433,012	433,012	1.0
23-1138 (Adult comp)	7,387	7,387	0.3
24-1217 (Patient info)	7,699	7,699	0.1
22-1281 (ARPA gap grant)	-161,161	-161,161	-2.0
Salary survey	800,622	317,752	0.0
Step pay	1,015,476	199,615	0.0
R7 BHE licensing	420,977	0	4.0
7% Admin reduction	-1,046,952	-1,046,952	-10.0
Admin refinance	0	-1,000,000	0.0
25-238 (Repeal school screen)	-260,978	-260,978	0.0
FY 2025-26 Total	\$21,054,630	\$10,577,701	159.1

FY 2026-27

FY26 BHE licensing	-\$3,733	\$0	0.0
FY26 Admin refinance	0	1,000,000	0.0
SB 24-117 (Eating disorder)	-6,670	-6,670	0.0
SB 25-238 (Repeal school screen)	22,011	22,011	0.0
Salary survey	497,932	192,250	0.0
Step pay	136,010	20,153	0.0
R1 Admin reduction	-551,200	-551,200	-4.0
FY 2026-27 Total	\$21,148,980	\$11,254,245	155.1

Staff assumes that \$895,588 General Fund associated with term-limited ARPA grant staff will be annualized out of the FY 2027-28 request. Based on the prior year reduction and further conversations with the BHA, staff assumes that legislative changes to reduce administrative requirements would be necessary to reduce the appropriation beyond the request.

Evidence Designation

The BHA indicates that the evidence level is Ineligible because the request is an administrative reduction and does not meet the criteria for a program or practice. Staff agrees that the request does not meet the criteria for a program or practice, and therefore finds that an evidence designation is not applicable.

R1 Reduce BHA admin evidence designation

Criteria	NA	Ineligible	Insufficient	Evidence-informed	Promising
Is this a program or practice with defined, replicable elements for a target population?	No				
Studies with relevant outcome data?		No			
One quality evaluation with measure of improvement and statistically significant outcomes?			No		
One quality evaluation with a strong comparison group and statistically significant favorable outcomes?				No	
At least two quality evaluations with strong comparisons and statistically significant favorable outcomes or one RCT?					No

→ R2 Repeal safety net assistance [legislation]

Request

The BHA requests that the Committee sponsor legislation to eliminate a statutorily required contract to provide technical support to safety net provider applicants.

- Year 1 and ongoing: -\$500,000 General Fund

Health/life/safety impact: Low

Recommendation

Staff recommends approval of the request. The appropriation will remain in the Long Bill to reflect current law. The requested reduction would be reflected in separate legislation if approved by the Committee.

Analysis

[House Bill 24-1045 \(Substance Use Treatment\)](#) included one-time and ongoing appropriations for nine Departments. The impact by agency is provided in the table below.

General Fund Appropriations from H.B. 24-1045

Department	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Behavioral Health Administration	\$1,299,097	\$1,321,291	\$1,321,291	\$553,402
Human Services	250,000	0	0	0
Judicial	250,000	0	0	0
Health Care Policy and Financing	169,995	1,284,228	2,091,607	2,028,191
Legislature	0	65,734	0	0
Early Childhood [1]	0	0	0	0
Regulatory Agencies [1]	0	0	0	0
Corrections	0	-5,280,000	-5,280,000	-5,280,000
Reentry services - various agencies	0	5,280,000	5,280,000	5,280,000
Total	\$1,969,092	\$2,671,253	\$3,412,898	\$2,581,593

[1] CDEC and DORA received cash fund appropriations, but no General Fund appropriations.

Costs for the BHA include:

- \$500,000 ongoing to contract for safety net provider application support.
- \$750,000 and 1.0 FTE annually through FY 2026-27 for the Contingency Management Grant Program.
- \$19,000 one-time and \$5,000 ongoing to collect data on admittance denials at withdrawal management facilities.

The bill requires the BHA to contract with an independent third-party to support behavioral health providers seeking to become a safety net provider, with the goal of the provider becoming self-sustaining.¹ The entity is required to assist providers with accessing alternative payment models and enhanced reimbursement rates through the BHA and Medicaid by providing:

- Support to providers in completing the annual cost reporting to inform Medicaid rate-setting.
- Analysis of current accounting practices and recommendations on new or modified practices to support the soundness of cost reporting.
- Administrative support for enrolling different payer types, including but not limited to Medicaid, Medicare, and commercial insurance.
- Billing and coding support.
- Claims processing.
- Data analysis.
- Compliance and training on policies and procedures.
- Shared purchasing for technology.
- Assistance in building provider capacity to become a behavioral health safety net provider.
- Any other service and support approved by the BHA.

The request indicates that the BHA worked with HCPF to identify withdrawal management providers as an area of particular need. Changes to the American Society of Addiction Medicine (ASAM) required providers to expand withdrawal services. Materials produced as a result of the contract are available online, and the BHA has dedicated staff to assist with the application process.

The BHA requests that the Committee sponsor legislation to remove the statutory requirement to contract with a third-party for application assistance. The request will reduce General Fund appropriations to the BHA by

¹ Section 27-50-305 (1), C.R.S.

\$500,000 annually. The request is a budget balancing measure intended to minimize reductions to direct services. The BHA expects the impact to providers to be minimal since other support services are available.

The statutory requirements for the contracted support are more robust than print materials and application support described by the request. However, both HCPF and the BHA have staffing resources to assist providers. Staff therefore agrees that the reduction is anticipated to have a lower impact than reductions to direct services and recommends approval of the request.

Evidence Designation

The BHA indicates that an evidence designation is not eligible because the request does not fit the statutory definition for a program or practice. Staff agrees that an evidence designation is not applicable because the request is not related to a program with defined, replicable elements for a target population.

R2 Repeal safety net assistance evidence designation

Criteria	NA	Ineligible	Insufficient	Evidence-informed	Promising
Is this a program or practice with defined, replicable elements for a target population?	No				
Studies with relevant outcome data?		No			
One quality evaluation with measure of improvement and statistically significant outcomes?			No		
One quality evaluation with a strong comparison group and statistically significant favorable outcomes?				No	
At least two quality evaluations with strong comparisons and statistically significant favorable outcomes or one RCT?					No

→ R3 Repeal Building SUD grant [legislation]

Request

The BHA requests that the Committee sponsor legislation to eliminate the Building SUD Treatment Capacity Grant Program to increase funding for general substance use treatment.

- Year 1 and ongoing: -\$3.0 million General Fund

Health/life/safety impact: Moderate

Recommendation

Staff recommends that the Committee sponsor legislation to repeal the grant to eliminate the appropriation from the Marijuana Tax Cash Fund (MTCF). Staff does not recommend the requested General Fund refinance based on the Legislative Council Staff December MTCF forecast. The Committee may choose to adjust the General Fund or MTCF appropriations for SUD services based on the March forecasts.

Analysis

The Building Substance Use Disorder (SUD) Treatment Capacity Grant Program was created by [H.B. 19-1287 \(Opioid and SUD Treatment\)](#). The grant was expected to be supported with an annual appropriation of \$5.0 million from the Marijuana Tax Cash Fund (MTCF) through FY 2023-24.

Implementation of the grant program was delayed for budget balancing in FY 2020-21. Funding was restored through the FY 2021-22 Long Bill, and [Senate Bill 21-137 \(Behavioral Health Recovery Act\)](#) eliminated the repeal date for the grant, making it an ongoing MTCF obligation.

The grants must be awarded by a board to local governments, municipalities, counties, schools, law enforcement, primary care, or substance use treatment providers within or outside of the BHASO network. Grants must be used to increase access to a continuum of substance use disorder treatment services, including medical or clinical detoxification, residential treatment, recovery support services, and intensive outpatient treatment.

The request identifies multiple statutory constraints that lead to inefficiencies for the grant:

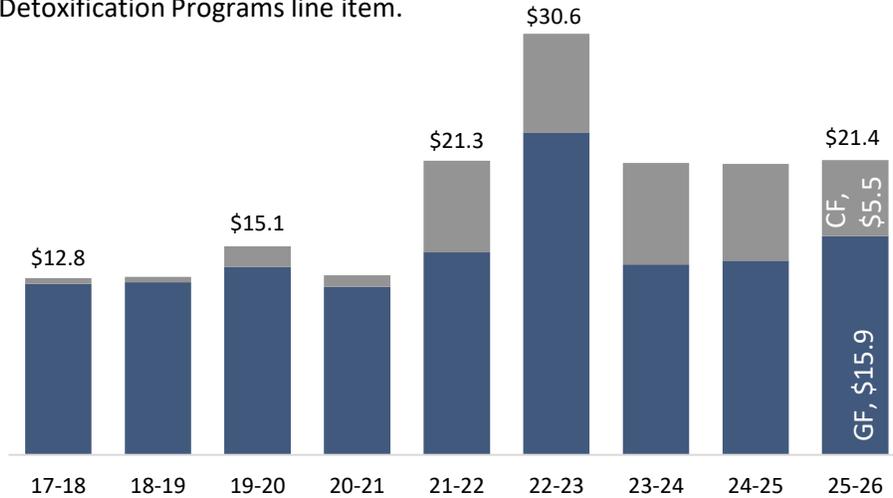
- The BHA has trouble filling board positions because qualified individuals prefer to serve on similar boards with larger awards.
- Funds are distributed at the time of award rather than on a reimbursement basis, creating risk to the state.
- BHASOs are required to return unspent funds to the state at the end of two years, creating risk and difficult accounting for BHASOs.
- Awards are one-time capacity building grants that must be spent in two-years and do not provided sustainable ongoing funding. Awardees struggle to spend the full amount within deadlines due to workforce shortages and construction delays, particularly in rural areas.

Treatment and Detoxification Programs Line Item

The program is funded through the Treatment and Detoxification Programs line item, which is the primary source of general substance use treatment funding distributed to BHASOs. Funding for the line item in FY 2025-26 is \$51.4 million total funds. Amounts include \$15.9 million General Fund, \$5.5 million cash funds, and \$30.0 million federal funds. Cash funds are primarily from the Marijuana Tax Cash Fund. Federal Funds are from the SAMHSA block grant.

The Committee approved an OSPB comeback to reduce the line item by \$2.0 million MTCF for MTCF balancing in FY 2025-26. The BHA indicates that the reduction was implemented by reducing funding for the Building Capacity Grants from \$5.0 million to \$3.0 million on an ongoing basis. The Treatment and Detox line tends to be reduced during budget balancing because it is one of the largest MTCF appropriations in the Department with alternative fund sources. Recent appropriations history is provided in the chart below.

Recent **General Fund** and MTCF appropriations for the Treatment and Detoxification Programs line item.



The line did not have a significant cash fund appropriation until the Building Capacity Grants appropriation was added to the line in FY 2021-22. The large increase in FY 2022-23 was driven by a one-time \$10.0 million General Fund appropriation for withdrawal management services from [H.B. 22-1326 \(Fentanyl\)](#).

Request

The request proposes to eliminate the Building Capacity Grant, but maintain the MTCF appropriation in the Treatment and Detox line. Maintaining the MTCF appropriation would then be used to offset a reduction of \$3.0 million General Fund for general substance use treatment. The intent of the request is to reduce funding for ineffective programs to prioritize the most flexible funding available for direct treatment.

Request Impact by Item

Item	Total Funds	General Fund	Marijuana
Building Capacity Grant (Package Bill)	-\$3,000,000	\$0	-\$3,000,000
General Substance Use (Long Bill)	0	-3,000,000	3,000,000
Total	-\$3,000,000	-\$3,000,000	\$0

Staff assumes that if the request is implemented as requested, the bill to eliminate the Building Capacity Grant program would include a reduction of \$3.0 million MTCF. The Long Bill would need to include the General Fund refinance with MTCF. The refinance can occur in absence of the legislation, but the grant program would become a General Fund obligation if the bill to eliminate the program failed.

Marijuana Forecast

The Committee may need to consider reductions to MTCF depending on the March forecast. It is staff's understanding that the OSPB December forecast is \$6.4 million above the MTCF reserve requirement, while the LCS December forecast is \$14.2 million below the reserve requirement. Therefore, the Committee would need to reduce MTCF by \$14.2 million below the request to balance to the LCS December forecast.

Staff assumes that the Committee will need to consider MTCF reductions for balancing based on the LCS forecast. The Committee may choose whether MTCF or General Fund reductions for substance use are a higher priority after the March forecasts.

Recommendation

Staff recommends that the Committee sponsor legislation to eliminate the Building Capacity Grant program and reduce the MTCF appropriation by \$3.0 million. Staff does not recommend offsetting General Fund appropriations with MTCF as requested based on the most recent forecasts.

The Committee could also consider legislation to address the statutory issues with the Building Capacity Grant program provided in the request. However, staff finds that the priority is to identify and eliminate ineffective programs, rather than improving program effectiveness.

Evidence Designation

The BHA indicates that the evidence designation is Promising. The request provides four citations for the evidence designation.

National Council for Behavioral Health, & Cohen Veterans Network. (2018, October 10). America's mental health 2018. ([Link to Survey](#)).

- **Claim:** Studies reveal that high costs, long waits, and limited options to access treatment deter individuals from seeking and obtaining behavioral health care, suggesting that ensuring providers have adequate funding to hire skilled staff, employ evidence-based practices and expand access to services will support individuals in seeking and accessing needed services.
- **Finding:** Staff was unable to access the link provided in the request.

Bachmann, S. (2018). Epidemiology of Suicide and the Psychiatric Perspective. The Lancet Psychiatry, 5(12), 1032-1044. DOI: 10.1016/S2215-0366(18)30220-8. ([Link to Publication](#))

- **Claim:** Accessing these services is associated with a variety of positive outcomes including lower mortality rates.
- **Finding:** The study is a literature review of World Health Organization databases that found regional differences by age, gender, and socioeconomic status and the respective country, method of suicide, and access to health care. The study does include qualitative recommendations for reducing suicide rates. However, staff does not find that the study is a quality evaluation with a strong comparison group and statistically significant favorable outcomes for substance use capacity building or treatment grants based on a cursory review.

Substance Abuse and Mental Health Services Administration (SAMHSA). (2019). Key Substance Use and Mental Health Indicators in the United States: Results from the 2018 National Survey on Drug Use and Health (HHS Publication No. PEP19-5068, NSDUH Series H-54). Rockville, MD: Center for Behavioral Health Statistics and Quality, Substance Abuse and Mental Health Services Administration. ([Link to Publication](#)).

- **Claim:** Research indicates that comprehensive mental health services contribute to lower rates of incarceration and homelessness amount individuals with mental health disorders.

- **Finding:** The report is an annual substance use survey of people over age 12 designed to be representative of the nation and all 50 states individually. The study does not mention incarceration, and only mentions homelessness to state that the study excludes people who are homeless. Staff agrees that the study provides a significant amount of information about substance use in 2018. However, staff does not find that the study is a quality evaluation with a strong comparison group and statistically significant favorable outcomes for substance use capacity building or treatment grants based on a cursory review.

Colorado Health Institute. (2024). 2023 Colorado Health Access Survey.

<https://www.coloradohealthinstitute.org/sites/default/files/202402/2023%20Colorado%20Health%20Access%20Survey.pdf>

- **Claim:** More than one in four people report poor mental health.
- **Finding:** The report is a survey of nearly 10,000 Colorado households to report a range of data including health insurance coverage, food security, affordability, and mental health. Staff agrees that the report includes the data point referenced in the request. However, staff does not find that the study is a quality evaluation with a strong comparison group and statistically significant favorable outcomes for substance use capacity building or treatment grants based on a cursory review.

Staff finds that the request does not provide evidence to support the claim that the request is Promising. In general, staff does not agree that grant programs and funding allocations meet the definition of a program or practice because they do not have defined, replicable elements. Staff therefore finds that an evidence designation is not applicable for this request.

R3 Reduce substance treatment evidence designation

Criteria	NA	Ineligible	Insufficient	Evidence-informed	Promising
Is this a program or practice with defined, replicable elements for a target population?	No				
Studies with relevant outcome data?		No			
One quality evaluation with measure of improvement and statistically significant outcomes?			No		
One quality evaluation with a strong comparison group and statistically significant favorable outcomes?				No	
At least two quality evaluations with strong comparisons and statistically significant favorable outcomes or one RCT?					No

→ R4 Reduce care coordination

Request

The request reduces funding for the Care Coordination for Certified Individuals program.

- Year 1 and ongoing: -\$250,000 General Fund.

Health/life/safety impact: Low

Recommendation

Staff recommends approval of the request.

Analysis

House Bill 22-1256 (Modifications to Civil Involuntary Commitment) required the BHA to provide oversight, care coordination, and assistance to emergency medical facilities related to involuntary civil commitments. Funding included \$1.4 million General Fund on an ongoing basis for care coordination for certified individuals.

A person may receive involuntary mental health treatment through emergency holds or civil commitment. Emergency holds, also called M1 holds, occur when a peace officer or licensed professional has probable cause to believe that an individual is a threat to themselves or others. Emergency holds are limited to 72-hours.²

Involuntary certification is a legal process where individuals are ordered to receive mental health treatment by a civil court. Short-term certification is limited to three months, but can be extended.³ Involuntary mental health treatment can only be provided in facilities designated by the BHA, and may include comprehensive safety net providers (CSNPs), psychiatric hospitals, hospitals with psychiatric units, behavioral health entities that provide acute treatment, and youth psychiatric residential treatment facilities.

The bill requires that facilities notify the BHA prior to transferring or terminating short-term certification. The BHA may provide ongoing care coordination services directly or through a contract. Fiscal year 2024-25 was the first year of complete implementation of the bill. The BHA contracted with Rocky Mountain Human Services (RMHS) to provide care coordination services. During the first year:

- 4,239 transfer or termination notifications were received
- 788 referrals were made for care coordination (18.6 percent of transfers)
- 188 individuals were engaged in ongoing services (0.4 percent of transfers)

The request indicates that the BHA expected the contract to serve 220 individuals, compared to 188 actually served. The BHA expects the number of cases to remain stable based on year-to-date caseloads for FY 2025-26. The BHA anticipates that the reduction will not impact services, and funding will revert if the reduction is not approved. The line item has reverted \$291,471 General Fund in FY 2024-25 and \$112,872 in FY 2023-24.

The care coordination appropriation was based on an assumption that it would cost \$200,000 to contract with each BHASO, and there would be seven BHASOs. There are currently four BHASO regions, but the contracted services are not operating through BHASOs. The background calculations provided by the BHA to inform the fiscal note do not include any caseload assumptions for staff to compare the appropriation to actual caseload.

Hearing responses from the BHA indicate that the request accounts for future caseload expectations, including changes to the IMD rule that extended allowable hospital stays from 15 to 60 days. The BHA assumes that the IMD change will not impact caseload because these services are available regardless of length of stay. The BHA also anticipates that care coordination should improve as safety net changes are implemented.

² Section 27-65-106 (5), C.R.S.

³ Section 27-65-109 (3), C.R.S.

Recommendation

Staff recommends approval of the request assuming that funding will revert if the reduction is not approved. Staff is concerned that one year of caseload data may not be sufficient to project future need. However, the request recognizes savings from a currently under-utilized program to prevent reductions to other services. The appropriation can be adjusted in future years if necessary to address increased caseload.

Staff does not recommend further reducing or eliminating the program assuming that investing in ongoing treatment for certified individuals may reduce the utilization of more expensive hospitalization services.

Evidence Designation

The BHA indicates that the evidence level for this request is Insufficient because there is not sufficient data to conclude how the program impacts intended outcomes. Staff finds that the evidence level is Ineligible because there are no known studies with relevant outcomes data.

R4 Care coordination evidence designation

Criteria	NA	Ineligible	Insufficient	Evidence-informed	Promising
Is this a program or practice with defined, replicable elements for a target population?	Yes				
Studies with relevant outcome data?		No			
One quality evaluation with measure of improvement and statistically significant outcomes?			No		
One quality evaluation with a strong comparison group and statistically significant favorable outcomes?				No	
At least two quality evaluations with strong comparisons and statistically significant favorable outcomes or one RCT?					No

→ Statewide R6 Repeal recovery grants [legislation]

Request

The Executive Branch requests that the Committee sponsor legislation to repeal the Recovery Support Grant.

- Year 1 and ongoing: -\$1.6 million General Fund.

Health/life/safety impact: Moderate

Recommendation

Staff recommends approval of the request. The appropriation will remain in the Long Bill to reflect current law. The requested reduction would be reflected in separate legislation if approved by the Committee.

Analysis

Statewide R6 asks the Committee to reconsider budget balancing options that were brought to the Committee in 2025 but were not approved. Staff included eliminating the program as a budget balancing option, but did not

recommend the reduction during figure setting last year. At the time, staff prioritized reductions for programs that had evidence of underutilization. The Recovery Support Grant did not meet that criteria, but was the next reduction option on the staff list.

The Recovery Support Grant was established by [S.B. 21-137 \(Behavioral Health Recovery Act\)](#). The program provides grants to Recovery Community Organizations (RCO) to provide recovery-oriented services to individuals with a substance use disorder, or co-occurring substance use and mental health disorders.⁴

RCOs are statutorily defined as independent, nonprofit organizations led and governed by representatives of local communities of recovery that organize recovery-focused policy and advocacy activities, carry out recovery-focused community education and outreach programs, and provide peer-run recovery support services.

Grantees must use funding to:

- Offer opportunities for individuals with a substance use or co-occurring disorder in recovery to engage in activities focused on mental or physical wellness or community service.
- Provide guidance to individuals with a substance use or co-occurring disorder and their family members on navigating treatment, social service, and recovery support systems.
- Help individuals with a substance use or co-occurring disorder to connect with resources needed to initiate and maintain recovery as outlined by the federal Substance Abuse and Mental Health Services Administration’s (SAMHSA) four dimensions of recovery: health, home, community and purpose.
- Assist in establishing and sustaining a social and physical environment supportive of recovery.
- Provide local and state recovery resources to recovery community organization participants and community members.
- Provide recovery support services for caregivers and families of individuals recovering from a substance use or co-occurring disorder.

Statutorily, Managed Service Organizations review applications and award funding. The statute has not been updated to reflect the implementation of BHASOs. Current awardees as described by the BHA are provided in the table below.

Recovery Support Grant Awardees

Awardee	Description
Community Compassion Outreach	Provides homelessness prevention, basic needs assistance, and housing connection services.
Peer 180	Offers one-on-one coaching, Parents in Recovery weekly education/support with dinner and child care, Recovery thru Fitness, Smart Recovery, All Recovery Meetings, Dog Days of Recovery Connections, and Creating in Recovery.
Sunrise Counseling	Provides peer recovery coaches for personalized support, sober social events, support groups, and Self-Management and Recovery Training (SMART) Recovery.
Heart Mind	Support of recovery and peer services - individual and group working closely with their RLC and the community at large. Provides support of clients in recovery navigating benefits and security a health home. Weekly group programming such as art, meditation, and music are offered as well as having recreational outings.
Lean on We	Peer supports (1:1) and care navigation for people in the metro area, recovery coaching provided at locations where those in recovery may live. Close partnerships with community RLCs and Salvation Army Crossroads.
Ke'nekt	One-on-one peer support as well as group peer support. Individuals are met in different facilities or in the community, correction facilities, outpatient and residential facilities, using 8 dimensions of wellness. Works closely with Fit Court in JeffCo, Reunification in Adams county and Veterans Courts.

⁴ Section 27-80-126, C.R.S.

Awardee	Description
Hard Beauty	Support peer coaches, community education, peer education, and forums within a whole-life community recovery model.

Staff’s cursory review found that awardees include locations in the Denver metro area, Colorado Springs, Grand Junction, Durango, Alamosa, and Glenwood Springs.

Other Recovery Funding

Peer and recovery support funding is available through other sources in the BHA and Department of Health Care Policy and Financing (HCPF). Some awardees of the Recovery Support Grant also receive funding from the Increasing Access to Effective Substance Use Disorder Services line item in the BHA. The line item was created by S.B. 16-202 and includes an appropriation of \$16.9 million from the Marijuana Tax Cash Fund for FY 2025-26. The BHA indicates that \$4.5 million of this appropriation was directed to recovery services in the last fiscal year.

The BHA further estimates that recovery support services received \$1.1 million from the federal SAMHSA Block Grant. The Block Grant funds services for uninsured or underinsured individuals, including primary prevention, evidence-based treatment, and long-term recovery. None of the Recovery Support Grant awardees are included in the list of federal block grant recipients.

Peer services are also billable under Medicaid when provided through a Behavioral Health Entity, Comprehensive Safety Net Provider, or Recovery Support Services Organization licensed by the BHA. HCPF has implemented limits on billable peer services after the Committee and General Assembly approved a \$20.5 million total funds reduction in FY 2025-26. Even with the reduction, staff continues to hear from stakeholders that peer services may be over-utilized.

Status of other S.B. 21-137 Programs

Senate Bill 21-137 included multiple new behavioral health programs that included a combination of one-time and ongoing appropriations from ARPA funds and the General Fund across what is now seven departments. Ongoing General Fund programs created in the BHA are provided in the table below.

S.B. 21-137 BHA Programs

Program	General Fund
Housing Assistance Program	\$4,000,000
Recovery Support Grant	1,600,000
Recovery Residence Certification	200,000
Rural Behavioral Health Vouchers	50,000
Total	\$5,850,000

The Housing Assistance Program provides temporary housing assistance for people with substance use disorders who are transitioning from hospitalization and otherwise would not have access to housing supports. The Committee questioned whether the program could be supported with Prop 123 funding during the briefing. The program cannot be support with Prop 123 funding under current law because funding can only be used by the Departments of Local Affairs, Health Care Policy and Financing, and the Office of Economic Development and International Trade.

[Senate Bill 26-113 \(Require Recovery Residence License\)](#) repeals the Recovery Residence Certification program and implements a licensing process for recovery residences in the BHA. The Committee sponsored legislation to repeal Rural Behavioral Health Vouchers in 2025, but the bill was lost on Second Reading in the House.

Evidence Designation

The request narrative states, “For specifics on individual components of this request, please refer to the prior Decision Item or JBC Staff document.” The original JBC Staff recommendation did not include an evidence designation.

Staff finds that a level of evidence is not applicable because grant programs do not have defined and replicable elements. Staff assumes that the evidence for recovery support services is mixed based on evidence provided in a request discussed later in this document. Evidence demonstrates that recovery supports can have positive outcomes, but only for narrow populations with specific requirements for peer support staff and employers.

→ Staff initiated administration refinance

Recommendation

Staff recommends a one-time refinance of \$1.0 million General fund with an equal amount of cash funds.

Analysis

The requested appropriation for the BHA’s Administration line item consists of \$11.3 million General Fund and \$3.3 million cash funds. The cash fund appropriation consists of multiple cash funds that receive revenues from court surcharges on drug and alcohol convictions and licensing fees.

BHA Administration Cash Fund Appropriations

Cash Fund	FY 2025-26 Appropriation	FY 2026-27 Request
Alcohol and drug driving safety program fund	\$1,262,271	\$1,314,013
Marijuana Tax Cash Fund	1,190,158	1,277,299
BHA licensing fund	420,977	417,244
Patient revenues	99,179	99,179
Various cash funds	52,111	73,095
Law enforcement assistance fund	33,919	33,919
Persistent drunk driver cash fund	826,263	26,263
Addiction counselor training fund	16,488	16,488
Controlled substance program fund	14,711	16,287
Peer support cash fund	4,800	4,800
Cigarette, tobacco, and nicotine use prevention fund	200,000	0
Total	\$4,120,877	\$3,278,587

The Committee and General Assembly approved a one-time \$1.0 million refinance of General Fund in the Administration line item with cash funds in FY 2025-26. The refinance was based on excess uncommitted

reserves in two cash funds. Revenues were not expected to be sufficient to support a refinance on an ongoing basis.

The budget request for FY 2026-27 correctly increases the General Fund appropriation and decreases the cash fund appropriation to annualize the one-time refinance as approved by the Committee. However, cash fund reports continue to project excess uncommitted reserves for FY 2026-27.

Reported Uncommitted Cash Fund Reserves

Cash Fund	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Persistent drunk driver cash fund	\$938,239	\$1,285,394	\$940,544	\$1,016,011
Cigarette, tobacco prevention fund	546,024	736,544	608,218	655,845
Total	\$1,484,263	\$2,021,938	\$1,548,762	\$1,671,856

Therefore, staff recommends another one-time refinance of \$1.0 million. Amounts include \$500,000 each from the Persistent Drunk Driver cash fund and the Cigarette, Tobacco, and Nicotine Use Prevention Fund. The Persistent Drunk Driver cash fund receives revenue from court surcharges on impaired driving.⁵ The Cigarette, Tobacco, and Nicotine Use Prevention Fund receives revenues from fines on retail sales of tobacco products to minors.

The Persistent Drunk Driver cash fund supports programming that educates the public on the hazards of impaired driving. The fund is managed by an interagency steering committee with representation from the BHA, as well as the Departments of Transportation, Revenue, and Public Health and Environment. Therefore, reductions to the cash fund reserve may be more difficult to manage even though the fund is showing a larger balance. The Cigarette and Tobacco cash fund can be used to support programs intended to train retailers on the prohibition of tobacco sales to minors, and reduce youth tobacco use.⁶

It is staff’s understanding that the refinance from the Persistent Drunk Driver cash fund is slightly larger than the BHA may be willing to comfortably support. However, staff assumes that the refinance can be supported based on cash fund reports.

The Committee may consider a refinance of a lower amount on an ongoing basis. However, utilizing the cash funds for administration on an ongoing basis will prevent the BHA from using cash funds to support prevention programs. Staff anticipates that the implementation of the BHASO system and a consolidated line item structure recommended later in this document will improve the BHA’s ability to adequately utilize existing cash fund resources on an ongoing basis.

→ Staff initiated Circle program reduction

Recommendation

Staff recommends a reduction of \$150,000 General Fund for the Circle program based on recent expenditures.

⁵ Section 42-3-303 (1), C.R.S.

⁶ Section 44-7-107 (2), C.R.S.

Analysis

The Circle Program provides intensive treatment for individuals with co-occurring mental health and substance use disorders. The purpose of the program is to provide inpatient stabilization followed by a transition to ongoing outpatient services.

The Circle Program originally operated on the campus of the state mental health hospital in Pueblo, but transitioned to community based providers in 2018. The BHA previously contracted with Managed Service Organizations to establish Circle Program locations in Pueblo, Fort Collins, and Grand Junction. The BHA began contracting with BHASOs to support the Circle Program in FY 2025-26.

The line item that supports the Circle Program also supports rural co-occurring disorder services. Funding associated with that portion of the line item was established to support a full continuum of co-occurring behavioral health services for adolescents and adults in southern Colorado and the Arkansas Valley. The appropriation was the result of service gaps identified in the region. The program is expected to cover room and board costs and other wraparound services that are not covered by Medicaid.

Utilization of the Circle Program has decreased since inpatient substance use treatment became Medicaid eligible in 2021. Therefore, the Committee and General Assembly approved reductions for the program in each of the last three fiscal years. Last year, the BHA estimated that 94.0 percent of Circle Program participants are Medicaid eligible.

The current appropriation is \$6.5 million total funds, including \$638,286 General Fund and \$5.8 million from the Marijuana Tax Cash Fund. Reductions in FY 2023-24 and FY 2024-25 were the result of decreased caseload, while the FY 2025-26 reduction reflected the elimination of an award from the Correctional Treatment Cash Fund Board.

The line item reverted \$468,146 in FY 2024-25 even after a one-time \$400,000 reduction. The FY 2024-25 actual expenditure was \$152,150 below the FY 2026-27 request. Staff therefore recommends a reduction of \$150,000 General Fund based on an assumption that expenditures will continue to fall below the appropriation. The Committee may choose whether to reduce the General Fund or Marijuana Tax Cash Fund appropriation based on the March forecasts.

Staff assumes that the recommended decrease can be absorbed without impacting access to services. The Committee may also consider further reducing the appropriation. Eliminating the General Fund appropriation would result in an additional \$488,286 General Fund and reflect a 9.9 percent reduction to the current appropriation.

Staff assumes that a reduction greater than the recommendation may reduce the number of beds available for inpatient substance use treatment. The impact of this level of reduction would be defused if the Committee accepts the staff recommendation to consolidate select line items later in this document.

→ Annualizations for repealed programs

Recommendation

The staff recommendation includes technical adjustments to the annualizations of H.B. 22-1326 (Fentanyl) and S.B. 25-238 (Repeal School Screenings).

- Year 1 and ongoing: -\$74,974 total funds, including \$22,011 General Fund and \$52,963 cash funds.

Analysis

The recommended adjustments reduce funding included in the base budget request for programs that have repealed.

House Bill 22-1326 (Fentanyl)

House Bill 22-1326 (Fentanyl) required the BHA to contract with an independent entity to study the health effects of the criminal penalties implemented in the bill. The study was required to be completed by January 2025, and repealed July 1, 2025.

The FY 2025-26 Long Bill included \$52,963 from the Correctional Treatment Cash Fund to conclude the study. This appropriation is continued in the FY 2026-27 request. Staff finds that the appropriation should be eliminated since the study has repealed.

The total appropriation across four fiscal years was \$761,852. The study was completed by the University of Colorado Schools of Medicine and Law.⁷ The report summary states:

“In our rapid qualitative analysis, we interviewed 31 individuals from diverse backgrounds across the state of Colorado and we found three primary themes. First, there was overwhelming consensus that increasing criminal penalties for fentanyl possession is misguided and that jails should provide treatment for SUD, but that incarceration is not an appropriate response for addressing SUD. There was less consensus on the roles that police and law enforcement should play in addressing SUD.”

Senate Bill 25-238 (Repeal School Screenings)

Senate Bill 25-238 was a JBC bill that repealed the School Mental Health Screening Program. The Committee and General Assembly approved the repeal because the program was under-utilized due to many implementation constraints in statute.

The base budget request includes an increase of \$22,011 General Fund in FY 2026-27 to annualize the bill. The annualization aligns with the fiscal note. However, staff finds that the increase is an error associated with common policy calculations that should not apply for a repealed program. The staff recommendation therefore excludes this amount from the administration line item.

⁷ [Measuring the Health Impacts of Fenlonizing Fentanyl Possession State Report \(2025\).](#)

→ Repeal High Risk Families Cash Fund [legislation]

Recommendation

Staff recommends that the Committee repeal the High Risk Families Cash Fund and transfer the outstanding cash fund balance to the General Fund.

Analysis

The High Risk Families Cash Fund cash fund is continuously appropriated to the BHA and can be used for the following purposes:⁸

- For services for high-risk parents, including pregnant and parenting women, with substance use disorders.
- For services for high-risk children and youth with behavioral health disorders.
- For services for families with behavioral health needs, including family-centered treatment models.

The cash fund consisted of General Fund reversions from two line items in the BHA Long Bill section, the Child and Youth Mental Health Treatment Act and Increasing Access to Substance Use Services. House Bill 20-1388 (Statutory Provisions Divert General Fund) was a JBC bill that repealed this provision.

Therefore, the cash fund currently has no statutory revenue source. The General Assembly may choose to identify a revenue source, including General Fund appropriations, at any time. Senate Bill 21-137 (Behavioral Health Recovery Act) did appropriate \$3.0 million ARPA funds to the cash fund. Statute requires an annual report on the utilization of the cash fund. The last report staff was able to identify is from 2021 and begins by stating that the Department did not expend programmatic funds in FY 2020-21.⁹

Cash fund reports from the Office of State Planning and Budgeting indicate that the fund may have a balance \$22,973 and has not received revenue or had expenditures since the S.B. 21-137 appropriation. Staff recommends repeal of the cash fund based on an assumption that it is not being utilized.

→ Staff initiated Long Bill consolidation

Recommendation

Staff recommends consolidating line items that support safety net funding through BHASO contracts, and separating administrative funding into multiple line items in the FY 2026-27 Long Bill.

Analysis

Prior to 2022, all behavioral health appropriations in the Department were included in one Long Bill division for the Office of Behavioral Health (OBH). The BHA Long Bill section was created in 2022 by moving all community-

⁸ Section 27-80-123, C.R.S.

⁹ [High Risk Families Statutory Report \(2021\)](#).

based behavioral health funding to the BHA, and retaining the state hospitals and forensic mental health programs in OBH.

Under OBH, funding was distributed through contracts with Community Mental Health Centers (CMHCs) for mental health services, Managed Service Organizations (MSOs) for substance use services, and Administrative Service Organizations (ASOs) for crisis services. The BHA contracts for services regionally through Behavioral Health Service Organizations (BHASOs) rather than contracts with CMHCs, MSOs, and ASOs.

Concerns with the Existing Structure

The Long Bill structure does not reflect the implementation of the BHASO system. Instead, the BHA Long Bill section consists of four subdivisions that align with the historic contracts with CMHCs, MSOs, and ASOs under OBH. The four subdivisions include:

1. Administration
2. Community-based Mental Health Services
3. Substance Use Treatment and Prevention Services
4. Integrated Behavioral Health Services

Staff began questioning the Long Bill structure in 2024. Initial conversations with the BHA, BHASOs, and Office of State Planning and Budgeting revealed that the current structure results in many administrative inefficiencies. Each line item may require separate contracts with BHASOs that are then subcontracted to multiple providers. Each provider must keep expenditures under their individual allocation, leading to increased administrative work and reversions for each subcontract.

As a result, staff recommended and the Committee approved an RFI for the BHA to provide a Long Bill structure that more closely aligns with the current operating goals of the agency ([RFI 15](#)). In the RFI response, the BHA outlined additional concerns with the current structure.

Primarily, the current structure creates silos between basic safety net services, substance use, and crisis services. Whether there is funding to support treatment for an individual depends on a patient's primary diagnosis. For example, a provider may be able to provide crisis services, but may not be able to provide ongoing substance use treatment after the individual stabilizes because the services are funded separately.

The current siloed funding model also does not align with federal or practitioner guidelines. The federal government recently integrated funding for community and substance use by combining two separate block grants into a single Behavioral Health Innovation Block Grant. The most recent guidelines from the American Society for Addiction Medicine (ASAM) also recommend integrated service delivery for mental health, substance use, and crisis services. The RFI response indicates that BHA licensing practices align with ASAM guidelines, but funding does not.

Additionally, the BHA currently has a single administrative line that includes multiple programs. Funding for the line item was \$23.0 million total funds, including \$10.6 million General Fund in FY 2025-26. Staff has no transparency into how much of the appropriated funding supports IT systems, quality assurance, or other administrative costs.

BHA Proposed Structure

The RFI response proposes a new Long Bill structure that integrates funding for mental health and substance use services. The structure is expected to improve administrative efficiencies and access to services. Integration also aligns with new SAMHA and ASAM guidelines. At the same time, the proposed structure separates the administration line item into multiple lines to reflect costs associated with IT systems and quality assurance. The proposed structure includes three subdivisions:

1. Administration
2. Behavioral Health Services
3. 988 Crisis Hotline

The crisis hotline is provided in a separate subdivision because it is an enterprise. Costs associated with BHA personnel are included in the Administration subdivision, while contracted programs are included in the Behavioral Health Services subdivision.

Recommendation

Staff recommends implementation of a new line item structure for the FY 2026-27 Long Bill. The line item structure will impact how the BHA and BHASOs contract for services in FY 2026-27. Based on conversations with the BHA and BHASOs, staff assumes that updating the structure will increase access to services and improve administrative efficiencies. Staff therefore assumes that consolidation of funding for services administered by BHASOs is time sensitive.

Staff agrees that consolidating funding aligns with SAMHSA, ASAM, and BHA best practice. The current structure continues to reflect funding that was siloed by service, geography, and provider type. Consolidating line items will align with the legislative intent of the consolidated contract structure and improved service delivery of the BHA.

The staff recommendation largely aligns with the structure proposed by the BHA. However, the staff recommendation does not consolidate some lines into the administration line as proposed by the BHA. The Staff recommendation is partially informed by what levels of information are helpful for finding budget reduction options for the Committee's consideration in recent years.

Staff found that implementing the proposed structure into this document actually clarified how some line items are being used. For example, there are currently five criminal justice related line items in three different subdivisions. Staff previously struggled to understand the difference between the intended purpose of these lines. Under the proposed structure, this funding is consolidated into two lines specified for Jail-based and Community-based treatment.

Staff finds that the current structure often created new lines for individual bills. This allows staff to accurately track the utilization of a particular legislative change, but creates multiple lines that may support the same services. Research into Recovery Support funding highlighted that providers may have multiple contracts with the BHA or BHASOs for the same services because funding is allocated in different lines. The impact of reducing a given line on overall funding available for a service can therefore be unclear to staff and providers under the current structure.

The staff recommendation compared to the current structure and BHA proposal is provided in the table below. Line items in the staff recommendation are highlighted in green if the recommendation aligns with the BHA proposal, and red if staff does not recommend the proposed consolidation.

Current Line Item Structure Compared to the BHA Proposal and Staff Recommendation

Current Line Item	BHA Proposed Line Item	Staff recommendation
Program Administration	Program Administration	Program Administration
Fentanyl Education Program		Fentanyl Education Program
Study on the Health Effects of Criminal Penalties		(Eliminated)
Crisis Response System Public Awareness		Crisis Response System Public Awareness
Program Administration	Quality and Standards	Quality and Standards
Recovery Residence Certification Program		Quality and Standards
Program Administration	Behavioral Health System Technology and Monitoring	Behavioral Health System Technology and Monitoring
Behavioral Health Capacity Tracking System		Behavioral Health System Technology and Monitoring
Behavioral Health Workforce Learning Management System		Behavioral Health System Technology and Monitoring
Mental Health Community Programs	Behavioral Health Safety Net Continuum	Behavioral Health System Safety Net Services
ACT Programs and Other Alternatives to the MHIs		
Family First Prevention Services Act		
Treatment and Detoxification Programs		
Increasing Access to Effective Substance Use Disorder Services		
Crisis Response System - Walk-in, Stabilization, Mobile, Residential, and Respite Services		
Behavioral Health Crisis Response System Secure Transportation Program		
Community Transition Services		
Circle Program and Other Rural Treatment Programs for People with Co-occurring Disorders		
Care Coordination		
Housing Assistance for Individuals with a Substance use Disorder	Recovery Supports	Housing Recovery Supports
Recovery Support Services Grant program		Recovery Support Services Grant
Mental Health Services for Juvenile and Adult Offenders	Diversion and Justice Involved Behavioral Health Services	Diversion and Justice Involved Behavioral Health Services
Offender Services		
Criminal Justice Diversion Programs		
Jail-based Behavioral Health Services	Jail Based Services	Jail Based Services
Medication Consistency and Health Information Exchange		
Children and Youth Mental Health Treatment Act	Children and Youth Mental Health Treatment Act	Children and Youth Mental Health Treatment Act
Community Prevention and Treatment Programs	Community Prevention and Treatment Programs	Community Prevention and Treatment Programs
Prevention Contracts	Prevention Programs	Prevention Programs
Behavioral Health Vouchers	Rural and Frontier Communities Voucher Program	Rural and Frontier Communities Voucher Program
Veterans Mental Health Services	Veterans Mental Health Services	Veterans Mental Health Services
Temporary Youth Mental Health Services Program (IMatter)	Youth Mental Health Services Program	Youth Mental Health Services Program
Crisis Response System - Telephone Hotline	988 Crisis Hotline	988 Crisis Hotline
988 Crisis Hotline		
Indirect Cost Assessment	Indirect Cost Assessment	Indirect Cost Assessment

Staff does not recommend consolidation of the fentanyl education program or the crisis public awareness campaign into the administration line item so that the amount of funding dedicated for these purposes remains within the discretion of the General Assembly. Staff also does not recommend the consolidation of recovery services because staff recommends the repeal of the Recovery Support Services Grant. By keeping the lines separate, it will remain clear that the purpose of the appropriation is Housing Recovery Supports after the Recovery Support Services Grant line is struck, rather than generalizing the line item name to recovery support.

Staff further recommends adjusting a current RFI to provide annual reporting on funding allocated to BHASOs, providers, geographic regions and priority populations. The BHA is expected to launch a new data system in the summer of 2025. Staff is working with the BHA to ensure reporting requirements align with the highest level of detail available through the new data system that may be useful to the Committee for decision making.

Staff expects to continue working with the BHA and other stakeholders to develop adequate reporting requirements in advance of Committee final action on RFI's in April. Preliminarily, staff expects that the report should include the following data points for recent prior fiscal years and projections for the budget year:

- Total funding distributed to each BHASO
- Administrative rates of each BHASO
- Number of comprehensive and essential providers
- Total funding distributed to each comprehensive provider
- Total funding distributed to each essential provider
- Total number of inpatient substance use and crisis beds by BHASO region
- Total patients served by BHASO region, including utilization for specific services if possible
- Methodology used by the BHA and BHASOs to distribute safety net funding to providers.
- Description of policies and actions taken to ensure adequate access for adults with severe mental illness and children and youth with severe emotional disturbance
- Description of policies and actions taken to ensure adequate access to behavioral health treatment in rural and frontier counties

Concerns with the Proposed New Structure

The current structure states clearly how much funding is available for mental health, substance use, and crisis services. Most stakeholders agree that consolidating those silos will improve overall access to services because funding will not be limited by primary diagnosis. However, some stakeholders are concerned that consolidating funding leads to a lack of transparency into how funding may be allocated by the BHA and BHASOs.

Comprehensive providers are statutorily required to serve priority populations.¹⁰ Priority populations are statutorily defined as people who are uninsured, underinsured, Medicaid-eligible, publicly insured, or whose income is below thresholds established by the BHA and presenting with acute or chronic behavioral health needs.¹¹ Acute or chronic needs include individuals who are incompetent to stand trial, adults with serious mental illness, and children and youth with severe emotional disturbance.

¹⁰ Section 27-50-302 (1), C.R.S.

¹¹ Section 27-50-101 (17)(1)(I) and (II), C.R.S.

The BHA and BHASOs are required to ensure each region includes a network of safety net providers that offer a full continuum of care.¹² However, funding for priority populations, including individuals with severe mental illness (SMI), are not separated in the current or proposed Long Bill structure. If the Committee chose to separate funding for SMI in the Long Bill, staff would be concerned that the appropriation would limit, rather than improve, access to services.

Staff is also concerned that consolidation will be challenging to implement for FY 2026-27. Implementing a consolidated structure will require significant time investments in budget and accounting databases for Legislative and Executive Branch staff that could be done over the interim if a new structure was instead implemented for FY 2027-28. However, staff finds that the potential benefits in increased access to services is worth implementing consolidation on an abbreviated timeline.

Overall, staff finds that a consolidated structure is in the best interest of vulnerable populations. The proposed reporting requirements will provide Staff, the Committee, and general public with improved transparency about funding allocations, expenditures, and service provision. Reports will provide the Committee with information to change the line item structure in future years if necessary to reprioritize funding.

Line Item Detail – (A) Administration

The line item detail below reflects the staff recommendation for an integrated line item structure.

Program Administration

This line item supports the personnel services and operating expenses required to administer the Behavioral Health Administration. The FY 2022-23 Long Bill consolidated what had previously been separate personal services and operating expenses lines under the Office of Behavioral Health into this new line item within the BHA. Cash fund sources include nine different sources, with the Marijuana Tax Cash Fund and Alcohol and Drug Driving Safety Program Fund being the most significant.

Statutory Authority: Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-50-101, et seq., C.R.S. [Behavioral Health Administration]; Section 27-60-101 through 104, C.R.S. [Behavioral health crisis response system]; Section 27-60-105, C.R.S.; Section 27-66-101, et seq., C.R.S. [Community mental health services]; Section 27-80-101, et seq., C.R.S. [Alcohol and substance use – programs and services]; Section 27-80-201, et seq., C.R.S. [Colorado Licensing of Controlled Substances Act]; Section 27-81-101, et seq., C.R.S. [Alcohol use, education, prevention, and treatment]; Section 27-82-101, et seq., C.R.S. [Substance use prevention, education, and treatment]; Section 39-28.8-501 (2)(b)(IV)(C) and (D), C.R.S. [Authorization for use of Marijuana Tax Cash Fund for substance-use related services and for behavioral health services for persons involved in the criminal justice system]

Request: The BHA requests on appropriation of \$23.1 million total funds.

Recommendation: Staff recommends the amounts as requested by the BHA, with costs for quality assurance and IT programs removed to be appropriated in separate line items.

¹² Section 27-50-304 (1) and 27-50-401 (1), C.R.S.

Program Administration

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$22,978,333	\$10,577,701	\$4,120,877	\$926,843	\$7,352,912	157.1
Total FY 2025-26	\$22,978,333	\$10,577,701	\$4,120,877	\$926,843	\$7,352,912	157.1
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$22,978,333	\$10,577,701	\$4,120,877	\$926,843	\$7,352,912	157.1
Prior year actions	645,550	1,205,733	-842,290	25,625	234,471	0.0
Staff initiated BHA refinance	0	-1,000,000	1,000,000	0	0	0.0
Remove quality assurance and IT form admin	-6,951,388	-3,811,862	-1,182,557	-525,378	-1,431,591	-51.0
BHA R1 Reduce admin	-551,200	-551,200	0	0	0	-4.0
Total FY 2026-27	\$16,121,295	\$6,320,372	\$3,196,030	\$427,090	\$6,155,792	102.1
Changes from FY 2025-26	-\$6,857,038	-\$4,257,329	-\$924,847	-\$499,753	-\$1,197,120	-55.0
Percentage Change	-29.8%	-40.2%	-22.4%	-53.9%	-16.3%	-35.0%
FY 2026-27 Executive Request	\$23,072,683	\$11,254,245	\$3,278,587	\$952,468	\$7,587,383	153.1
Staff Rec. Above/-Below Request	\$0	-\$850,000	\$850,000	\$0	\$0	0.0

Quality and Standards [new line item]

This line item has not existed in previous versions of the Long Bill. The line is expected to support quality assurance and licensing staff previously included in the Program Administration and Recovery Residence Certification line items.

Statutory Authority:

Request: The BHA requests on appropriation of \$3.1 million total funds for the two line items included in the new line item proposed by staff.

Recommendation: Staff recommends the amounts as requested by the BHA consolidated into one line item.

Quality and Standards

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
Quality Assurance	\$0	\$0	\$0	\$0	\$0	0.0
Recovery Residence Certification	\$200,000	\$200,000	\$0	\$0	\$0	0.0
Total FY 2025-26	\$200,000	\$200,000	\$0	\$0	\$0	0.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$200,000	\$200,000	\$0	\$0	\$0	0.0
Remove quality assurance and IT from admin	2,870,073	1,174,364	821,345	0	874,364	32.0
Total FY 2026-27	\$3,070,073	\$1,374,364	\$821,345	\$0	\$874,364	32.0
Changes from FY 2025-26	\$2,870,073	\$1,174,364	\$821,345	\$0	\$874,364	32.0
Percentage Change	1,435.0%	587.2%	n/a	n/a	n/a	n/a

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2026-27 Executive Request	\$3,070,073	\$1,374,364	\$821,345	\$0	\$874,364	\$32
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Behavioral Health System Technology and Monitoring [new line item]

This line item has not existed in previous versions of the Long Bill. The line includes funding from three previous line items:

- Program Administration
- Behavioral Health Capacity Tracking System
- Behavioral Health Workforce Learning Management System

Behavioral Health Capacity Tracking System

This line item was created by H.B. 19-1287 (Treatment For Opioids And Substance Use Disorders). The bill required the creation of a centralized, web-based system to track bed space, use, and availability at crisis stabilization units, acute treatment units, community mental health centers, and hospitals. The system is intended to provide real-time data accessible to health care professionals, law enforcement, court personnel, and the public. The line item was located in the Information Technology Services section of the Executive Director’s Office prior to FY 2022-23.

Behavioral Health Workforce Learning Management System

This line item was created in FY 2023-24 to support the learning management system required by S.B. 21-137 (Behavioral Health Recovery Act) and S.B. 22-181 (Behavioral Health-care Workforce). Senate Bill 21-137 required the BHA to develop an online training system for accessible statewide training opportunities, as well as an online training curriculum to support a geographically and culturally diverse behavioral health care workforce.

Statutory Authority: Sections 27-60-104.5 (3), C.R.S. [Capacity tracking]; Sections 27-60-112, C.R.S. [Learning system]

Request: The BHA requests on appropriation of \$4.9 million total funds for the three line items included in the new line item proposed by staff.

Recommendation: Staff recommends the amounts as requested by the BHA consolidated into one line item.

Behavioral Health System Technology and Monitoring

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
Behavioral Health Capacity Tracking System	\$42,611	\$0	\$42,611	\$0	\$0	0.0
Behavioral Health Workforce Learning Management System	\$773,935	\$773,935	\$0	\$0	\$0	1.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Total FY 2025-26	\$816,546	\$773,935	\$42,611	\$0	\$0	1.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$816,546	\$773,935	\$42,611	\$0	\$0	1.0
Remove quality assurance and IT from admin	\$2,044,246	\$600,429	\$361,212	\$525,378	\$557,227	18.0
Prior year actions	1,309	1,309	0	0	0	0.0
Total FY 2026-27	\$2,862,101	\$1,375,673	\$403,823	\$525,378	\$557,227	\$19
Changes from FY 2025-26	\$2,045,555	\$601,738	\$361,212	\$525,378	\$557,227	18.0
Percentage Change	250.5%	77.8%	847.7%	n/a	n/a	1,800.0%
FY 2026-27 Executive Request	\$2,045,555	\$601,738	\$361,212	\$525,378	\$557,227	18.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

(B) Behavioral Health Services [new subdivision]

Behavioral Health Safety Net Continuum [new line item]

This line item has not existed in previous versions of the Long Bill. The line is expected to reflect the funding allocated to BHASOs for regional service provision of behavioral health safety net services. The proposed line item includes funding from several previous line items.

- Mental Health Community Programs (historic CMHC funding)
- ACT Programs and Other Alternatives to Mental Health Institutes
- Family First Prevention Services Act
- Treatment and Detoxification Programs (historic MSO funding)
- Increasing Access to Effective Substance Use Disorder Services (SB 16-202)
- Crisis Response Services (historic ASO funding)
- Behavioral Health Crisis Response System Secure Transportation Program
- Community Transition Services
- Circle Program and Other Rural Treatment Programs for People with Co-occurring Disorders
- Care Coordination

Mental Health Community Programs

This line item was created in the FY 2017-18 Long Bill as part of a restructuring for the Office of Behavioral Health (with the consolidation of funding from four previous line items). The line was then moved into the newly created Behavioral Health Administration section of the Long Bill in FY 2022-23.

The line item supports contracts for the provision of mental health services for low-income individuals. Prior to the creation of the BHA, the Office of Behavioral Health contracted with community mental health centers (CMHC) across the state to provide services that were not otherwise available. Beginning in January 2024, providers could apply with the BHA for designation as a comprehensive or essential provider, replacing the prior CMHC designation. The purpose of the new structure is to allow more safety net providers to enter the market in addition to CMHCs.

Comprehensive Safety Net Providers (CSNPs) are paid using a prospective payment system (PPS) through HCPF beginning July 1, 2024. The PPS is expected to cover the costs of required services and be a highly competitive payment structure for safety net providers. Comprehensive providers are required to provide the following services by the BHA:

- Emergency and 24/7 crisis;
- Outpatient;
- Intensive outpatient;
- Recovery support;
- Care management;
- Outreach, engagement, and education; and,
- Outpatient competency restoration.

Essential Safety Net Providers (ESNPs) are required to provide care coordination and one or more, but not all, of the services required of comprehensive providers. Essential providers are expected to receive an enhanced Medicaid rate for these services, but will not be eligible for the more competitive prospective payment system.

Historically, each CMHC had access to a certain number of inpatient beds at one of the state Mental Health Hospitals, and was responsible for managing admissions to the allotted beds for adults within their service area. However, the number of beds available for these civil patients has been negatively impacted by the increasing number of court orders for inpatient competency evaluations and restorations. If a safety net provider requires inpatient beds for adults within their service area, it must now purchase the services directly from other public or private hospitals.

Unlike the Medicaid program, funding for mental health services provided by the BHA are not an entitlement. Thus, the number of individuals receiving services and the level of services provided is directly affected by the level of available funding appropriated by the General Assembly. This line item is primarily supported by General Fund and the federal Community Mental Health Services Block Grant block grant. Federal funds are allocated to each safety net provider for the provision of mental health services to indigent mentally ill clients and for other specified services and/or targeted populations. The community provider rate is historically applied to the full General Fund portion of this appropriation, for direct client services provided by safety net providers.

Assertive Community Treatment Programs and Other Alternatives to the Mental Health Institutes

This line item was created in the FY 2017-18 Long Bill as part of a restructuring of the Office of Behavioral Health. The line item supports intensive outpatient case management services for severe and persistent mental health disorders, including “Assertive Community Treatment” (ACT).

ACT is an evidence-based service delivery model for comprehensive community-based treatment to adults with serious and persistent mental illness through the community mental health centers. The ACT model includes a multi-disciplinary mobile mental health team that conducts outreach and engagement with clients to provide the treatment, rehabilitation, and support services that adults with serious mental illnesses need to live successfully in the community.

This line item also supports alternative placements for individuals who would otherwise require hospitalization at one of the mental health institutes. Funding is allocated among Centers to provide the following types of services:

- Inpatient hospitalization capacity.
- Acute treatment unit and residential treatment capacity.
- Medication and medication administration.
- Intensive therapy and case management.
- Mentoring services.
- Other services to improve the patient's level of functioning to enhance his or her success in the community.

Funding covers services for clients who are not eligible for Medicaid and services that are not covered by Medicaid for Medicaid-eligible clients (e.g., residential room and board expenses). The community provider rate is historically applied to the total appropriation for direct client services provided by community mental health centers.

Family First Prevention Services

This line item was created in the FY 2021-22 Long Bill to support activities associated with the federal Family First Prevention Services Act and initially funded in S.B. 20-162 (Changes Related to Federal Family First Policy).

To meet federal requirements, the BHA maintains a statewide network of qualified individuals to assess children placed in Qualified Residential Treatment Programs (QRTP). The assessments must be completed within 14 days of referral. Assessments include a face-to-face meeting with youth and obtaining necessary information from other parties such as family, schools, county departments of human services, Division of Youth Services, or guardians ad litem. The assessor must then complete a report and send it to the Department for final quality assurance review before submission to the court official, who makes the final determination for QRTP placement.

The BHA has obtained federal approval to procure and oversee the QRTP assessment process on behalf of the Office of Children, Youth and Families, which otherwise oversees the child welfare system. This line item supports payments for these assessments.

Treatment and Detoxification Programs

This line item was created in FY 2017-18 as part of a Long Bill restructuring that consolidated funding from two contracts and case management line items. The consolidated line supports contracts for the provision of treatment and detoxification services that are not otherwise available.

The BHA previously contracted with three managed service organizations (MSOs) for the provision of substance use disorder treatment and detoxification services. MSOs are replaced with Behavioral Health Administration Service Organizations (BHASOs) beginning in FY 2025-26. The MSOs or BHASOs subcontract with local treatment providers with locations around the state to deliver the services. The contracts require an emphasis on providing services to: persons involuntarily committed by the courts; pregnant women and women with dependent children; adult and adolescent intravenous drug users; drug-dependent adults and adolescents with human immunodeficiency virus (HIV) or tuberculosis; and uninsured individuals.

Unlike the Medicaid program, substance use disorder services provided through BHA contracts are not an entitlement. Thus, the number of individuals receiving services is directly affected by the level of appropriated funding.

Appropriations consist of General Fund, cash funds from the Marijuana Tax Cash Fund and the Adolescent Substance Abuse Prevention Fund, and federal funds from the Substance Abuse Prevention and Treatment Block Grant. The community provider rate is historically applied to the General Fund and Marijuana Tax Cash Fund portions of the appropriation for direct client services (including licensed residential treatment providers, comprehensive providers, and outpatient substance use treatment facilities).

Increasing Access to Effective Substance Use Services

This line item was created following implementation of S.B. 16-202. The bill required each managed service organization (MSOs) to assess the sufficiency of substance use disorder services in its geographic region, and prepare a community action plan to address the most critical service gaps. The purpose of the assessment was to consider the service needs for different populations, and to assess the continuum of substance use disorder services, including prevention, early intervention, treatment, and recovery support services. A single, consolidated Community Assessment Report was prepared by Keystone Policy Center. This consolidated report, and the community action plans for each region are available on the Colorado Behavioral Healthcare Council (CBHC) website.

The act requires the Department to allocate money appropriated from the Marijuana Tax Cash Fund to regional entities based on the Department's allocation of the federal Substance Abuse Prevention and Treatment Block Grant. Funds will be distributed to BHASOs, rather than MSOs, beginning in FY 2025-26. The act allows BHASOs to recommend changes to the allocation methodology. Each BHASO is authorized to use its annual allocation over a two-year period to implement its community action plan and increase access to substance use disorder services for populations in need of such services within its region.

The community provider rate is historically applied to the total appropriation for direct client services provided by contracted providers (including licensed residential treatment providers, comprehensive providers, and outpatient substance use treatment facilities).

Crisis Response Services

This is the first of four line items associated with the behavioral health crisis response system that was authorized through S.B. 13-266. The act defines "crisis intervention services" to mean an array of integrated services that are available twenty-four hours a day, seven days a week, to respond to and assist individuals who are in a behavioral health emergency. The components of the system are required to reflect a continuum of care from crisis response through stabilization and safe return to the community, with adequate support for transitions to each stage. This line item provides funding for a collection of integrated services to respond to and assist individuals experiencing a behavioral health emergency, including the following:

- Walk-in crisis services and crisis stabilization units with the capacity for immediate clinical intervention, triage, and stabilization. The walk-in crisis services and crisis stabilization units must employ an integrated health model based on evidence-based practices that consider an individual's physical and emotional health, are a part of a continuum of care, and are linked to mobile crisis services and crisis respite services.

- Mobile crisis services and units that are linked to the walk-in crisis services and crisis respite services and that have the ability to initiate a response in a timely fashion to a behavioral health crisis.
- Residential and respite crisis services that are linked to the walk-in crisis services and crisis respite services and that include a range of short-term crisis residential services, including but not limited to community living arrangements.

Senate Bill 17-207 eliminated the use of the criminal justice system to hold individuals who are experiencing a mental health crisis, and allowed a person experiencing a mental health crisis to be taken to an emergency medical facility if a facility that has been approved by DHS is not available. This act made a number of changes regarding the State's coordinated behavioral health crisis response system (crisis system) including the following:

- Requires all crisis system walk-in centers, acute treatment units, and crisis stabilization units to be able to adequately care for individuals brought to the facility through the emergency mental health hold procedure or a voluntary application for mental health services as authorized by the act.
- Requires the Department to ensure that crisis system mobile response units are available to respond to a behavioral health crisis anywhere in the state within two hours.
- Requires the Department to ensure that crisis system contractors are responsible for community engagement, coordination, and system navigation for key partners including criminal justice agencies, emergency departments, hospitals, primary care facilities, and walk-in centers.
- Requires the Department to ensure consistent training for professionals who have regular contact with individuals experiencing a behavioral health crisis, and to explore solutions for addressing secure transportation of individuals placed on a 72-hour treatment and evaluation hold.
- Allows certain licensed advanced practice nurses to determine that a person in custody as a result of an emergency mental health hold can be discharged or referred for further care and treatment in another setting.
- Modifies reporting requirements related to behavioral health crisis services.
- Requires that each July 1, every emergency medical services facility that has treated a person taken into emergency custody for a mental health hold provide an annual report to the Department including specified and confidential aggregated service information.

The community provider rate is historically applied to the full appropriation for direct client services contracted through Behavioral Health Administration Service Organizations (BHASOs). Cash funds are from the Marijuana Tax Cash Fund.

Behavioral Health Crisis Response Transportation

Senate Bill 17-207 the use of the criminal justice system to hold individuals who are experiencing a mental health crisis, and allows a person experiencing a mental health crisis to be taken to an emergency medical facility if a facility that has been approved by the Department is not available. This act made a number of changes regarding the State's coordinated Behavioral Health Crisis Response System, including the following requirements:

- All crisis system walk-in centers, acute treatment units, and crisis stabilization units must be able to adequately care for individuals brought to the facility through the emergency mental health hold procedure or a voluntary application for mental health services as authorized by the act.

- Crisis System mobile response units must be available to respond to a behavioral health crisis anywhere in the state within two hours.
- Crisis System contractors are responsible for community engagement, coordination, and system navigation for key partners including criminal justice agencies, emergency departments, hospitals, primary care facilities, and walk-in centers.

The act also requires the Department, and now BHA, to "explore solutions for addressing secure transportation of individuals placed on a seventy-two-hour treatment and evaluation hold" [Section 27-60-104 (7), C.R.S.]. The BHA is also required to report on the program as part of annual SMART Act hearings.

This line item was added in the FY 2019-20 Long Bill to provide sufficient funding to allow for a meaningful evaluation of the pilot program. The General Assembly eliminated funding for the program in FY 2020-21 as a budget balancing action but restored an appropriation of \$554,839 cash funds from the Marijuana Tax Cash Fund for FY 2021-22.

Community Transition Services

This line item historically provided funding for intensive behavioral health services for individuals with serious mental illness who transition from a state hospital back to the community, or who require more intensive services in the community to help avoid institutional placement.

This line item supports the "Money Follows the Individual" program. This program has generally focused on serving adults with diagnoses such as bipolar, schizoaffective disorder, and schizophrenia. The Department recently renamed this the "Momentum Program", and expanded it to serve other populations requiring intensive and innovative case management services, including children and youth. Eligible clients include defendants who are deemed incompetent to proceed to trial.

Senate Bill 18-270 established the statewide Community Transition Specialist Program to coordinate referrals of high-risk individuals from hospitals and withdrawal management facilities to appropriate transition specialists. The act requires the Office of Behavioral Health, and now BHA, to collect information concerning current practices, criteria, procedures, and system capacity for providing follow-up care for high-risk individuals after release or discharge.

The community provider rate is historically applied to the full appropriation for direct client services.

Circle Program and Other Rural Treatment Programs for People with Co-occurring Disorders

The BHA previously contracted with managed service organizations, and now BHASOs, to administer the Circle Program and Other Rural Treatment Programs. The following sections further describe both components.

Community Based Circle Program supports intensive treatment programs for individuals with co-occurring mental health and substance use disorders. This program was previously operated on the campus of the Colorado Mental Health Hospital in Pueblo (CMHHIP). In FY 2017-18, the General Assembly approved a Department proposal to convert the program to a community-based model. The Department contracted with the MSO for the southeast region, Signal Behavioral Health Network, to establish a community-based Circle Program in Pueblo. Signal subcontracted with Crossroads' Turning Point Inc., to establish and operate a 16-bed

program that focuses on serving those who are “justice involved”. The new community-based program was licensed in December 2018 and began serving clients in January 2019. At present, there are three state-funded circle programs operating in Colorado, each with 16 beds:

- Crossroads’ Turning Points in Pueblo (opened FY 2018-19)
- Summitstone Garcia House in Fort Collins (opened FY 2020-21)
- Mind Springs Health in Grand Junction (opened FY 2020-21)

Rural Co-occurring Disorder Services supports a full continuum of co-occurring behavioral health services for adolescents and adults in southern Colorado and the Arkansas Valley. The appropriation was initially added based on data that demonstrated a gap in the service delivery system for southern Colorado related to the co-occurring, dually diagnosed population, primary substance use, and secondary mental health.

These programs serve both civil clients and forensic clients involved in the criminal justice system. The services provided include residential and outpatient services with a combination of individual and group mental health therapies, individual and group substance use treatment, case management, medication assisted therapy (MAT), substance use testing, and other similar services. Staff understands that Medicaid currently only covers the cost of outpatient treatment, so this line item covers the additional costs of room and board, treatment costs that are not covered by Medicaid, and wraparound services that ensure a client’s successful transition to outpatient treatment.

The provider rate is historically applied to the General Fund and Marijuana Tax Cash Fund appropriation for services provided.

Care Coordination

This line item was created in FY 2023-24 to support the Care Coordination Program previously been funded through the Behavioral Health Crisis Response System Telephone Hotline line item. Recent legislation (S.B. 21-137, S.B. 22-177, and H.B. 22-1278) tasked the BHA with establishing and developing a comprehensive care coordination infrastructure. Given the expanding role, the Department requested eliminating the statutory requirement that the crisis hotline contractor also provide the coordination services and creating a new line item specific to this program.

The community provider rate is applied to the full appropriation for direct client services but excluding the Department’s personnel and operating costs associated with the state FTE.

Statutory Authority: Section 27-65-101, et seq., C.R.S. [Care and treatment of persons with mental illness]; Section 27-65-111, C.R.S. [Certification on an outpatient basis]; 27-66-101, et seq., C.R.S. [Community mental health services]; Section 19-1-115, C.R.S. [Family First Prevention]; Section 16-11.5-102, C.R.S. [Substance use in the criminal justice system]; Section 27-80-101, et seq., C.R.S. [Alcohol and substance use – programs and services]; Section 27-81-101, et seq., C.R.S. [Substance use disorders education, prevention, and treatment]; Section 27-82-201, et seq., C.R.S. [Maternal and child health pilot program]; Section 18-19-103 (5)(c) and (d), C.R.S. [Use of Correctional Treatment Cash Fund for offenders]; Section 27-80-107.5, C.R.S. [Increasing access to effective substance use disorder services]; Section 39-28.8-501 (2)(b)(IV)(C), C.R.S. [Authorization for use of Marijuana Tax Cash Fund to treat and provide related services to people with any type of substance use or mental health disorder, including those with co-occurring disorders]; Section 27-60-103 (1)(b)(II), (III) and (IV),

C.R.S. [Crisis system service components]; Community Transition Specialist Program [Section 27-66.5-101, et seq., C.R.S.]; Section 27-65-108, C.R.S. [Care coordination for civil commitment].

Request: The BHA requests on appropriation of \$190.7 million total funds for the line items included in the new line item proposed by staff.

Recommendation: The staff recommendation is provided in the table below. Amounts associated with repeals requested in R2 and R4 are expected to occur in separate legislation if approved by the Committee.

Behavioral Health Safety Net Continuum

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
Mental Health Community Programs	\$52,063,993	\$30,063,993	\$0	\$0	\$22,000,000	0.0
ACT Programs	18,366,392	18,366,392	0	0	0	0.0
Family First Prevention Services	663,253	663,253	0	0	0	0.0
Treatment and Detoxification Programs	51,392,307	15,871,526	5,520,781	0	30,000,000	2.1
Increasing Access to Effective Substance Use Services	16,938,566	0	16,938,566	0	0	0.0
Crisis Response Services	39,837,978	31,327,708	7,346,832	0	1,163,438	0.0
Behavioral Health Crisis Response Transportation	594,572	0	594,572	0	0	0.0
Community Transition Services	7,945,867	7,945,867	0	0	0	0.0
Circle Program and Other Rural Treatment	6,467,949	638,286	5,829,663	0	0	0.0
Care Coordination	1,751,331	1,751,331	0	0	0	0.0
Total FY 2025-26	\$196,022,208	\$106,628,356	\$36,230,414	\$0	\$53,163,438	2.1
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$196,022,208	\$106,628,356	\$36,230,414	\$0	\$53,163,438	2.1
Prior year actions	-1,557,460	-1,557,460	0	0	0	0.0
BHA R2 Repeal safety net assist	0	0	0	0	0	0.0
BHA R3 Reduce substance treatment	0	0	0	0	0	0.0
BHA R4 Reduce care coordination	-250,000	-250,000	0	0	0	0.0
Staff initiated Circle program reduction	-150,000	-150,000	0	0	0	0.0
Total FY 2026-27	\$194,064,748	\$104,670,896	\$36,230,414	\$0	\$53,163,438	2.1
Changes from FY 2025-26	-\$1,957,460	-\$1,957,460	\$0	\$0	\$0	0.0
Percentage Change	-1.0%	-1.8%	0.0%	n/a	0.0%	0.0%
FY 2026-27 Executive Request	\$190,714,748	\$101,320,896	\$36,230,414	\$0	\$53,163,438	2.1
Staff Rec. Above/-Below Request	\$5,307,460	\$5,307,460	\$0	\$0	\$0	0.0

Diversion and Justice Involved Behavioral Health Services [new line item]

This line item has not existed in previous versions of the Long Bill. The line is expected to reflect funding allocated to criminal justice diversion programs. The proposed line item includes funding from three previous line items.

- Mental Health Services for Juvenile and Adult Offenders
- Offender Services
- Criminal Justice Diversion Programs

Mental Health Services for Juvenile and Adult Offenders

This line item historically provided funding for CMHCs to provide case management services, wrap-around services, medications, and treatment services for juvenile and adult offenders. Each CMHC could determine how funds were utilized.

Many CMHCs chose to use this allocation to support co-responder models similar to programs authorized by S.B. 17-207, funded through the Criminal Justice Diversion Programs line item, or to support problem-solving courts that focus on individuals with mental health disorders. Prior to FY 2016-17, this line item was supported by Tobacco Master Settlement Agreement revenues that were annually transferred to the Offender Mental Health Services Fund based on a statutory formula. House Bill 16-1408 eliminated this transfer, and this line item is now supported by the Marijuana Tax Cash Fund.

Prior to FY 2017-18, this line item provided funding for 11 of the 17 CMHCs. In FY 2017-18, the appropriation was increased to restore historic appropriations and expand funding to all 17 CMHCs. This line item also became subject to the annual community provider rate increases in FY 2017-18. The community provider rate is applied to the total base appropriation for direct client services provided by CMHCs.

Offender Services

This line item was created in the FY 2017-18 Long Bill as part of a restructuring for the Office of Behavioral Health and moved in to the BHA section for FY 2022-23. The BHA uses this funding to contract with local treatment providers who offer two types of treatment programs, STIRT and SSIC.

The Strategic Individualized Remediation Treatment (STIRT) program is intended to reduce recidivism among adult offenders who are at high risk of incarceration (either in county jail or in the Department of Corrections) due to continued criminogenic, substance abuse and/or mental health concerns. The program serves adults who:

- Have severe substance abuse or a co-occurring mental health disorder.
- Have one or more misdemeanor or felony convictions.
- Are assessed as needing intensive levels of treatment.
- Are at risk of having probation or parole revoked and of being incarcerated.

STIRT includes three weeks of intensive residential treatment, followed by continuing care in an outpatient setting for up to nine months (or longer based on individual needs). Clients are primarily referred from probation, drug courts, the Department of Corrections/parole, and community corrections.

The Strategies for Self-improvement and Change (SSIC) program is a three-phase program designed to motivate change in adults (individuals 18 or older) who have a history of criminal behavior and substance abuse. The phases include: (1) challenge to change; (2) commitment to change; and (3) taking ownership of change. According to the Department, there are currently four providers delivering SSIC under Signal Behavioral Health and one provider on the Western Slope.

Appropriations consist of General Fund and reappropriated funds originating from the Correctional Treatment Cash Fund in the Judicial Department. The community provider rate is historically applied to the full General Fund portion of this appropriation for direct client services from comprehensive providers.

Criminal Justice Diversion Programs

This line item was created in the FY 2017-18 Long Bill to support community-based initiatives that divert individuals with behavioral health problems from the criminal justice system, along with related departmental administrative costs, including:

- Law Enforcement Assisted Diversion (LEAD) pilot programs in four communities (Alamosa and the San Luis Valley, Denver, Longmont, and Pueblo), involving collaborative partnerships between law enforcement, district attorneys' offices, sheriffs, treatment providers, and other community stakeholders to divert individuals with behavioral health disorders and associated technical assistance.
- An evaluation of the LEAD pilot programs concluded in FY 2021-22. In FY 2022-23, the BHA continued to contract for ongoing data collection, IT assistance, and database programming to continue improving the reporting of outcomes and efficacy of the LEAD programs.
- Co-responder programs, which pair law enforcement with behavioral health clinicians, most often by creating local partnerships between law enforcement and behavioral health agencies. This funding supports such programs in the cities of Broomfield, Denver, Greeley/Evans, Grand Junction, Longmont, Arvada, Canon City, Vail, and Westminster, as well as El Paso, Larimer, Pitkin, Boulder, Douglas, and Summit counties.
- BHA oversight of the LEAD pilot and co-responder programs, as well as technical assistance and associated evaluation.

The community provider rate is applied to the full appropriation for direct client services but excluding the Department's personnel and operating costs associated with the state FTE. Cash funds are from the Marijuana Tax Cash Fund.

Statutory Authority: : Section 27-66-101, C.R.S. [Community Mental Health Services]; Section 16-11.5-102, C.R.S. [Substance abuse in the criminal justice system]; Section 27-80-101, et seq., C.R.S. [Alcohol and substance use – programs and services]; Section 27-81-101, et seq., C.R.S. [Substance use disorders education, prevention, and treatment]; Section 27-82-101, et seq., C.R.S. [Maternal and child health pilot program]; Section 18-19-103 (5)(c) and (d), C.R.S. [Use of Correctional Treatment Cash Fund for offenders].

Request: The BHA requests on appropriation of \$17.5 million total funds for the three line items included in the new line item proposed by staff.

Recommendation: Staff recommends the amounts as requested by the BHA consolidated into one line item.

Diversion and Justice Involved Behavioral Health Services

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
Mental Health Services for Juvenile and Adult Offenders	\$6,210,075	\$0	\$6,210,075	\$0	\$0	0.0
Offender Services	3,318,616	3,318,616	0	0	0	0.0
Criminal Justice Diversion Programs	7,954,471	1,740,348	6,214,123	0	0	2.3
Total FY 2025-26	\$17,483,162	\$5,058,964	\$12,424,198	\$0	\$0	2.3
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$17,483,162	\$5,058,964	\$12,424,198	\$0	\$0	2.3
Prior year actions	14,252	0	14,252	0	0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Total FY 2026-27	\$17,497,414	\$5,058,964	\$12,438,450	\$0	\$0	2.3
Percentage Change	0.0%	n/a	0.0%	n/a	n/a	n/a
FY 2026-27 Executive Request	\$17,497,414	\$5,058,964	\$12,438,450	\$0	\$0	2.3
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Jail Based Services [new line item]

This line item has not existed in previous versions of the Long Bill. The line is expected to reflect contracted behavioral health services provided in jails. The proposed line item includes funding from two previous line items.

- Jail-based Behavioral Health Services
- Medication Consistency and Health Information Exchange

Jail-based Behavioral Health Services

This line item supports the provision of jail-based behavioral health services (JBBS). Senate Bill 18-250 formally established this program in statute, expanded the program to include mental health services, and provided additional funding for services and administration. Programs include screening and care for adult jail inmates with a substance use and co-occurring mental health disorders. In addition, programs provide continuity of care within the community after release from jail. Substance use disorder services are supported by reappropriated funds transferred from the Judicial Department from the Correctional Treatment Cash Fund (CTCF).

The BHA contracts with county sheriffs' departments to administer these funds, and some counties collaborate with neighboring counties. Sheriff departments work with local community providers to provide services within the jail. Treatment providers screen all inmates for substance use disorders, mental health disorders, trauma, and traumatic brain injury, and identify inmates with active duty or veteran military status. The staff work with inmates prior to release to develop a plan to meet their basic needs and maintain sobriety. Staff continue to work with inmates following release to ensure successful re-entry and transition to community recovery resources.

The community provider rate is historically applied to this line item for direct client services provided through county jails.

Medication Consistency and Health Information Exchange

This line item was created following implementation of Senate Bill 17-019. The bill required the Department, in consultation with the Department of Corrections (DOC), to promulgate rules that require providers and allow hospitals to use an agreed upon medication formulary. The formulary is intended to promote continuity of care across criminal justice agencies and health care providers. To ensure medication consistency for persons with mental health disorders in the criminal and juvenile justice systems, the act requires the Division of Youth Services, DOC, counties, comprehensive providers, and other providers to share patient-specific mental health care and treatment information.

The Department’s ongoing monitoring includes the following measures: emergency room utilization, psychiatric and physical inpatient admissions, criminal recidivism efforts, improved treatment outcomes, information access, and cost reductions. According to the Department, participating jails have reported improved treatment planning based on better information, improved work flow, and improved discharge planning and community transitions.

Statutory Authority: Section 27-60-106, C.R.S. [Jail-based behavioral health services program]; Section 18-19-103 (5)(c) and (d)(V), C.R.S. [Use of Correctional Treatment Cash Fund for offenders in a county jail]; Section 27-70-101, et seq., C.R.S. [Medication consistency].

Request: The BHA requests on appropriation of \$17.0 million total funds for the two line items included in the new line item proposed by staff.

Recommendation: Staff recommends the amounts as requested by the BHA consolidated into one line item.

Jail Based Services

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
Jail-based Behavioral Health Services	\$16,241,451	\$7,241,451	\$0	\$9,000,000	\$0	0.0
Medication Consistency and Health Information Exchange	\$760,700	\$0	\$760,700	\$0	\$0	0.0
Total FY 2025-26	\$17,002,151	\$7,241,451	\$760,700	\$9,000,000	\$0	0.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$17,002,151	\$7,241,451	\$760,700	\$9,000,000	\$0	0.0
Total FY 2026-27	\$17,002,151	\$7,241,451	\$760,700	\$9,000,000	\$0	0.0
Percentage Change	0.0%	0.0%	n/a	0.0%	n/a	n/a
FY 2026-27 Executive Request	\$17,002,151	\$7,241,451	\$760,700	\$9,000,000	\$0	0.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Children and Youth Mental Health Treatment Act

The Children and Youth Mental Health Treatment Act (CYMHTA), as amended by H.B. 18-1094, provides funding for mental health treatment services for children and youth under age 21. The program is designed to make services available for children and youth who are at risk of out-of-home placement, but a dependency and neglect action is neither appropriate nor warranted. Services may include mental health treatment and care management, including residential treatment, community-based care, or any necessary post-residential follow-up services. Local and state-level appeal processes are available if services are denied, and for local interagency disputes.

The CYMHTA applies to two groups of children, with different application and payment processes for each group.

- Children who are Medicaid-eligible and have a covered mental health diagnosis. A parent or guardian of a Medicaid-eligible child may apply for residential treatment through the local regional accountable entity

(RAE). If the child is determined to require a residential level of care, the RAE is responsible for covering the residential treatment costs.

- Children who are NOT eligible for Medicaid. If a child is at risk of being placed out of the home because they require a residential treatment level of care or equivalent services, the parent or guardian may apply for such services through the local comprehensive provider or another mental health agency. The provider is required to evaluate the child or youth and clinically assess their need for mental health services.

When youth are approved for funding through this program and require residential treatment, the child may become eligible for Medicaid funding through the federal supplemental security income (SSI) eligibility process. If a child has been in residential services for more than 30 days, or is expected to remain in residential services for more than 30 days, the child can qualify for SSI due to being considered a “household of one” per the federal Social Security Administration. Once a child obtains SSI, the child automatically acquires fee-for-service Medicaid. Medicaid funding pays for the treatment costs of residential services, but does not fund room and board costs.

Due to federal regulations, the SSI benefit is paid directly to the child or payee (typically the parent) to fund a portion of the residential room and board rate. The parent will then give all but \$30 of the SSI award to the residential provider. SSI awards vary based on the child’s treatment location and family income, ranging from \$30 to \$700 per month.

Private insurance benefits must be exhausted prior to accessing any public benefits. In addition, the parents are responsible for paying a portion of the cost of services that is not covered by private insurance or by Medicaid funding; the parent share is based on a sliding fee scale that is based on child support guidelines.

When a child is in residential care and funded by the CYMHTA, expenses are covered by parental fees, SSI benefits (if benefits are approved), and CYMHTA funds. If the child or youth is placed in a psychiatric residential treatment facility, treatment expenses are covered by a Medicaid per diem rate and “room and board” expenses are covered by the BHA following the enactment of H.B. 24-1038. If the child is in non-residential care, expenses are covered by SSI benefits, parental fees, and CYMHTA funds.

Expenditures for services covered by this line item are subject to available appropriations because the Department does not have statutory authority to over-expend the appropriation. Medicaid funds, however, may be over expended pursuant to Section 24-75-109 (1)(a), C.R.S. In addition, the two departments have the authority to transfer General Fund appropriations between the two agencies when required by changes in the amount of federal Medicaid funds earned based on the services provided through this program (Section 24-75-106 (1), C.R.S.).

Appropriations consist of General Fund, Marijuana Tax Cash Fund, and Medicaid funds reappropriated from the Department of Health Care Policy and Financing that originate as General Fund and federal funds. The community provider rate is historically applied to the General Fund and cash fund appropriations for direct client services.

Statutory Authority: Section 25.5-5-307, C.R.S. [Child mental health treatment and family support program]; Section 27-67-101 et seq., C.R.S. [Children and Youth Mental Health Treatment Act]; Section 39-28.8-501 (2)(b)(IV)(C), C.R.S. [Authorization for use of Marijuana Tax Cash Fund to treat and provide related services to people with any type of substance use or mental health disorder, including those with co-occurring disorders].

Request: The BHA requests a continuation appropriation of \$8,110,513 total funds, including \$7,519,135 General Fund, \$435,698 cash funds, and \$137,680 reappropriated funds.

Recommendation: Staff recommends approval of the request.

Youth Mental Health Services Program

This line item supports the IMatter program created in H.B. 21-1258 and extended by H.B. 22-1243 and S.B. 24-001. The program reimburses mental health counselors for providing up to six mental health sessions for each child or youth (defined as someone no more than 18 years old or up to 21 years old if that individual is receiving special education services) that is screened into the program. The bill requires the Department to develop a process to select providers, determine a reasonable reimbursement rate, and implement a statewide public awareness outreach campaign. The bill also requires the Department to enter into an agreement with a vendor to create or use an existing web based portal that:

- Includes an age-appropriate mental health screening.
- Allows providers to register and share appointment availability.
- Connects youth to providers who will accept the youth's insurance.
- Allows youth to schedule an appointment regardless of insurance status.

Statutory Authority: Section 27-60-109, C.R.S. [Temporary Youth Mental Health Services Program].

Request: The BHA requests a continuation appropriation of \$5,002,872 General Fund.

Recommendation: Staff recommends approval of the request.

Community Prevention and Treatment Programs

This line item provides funding for the purchase of community services for the prevention and treatment of alcohol and drug abuse. House Bill 22-1278 transferred substance use prevention programs to the Colorado Department of Public Health and Environment (CDPHE). However, the BHA continues to administer cash funds and federal funds that have both prevention and treatment components. The BHA executes an interagency agreement with CDPHE to implement prevention services associated with the cash funds and federal funds that the BHA administers. The funding in the line item comes from a variety of sources and supports multiple purposes, described below.

The Federal Grants section reflects a variety of federal alcohol and substance use discretionary grants as well as the substance abuse prevention and treatment block grant.

The Persistent Drunk Driver Programs are designed to deter persistent drunk driving and to educate the public, with an emphasis on young drivers. The funding, which originates as surcharges of \$100 to \$500 for persons convicted of DUI, DUI per se, or DWAI that are credited to the Persistent Drunk Driver Cash Fund, is appropriated to the BHA but administered through an interagency contract with CDPHE to support persistent drunk driver prevention contracts. Money in the Persistent Drunk Driver Cash Fund is subject to annual appropriation to pay for the following:

- To support programs that are intended to deter persistent drunk driving or intended to educate the public (with particular emphasis on the education of young drivers) regarding the dangers of persistent drunk driving.
- To pay a portion of the costs for intervention or treatment services statutorily required for a persistent drunk driver who is unable to pay for the required intervention or treatment services;
- To assist in providing court-ordered alcohol treatment programs for indigent and incarcerated offenders.
- To assist in providing approved ignition interlock devices for indigent offenders.
- To assist in providing continuous monitoring technology or devices for indigent offenders.
- Costs incurred by the Department of Revenue concerning persistent drunk drivers, including costs associated with the revocation of a driver's license and computer programming changes.

Money is directly appropriated to the Department of Revenue and to the Department of Human Services (DHS); a portion of the money appropriated to DHS is transferred to the Judicial Department's Probation unit.

The Law Enforcement Assistance Fund (LEAF) is supported by revenue from a \$90 surcharge on drunk and drugged driving convictions. Money in this fund supports enforcement, laboratory charges, and prevention programs. The BHA annually receives 20 percent of LEAF revenues that are available after appropriations are made to the Department of Public Health and Environment (for evidential breath alcohol testing and implied consent specialists) and to the Department of Public Safety's Colorado Bureau of Investigation (for toxicology laboratory services). These funds are to be used to establish a statewide program for the prevention of driving after drinking, which includes:

- Educating the public in the problems of driving after drinking.
- Training of teachers, health professionals, and law enforcement in the dangers of driving after drinking.
- Preparing and disseminating educational materials dealing with the effects of alcohol and other drugs on driving behavior.
- Preparing and disseminating education curriculum materials thereon for use at all levels of school specifically to establish impaired driving prevention programs.

The BHA, through CDPHE, allocates available funds through five separate contracts targeted as the following audiences:

- General population as a whole.
- Teachers of young people and young adults.
- Health professionals.
- Local law enforcement.
- Providers and advocacy organizations.

Funding supports local efforts to prevent persons from driving when using alcohol or other drugs. Services provided include: mentoring; tutoring; life skills training; harm reduction education; community coalition building; social norms marketing; and education and information dissemination.

The Rural Substance Abuse Prevention and Treatment section receives funding from penalty surcharges (ranging from a minimum of \$1 to a maximum of \$10) on convictions of driving under the influence (DUI), driving while ability impaired (DWAI), habitual user of controlled substances, and underage drinking and driving. Penalty surcharges are also established for other alcohol or drug-related offenses upon conviction or a deferred

sentence. Statute credits the surcharge revenues to Rural Alcohol and Substance Abuse Cash Fund to support the program.

The BHA allocates 75.0 percent of these funds to treatment programs administered by the BHA and 25.0 percent to CDPHE for substance use prevention services. House Bill 09-1119 defines a "rural area" as a county with a population of less than 30,000. The program consists of two components:

- Half of the available funds support the Rural Youth Alcohol and Substance Abuse Prevention and Treatment Project, which provides prevention and treatment services to children ages eight to 17 in rural areas.
- The remaining half of the funds support treatment services for persons addicted to alcohol or drugs. These funds are allocated to MSOs in six of the seven MSO regions (all except Boulder) to support detoxification facilities in rural counties.

Appropriations consist of cash funds from the LEAF fund, Persistent Drunk Driver Cash Fund, Rural Alcohol and Substance Abuse Cash Fund, and the Marijuana Tax Cash Fund, and federal funds from the Substance Abuse Prevention and Treatment Block Grant. The community provider rate has historically been applied to the Marijuana Tax Cash Fund appropriation for direct client services provided by MSOs and their contracted providers (including licensed residential treatment providers, community mental health centers, and outpatient substance use treatment facilities).

Statutory authority: Section 27-80-106, C.R.S. [Alcohol and substance use – purchase of prevention and treatment services]; Section 27-80-109, C.R.S. [Alcohol and substance use – coordination of state and federal funds and programs]; Section 27-80-117, C.R.S. [Rural Substance Abuse Prevention and Treatment]; Section 39-28.8-501 (2)(b)(IV)(C), C.R.S. [Authorization for use of Marijuana Tax Cash Fund to treat and provide related services to people with any type of substance use or mental health disorder, including those with co-occurring disorders]; Section 42-3-303, C.R.S. [Persistent Drunk Driver Programs]; Sections 43-4-402 (2)(a) and 43-4-404 (3), C.R.S. [Law Enforcement Assistance Fund].

Request: The BHA requests a continuation appropriation of \$2,583,275 cash funds.

Recommendation: Staff recommends approval of the request.

Prevention Programs

This line item supports prevention programs to decrease risk factors linked to substance abuse. Prior to FY 2022-23, the Office of Behavioral Health contracted with statewide and local prevention programs by providing partial funding for services designed to prevent the illegal and inappropriate use of alcohol, tobacco, and other drugs.

Beginning in FY 2022-23, H.B. 22-1278 transferred prevention functions and responsibilities from the Department of Human Services to the Department of Public Health and Environment (CDPHE) to centralize prevention activities in CDPHE. That bill eliminated the General Fund appropriation for these programs to Human Services, and instead appropriated General Fund to CDPHE. However, the cash and federal funds appropriations are specific to the Department of Human Services. Those funds are therefore maintained in the BHA, reflected as reappropriated funds in CDPHE to support actual service costs.

Appropriations consist of cash funds from the Adolescent Substance Abuse Prevention Fund and the Cigarette, Tobacco, and Nicotine Use Prevention Fund, and federal funds from the Substance Abuse Prevention and Treatment Block Grant. The community provider rate is historically applied to the cash fund appropriations.

Statutory Authority: Section 18-13-122 (18), C.R.S. [Adolescent Substance Abuse Prevention and Treatment Fund]; Section 44-7-107, C.R.S. [Cigarette, Tobacco Product, and Nicotine Product Use by Minors Prevention Fund]; Section 27-80-101, et seq., C.R.S. [Alcohol and substance use – programs and services]; Section 27-81-101, et seq., C.R.S. [Substance use disorders education, prevention, and treatment].

Request: The BHA requests a continuation appropriation of \$7,051,149 total funds, including \$51,149 cash funds and \$7,000,000 federal funds.

Recommendation: Staff recommends approval of the request.

Housing Recovery Supports

This line item was created in the FY 2022-23 Long Bill to support the Housing Assistance Program created in S.B. 21-137 (Behavioral Health Recovery Act). The program provides temporary financial housing assistance to individuals with a substance use disorder (SUD) who have no supportive housing options when transitioning out of a residential treatment setting.

Statutory Authority: Section 27-80-125, C.R.S. [Housing assistance for individuals with a substance use disorder].

Request: The BHA requests an appropriation of \$4.0 million General Fund.

Recommendation: Staff recommends approval of the request.

Housing Recovery Supports

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$4,000,000	\$4,000,000	\$0	\$0	\$0	1.0
Total FY 2025-26	\$4,000,000	\$4,000,000	\$0	\$0	\$0	1.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$4,000,000	\$4,000,000	\$0	\$0	\$0	1.0
Prior year actions	2,512	2,512	0	0	0	0.0
Total FY 2026-27	\$4,002,512	\$4,002,512	\$0	\$0	\$0	1.0
Changes from FY 2025-26	\$2,512	\$2,512	\$0	\$0	\$0	0.0
Percentage Change	0.1%	0.1%	n/a	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$4,002,512	\$4,002,512	\$0	\$0	\$0	1.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Recovery Support Services

This line item was created in FY 2022-23 to support the Recovery Support Services Grant Program created in S.B. 21-137. The program provides grants to “recovery community organizations” to provide recovery-oriented services to individuals with a substance use disorder (SUD) or co-occurring disorders. The bill directs the BHA to promulgate rules as necessary to implement the program, and to distribute grant funds to BHASOs that in turn subcontract with providers. The bill authorizes recovery community organizations to use the funds to:

- Offer opportunities for individuals with an SUD or a co-occurring disorder to engage in activities focused on mental or physical wellness or community service.
- Provide guidance to individuals with SUD or co-occurring disorders and their family members on navigating treatment, social service, and recovery support systems.
- Help those individuals to connect with resources needed to initiate and retain recovery.
- Assist in establishing and sustaining a social and physical environment supportive of recovery.
- Provide local and state recovery resources.
- Provide recovery support services for caregivers and families of individuals recovering from an SUD or co-occurring disorder.

Statutory Authority: Section 27-80-126, C.R.S. [Recovery support services grant program]

Request: The BHA requests an appropriation of \$805 General Fund.

Recommendation: Staff recommends that the Long Bill include an appropriation of \$1.6 million General Fund to reflect current law. The requested reduction will be reflected in separate legislation if approved by the Committee.

Recovery Support Services

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$1,600,000	\$1,600,000	\$0	\$0	\$0	1.0
Total FY 2025-26	\$1,600,000	\$1,600,000	\$0	\$0	\$0	1.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$1,600,000	\$1,600,000	\$0	\$0	\$0	1.0
Prior year actions	805	805	0	0	0	0.0
Statewide R6 Prior reduction options	0	0	0	0	0	0.0
Total FY 2026-27	\$1,600,805	\$1,600,805	\$0	\$0	\$0	1.0
Changes from FY 2025-26	\$805	\$805	\$0	\$0	\$0	0.0
Percentage Change	0.1%	0.1%	n/a	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$805	\$805	\$0	\$0	\$0	1.0
Staff Rec. Above/-Below Request	\$1,600,000	\$1,600,000	\$0	\$0	\$0	0.0

Rural and Frontier Communities Voucher Program

This line item was created in the FY 2022-23 Long Bill to support the behavioral health voucher program created by S.B. 21-137. The bill required the Department to contract with a nonprofit organization focused on serving agricultural and rural communities to provide vouchers to individuals in those communities in need of behavioral health services. The bill requires the nonprofit to:

- Contract with licensed behavioral health-care providers that have completed training on cultural competencies specific to agricultural and rural communities to provide services under the program. The bill requires at least 60.0 percent of money received for the contract to be used for direct behavioral health-care services.

- Develop training materials and train behavioral health-care providers on cultural competencies specific to the agricultural and rural community lifestyle.

The bill requires the General Assembly to appropriate \$50,000 per year for the program beginning in FY 2021-22 (Section 27-60-110 (3), C.R.S.).

Statutory Authority: Section 27-60-110, C.R.S.

Request: The BHA requests a continuation appropriation of \$50,000 General Fund.

Recommendation: Staff recommends approval of the request.

Veterans Mental Health [new line item]

This is a new line item to reflect funding for veterans mental health from Proposition KK. Cash funds are from the Behavioral and Mental Health Excise Tax Cash Fund, which receives Prop KK revenue from fire arm excise taxes. The Veterans Mental Health Services Program was created in the Department of Military and Veterans Affairs by H.B. 23-1088. House Bill 25-1132 repealed and reenacted the program in DMVA. However, the bill requires the BHA to reimburse provider costs and grant funding to nonprofit organizations.

Statutory Authority: Section 28-5-714 (4)(a), C.R.S. [Veterans Mental Health Program]; Section 39-37-301, C.R.S. [Proposition KK revenue]; Section 24-75-230 (2)(a) and (3.5), C.R.S. [Cash Fund]

Request: The Department requests a continuation appropriation of \$5.0 million cash funds.

Recommendation: Staff recommends approval of the request.

Crisis Public Awareness Campaign

This line item provides funding for the behavioral health crisis response system as authorized in S.B. 13-266. This line item supports a contract for a public information campaign.

The bill required the Department's contracting process for the crisis response system to include a public information campaign and appropriated \$600,000 General Fund for this purpose beginning in FY 2013-14. The General Assembly continued that level of funding through FY 2019-20, but then eliminated for FY 2020-21 as a budget balancing action. However, full funding was restored the following year. House Bill 22-1052 (Promoting Crisis Services to Students) increased the appropriation by \$192,075 General Fund ongoing to provide crisis services outreach to every school in Colorado.

Statutory authority: Section 27-60-103 (1)(b)(V), C.R.S., and 27-60-104 (10), C.R.S. [Behavioral Health Crisis Response System].

Request: The BHA requests a continuation appropriation of \$792,075 General Fund.

Recommendation: Staff recommends approval of the request.

Fentanyl Education Program

This line item was created in FY 2023-24 to support the ongoing costs of the fentanyl education program required by H.B. 22-1326 (Fentanyl). The bill required the BHA to develop a fentanyl education program for

individuals that are convicted of certain fentanyl offenses who are receiving treatment for substance use. Those individuals must complete the program. The program is required to include information regarding:

- The nature and addictive elements of synthetic opiates.
- The danger of synthetic opiates on a person’s life and health.
- Access to and administration of opiate antagonists and non-laboratory detection tests.
- Laws regarding synthetic opiates, including criminal penalties and immunity for reporting an overdose.

Appropriations are from the Correctional Treatment Cash Fund.

Statutory authority: Section 27-80-128, C.R.S.

Request: The BHA requests a continuation appropriation of \$25,000 cash funds.

Recommendation: Staff recommends approval of the request.

988 Crisis Hotline [new subdivision]

This line item was created in FY 2022-23 to support the 988 Crisis Hotline authorized in S.B. 21-154. The bill created the 988 Crisis Hotline Enterprise within the Department of Human Services and requires the enterprise to:

- Impose a 988 surcharge and a prepaid wireless 988 charge.
- Fund the 988 crisis hotline.
- Work with third parties to provide crisis outreach, stabilization, and acute care.
- Authorize and issue revenue bonds payable from the newly created 988 Crisis Hotline Cash Fund.

The enterprise is required to contract with a nonprofit to provide intervention and crisis care coordination for individuals calling the 988 hotline. The bill requires that nonprofit to have an agreement with the national 988 hotline, meet national suicide lifeline guidelines, deploy mobile response units and co-responder programs, coordinate access to walk-in centers, and provide follow-up services.

The bill also created the 988 Crisis Hotline Cash Fund to receive money collected from phone surcharges set in collaboration with the Public Utilities Commission (PUC).

Statutory Authority: Section 27-64-101, et seq., C.R.S. [988 Crisis Hotline Enterprise]; Section 40-17.5-101, et seq., C.R.S. [988 Surcharge and Prepaid Wireless 988 Charge for the 988 Crisis Hotline].

Request: The BHA requests an appropriation of \$12.7 million cash funds.

Recommendation: Staff recommends consolidation of the 988 crisis hotline line item with the Crisis Response System Telephone Hotline line item.

988 Crisis Hotline

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
988 Hotline	\$12,584,264	\$0	\$12,584,264	\$0	\$0	2.0
Behavioral Health Crisis Response System Telephone Hotline	3,863,938	0	3,863,938	0	0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Total FY 2025-26	\$16,448,202	\$0	\$16,448,202	\$0	\$0	2.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$16,448,202	\$0	\$16,448,202	\$0	\$0	2.0
Prior year actions	67,967	0	67,967	0	0	0.0
Total FY 2026-27	\$16,516,169	\$0	\$16,516,169	\$0	\$0	2.0
Changes from FY 2025-26						
Changes from FY 2025-26	\$67,967	\$0	\$67,967	\$0	\$0	0.0
Percentage Change	0.5%	n/a	0.5%	n/a	n/a	0.0%
FY 2026-27 Executive Request						
FY 2026-27 Executive Request	\$16,516,169	\$0	\$16,516,169	\$0	\$0	2.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

(E) Indirect Cost Assessment

This line item reflects the money anticipated to be recovered from cash and federal fund sources that allow for statewide and departmental indirect administrative costs.

Statutory Authority: Colorado Fiscal Rules #8-3; Section 24-75-1401, C.R.S. [Indirect Costs Excess Recovery Fund].

Request and Recommendation: The staff recommendation is pending Committee action on the Office of Information Technology. The table below reflects the Department request.

Indirect Cost Assessment

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$3,719,593	\$0	\$1,985,392	\$59,178	\$1,675,023	0.0
Total FY 2025-26	\$3,719,593	\$0	\$1,985,392	\$59,178	\$1,675,023	0.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$3,719,593	\$0	\$1,985,392	\$59,178	\$1,675,023	0.0
Impacts driven by other agencies	1,180	0	630	18	532	0.0
Operating common policies	-446,119	0	-238,124	-7,098	-200,897	0.0
Prior year actions	-61,554	0	-32,855	-980	-27,719	0.0
Total FY 2026-27	\$3,213,100	\$0	\$1,715,043	\$51,118	\$1,446,939	0.0
Changes from FY 2025-26						
Changes from FY 2025-26	-\$506,493	\$0	-\$270,349	-\$8,060	-\$228,084	0.0
Percentage Change	-13.6%	n/a	-13.6%	-13.6%	-13.6%	n/a
FY 2026-27 Executive Request						
FY 2026-27 Executive Request	\$3,213,100	\$0	\$1,715,043	\$51,118	\$1,446,939	0.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

(6) Office of Civil and Forensic Mental Health

OCFMH is primarily responsible for the operation of the two state hospitals that provide inpatient hospitalization for individuals with serious mental health disorders. One hospital is located in Pueblo and the other is located on the Fort Logan campus in southwest Denver. The hospitals serve civil and forensic patients.

- **Civil patients** are committed by a civil court into the care of the Department voluntarily or involuntarily due to serious and persistent mental health conditions.
- **Forensic patients** include individuals with mental health conditions or developmental disabilities that may prevent them from assisting in their own defense during criminal proceedings, referred to as “competency.” The Department conducts court-ordered competency evaluations and restoration services that may occur in the community, jails, or inpatient hospitals. Forensic patients also include individuals found not guilty by reason of insanity (NGRI).

OCFMH also includes court and forensic services, which conduct competency evaluations and assist courts with navigating the waitlist for inpatient competency restoration services respectively. Finally, this section of the Long Bill includes appropriations for fines and fees associated with a Consent Decree for inpatient competency restoration services.

Office of Civil and Forensic Mental Health

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$315,105,750	\$283,955,573	\$8,928,063	\$22,222,114	\$0	1,618.9
Total FY 2025-26	\$315,105,750	\$283,955,573	\$8,928,063	\$22,222,114	\$0	1,618.9
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$315,105,750	\$283,955,573	\$8,928,063	\$22,222,114	\$0	1,618.9
R4a MHTLH Medicaid cash fund	-5,165,030	0	0	-5,165,030	0	0.0
R4b Hospital patient revenues	0	-3,520,630	372,250	3,148,380	0	0.0
R4c Increase contract competency beds	0	0	0	0	0	0.0
R11 Reduce peer support	-649,260	-649,260	0	0	0	0.0
R15 Reduce NGRI transition serv	-300,000	-300,000	0	0	0	0.0
BA2 PITP services	0	0	0	0	0	0.0
Staff initiated consent decree increase	280,545	280,545	0	0	0	0.0
Operating common policies	-426,223	0	-237,239	-188,984	0	0.0
Impacts driven by other agencies	1,128	0	628	500	0	0.0
Technical adjustments	0	0	0	0	0	0.0
Prior year actions	11,422,673	13,651,678	46,335	-2,275,340	0	37.3
Total FY 2026-27	\$320,269,583	\$293,417,906	\$9,110,037	\$17,741,640	\$0	1,656.2
Changes from FY 2025-26	\$5,163,833	\$9,462,333	\$181,974	-\$4,480,474	\$0	37.3
Percentage Change	1.6%	3.3%	2.0%	-20.2%	0.0%	2.3%
FY 2026-27 Executive Request						
FY 2026-27 Executive Request	\$339,632,905	\$307,255,656	\$16,502,809	\$15,874,440	\$0	1,676.3
Staff Rec. Above/-Below Request	-\$19,363,322	-\$13,837,750	-\$7,392,772	\$1,867,200	\$0	-20.1

→ R4a MHTLH Medicaid cash fund [legislation]

Request

The Department asks for the Committee to sponsor legislation to create a cash fund to receive Medicaid payments from Regional Accountability Entities (RAEs) to the Department for state-operated Mental Health Transitional Living Homes.

Recommendation

Staff recommends eliminating appropriations for 24 state-operated mental health transitional living home beds for budget balancing. Based on several meetings with impacted parties, staff's current assessment is that any change to the current funding model will impact access to services. Several alternative options, and the associated concerns, are discussed in the narrative.

Analysis

Mental Health Transitional Living Homes (MHTLHs) were created by [H.B. 22-1303 \(Increase Residential Behavioral Health Beds\)](#). The bill required the Departments of Human Services (CDHS) and Health Care Policy and Financing (HCPF) to jointly create, develop, or contract for at least 125 beds at mental health residential facilities throughout the state.¹³ The Department implemented the bill by establishing state-operated and contracted beds.

The Department currently operates or contracts for 164 beds, which is 39 above the statutory minimum. Of that amount, 24 beds are in state-operated facilities and the remaining 140 are contracted through private providers. The state-operated beds are located at three renovated former group-homes. Medicaid funding for the beds varies by patient eligibility and placement type.

Private providers bill Medicaid directly. CDHS pays contracted providers on top of the Medicaid reimbursement to support the contracts and costs not covered by Medicaid. Some patients are eligible for the Home and Community-based Services waiver (HCBS) under HCPF, and some are not. Therefore, funding for MHTLHs has been included in the Medical Services Premiums, Behavioral Health Capitation, and Office of Community Living forecasts in prior years.

MHTLHs are also divided into two service levels. Level I homes are supported by HCBS waivers reimbursed fee for service. These patients are nearing independence and require minimal support. Level II homes support individuals who require more comprehensive support due to mental health or substance use disorders. Level II homes are covered under behavioral health capitation. HCBS waivers provide services that support independence, but do not include psychiatric or wraparound care needed by Level II patients.

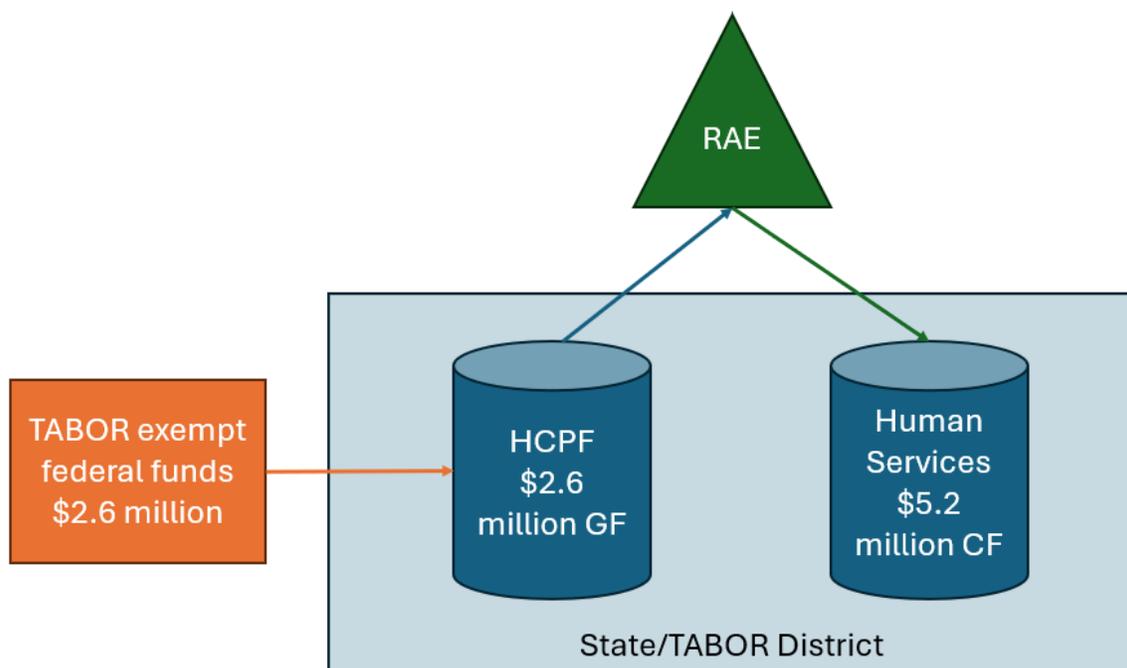
Last year, the Committee approved a staff recommendation to move Medicaid funding for state-operated beds from Behavioral Health Capitation to the Transfers to Other Agencies section of the HCPF budget. This removed

¹³ Section 27-71-103 (1)(a), C.R.S.

HCPF’s ability to adjust the amount based on utilization, but allowed staff to align appropriations between CDHS and HCPF. Staff reflected the Medicaid funds as reappropriated funds in CDHS.

The Department contacted JBC Staff in April 2025 asking to change reappropriated Medicaid funds in the Long Bill to cash funds to align with the direction from the Controller. Staff did not agree to recommend the change as part of the Long Bill conference committee process because there was not an existing example of Medicaid funds being appropriated as cash funds.

Funds cannot be recorded as reappropriated funds in the state accounting system because CDHS is receiving funds from RAEs rather than HCPF. Accounting for funds as reappropriated requires an interdepartmental transfer. Because funds are not received from HCPF, an interdepartmental transfer is not taking place. The Controller has therefore directed CDHS to record expenditures as cash funds, which counts Medicaid payments received by CDHS against the TABOR cap.



The benefit of the federal match is outweighed by a greater reduction in General Fund revenue if revenues are above the TABOR cap. The \$2.6 million federal funds results in a \$5.2 million loss in General Fund revenue if the total Medicaid payment is accounted for as cash funds.

Staff has been working with the Executive Branch to identify potential solutions to reduce the General Fund impact of the program while maintaining access to services. It is staff’s current opinion that the funding structure cannot be changed without impacting access to services. However, some options have greater service impacts than others.

Change MHTLHs to fee for service to allow an interdepartmental transfer

In order for funds to be reappropriated, the service must be provided fee for service by HCPF rather than the current managed care structure through the RAEs. HCPF indicates that the Department currently only has the federal approval to implement state-operated beds under a managed care system. The Department could apply

to implement a fee for service benefit. However, this would require federal approval, take multiple years to implement, and require additional staffing resources.

HCPF is also concerned that state-operated beds could not be carved-out as fee for service while maintaining the current payment structure for contracted beds. If federally allowed at all, the Departments may need to create separate licensing designations for state-operated and contracted beds to operate under different payment methodologies. HCPF is also concerned about the loss of quality assurance and utilization management if the placements are moved from managed care to fee for service.

Change the contracting structure so that RAEs do not pay CDHS

Staff and other stakeholders have questioned whether it is possible to change the contracting structure to change the current funding mechanisms without impacting how services operate. This could include RAEs reporting CDHS costs to HCPF and HCPF transferring the associated amount to CDHS, or CDHS contracting for RAE services independently of HCPF contracts. HCPF indicates that changes to the contract structure are not allowable for federal reimbursement.

Replace the Medicaid appropriation with General Fund

The Committee could choose to replace the Medicaid amounts with a direct General Fund appropriation to CDHS. Staff assumes that this would save General Fund in a TABOR refund environment because it increases General Fund appropriations by \$2.6 million, but increases available revenue by \$5.2 million compared to current practice.

Appropriating General Fund would remove state-operated beds from the Medicaid system. CDHS would be responsible for utilization management, care coordination, and transition of care that is currently managed by RAEs. Staff assumes that this may increase General Fund costs to CDHS, and impact the continuity of care for patients. HCPF noted challenges with carving out populations from Medicaid eligibility based on the type of facility a patient may be served in. The Executive Branch has also expressed concerns about the ability to continue funding beds in the long-term without federal reimbursement as costs grow.

Only serve HCBS waiver patients

HCBS services are required to be voluntary. Therefore, the Departments assume that some Level II patients may be appropriately served under the HCBS waiver, but many Level II patients could lose access to services. Patients would also be required to seek additional eligibility criteria via case management services. CDHS indicates that this option would require additional staff and other costs to implement.

Apply for a different waiver

HCPF could apply for a different HCBS waiver to cover Level II homes. HCPF anticipates that developing and gaining approval for a waiver typically takes 18-24 months. However, this could be explored as a long-term option. HCPF anticipates that this option would be more costly because unlike the current waiver, this waiver is not required to cost less than nursing facility and hospital levels of care. Services would also still need to be voluntary. HCPF assumes that opening a new waiver could have a more significant fiscal impact than other alternatives.

Only serve patients who are not Medicaid eligible at state-operated facilities

The background calculations for the Medicaid reimbursement assume that 72-77.0 percent of patients are Medicaid eligible. The General Fund appropriation to CDHS is expected to cover the Medicaid daily rate for patients who are not Medicaid eligible. Therefore, staff assumes that the state-operated beds could serve as a provider of last resort, or only serve HCBS and non-Medicaid eligible patients.

Staff assumes that Level II patients would lose access to care under this option. Staff did not have time to solicit feedback from the Departments for this option, and is unsure what other impacts or concerns may arise from this option.

Recommendation

Staff finds that an alternative funding mechanism has not been identified that maintains current access to services. The lowest cost and immediate option may be a direct General Fund appropriation. However, staff is concerned about the loss in utilization management and care coordination provided by the RAEs.

During the November briefing, staff identified reducing beds from 164 to the statutory minimum of 125 as a budget balancing option. Staff was not confident in the calculation due to the different types of homes. Therefore, staff asked the Department to provide the assumed General Fund savings for this option.

The Department indicated that there would not be General Fund savings from reducing to 125 beds because costs are beginning to exceed the appropriation. The Department states that reducing the number of beds to the statutory minimum will only serve to reduce anticipated expenses and more closely align with the appropriation.

Staff has asked the Department to determine if the state facilities could be used for another purpose. Eliminating the state-operated beds would eliminate the revenue issue presented by the request, and address the Department's concerns with curbing expenditures. Eliminating state-operated beds would be a 14.6 percent reduction in capacity. The Department renovated prior group-homes to create these placements, and it is currently unclear if the facilities could be used for a different purpose.

The General Fund savings of eliminating 24 state-operated beds is unknown to staff since the Department indicates that there would be no cost savings for eliminating a total of 39 beds. The Executive Branch further indicated that there were no alternative General Fund reduction options to consider for MHTLHs that would have a lower service impact than reducing beds to the statutory minimum.

→ R4b Hospital patient revenues [legislation]

Request

The Department requests that the Committee sponsor legislation to create a cash fund to receive patient revenues at the state hospitals, including private insurance, Medicare, and Medicaid.

- Year 1 and ongoing: \$0 total funds, including a decrease of \$3.9 million General Fund offset by increases of \$2.6 million cash funds and \$1.3 million reappropriated funds.

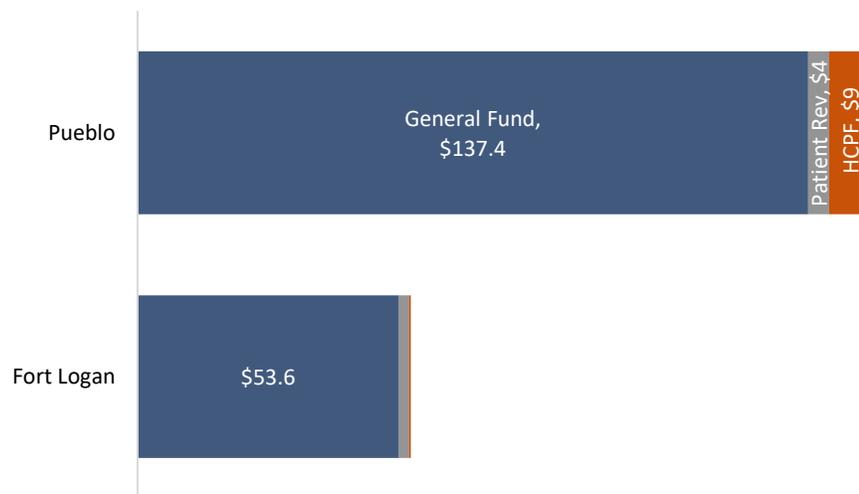
Recommendation

Staff recommends net-zero changes, including a decrease of \$3.6 million General Fund offset by increases of \$372,250 cash funds and \$3.3 million reappropriated funds. Staff does not recommend that the Committee sponsor legislation to create a new cash fund.

Analysis

Appropriations to the state mental health hospitals at Fort Logan and Pueblo are 90.5 General Fund, 3.3 percent cash funds, and 6.2 percent reappropriated funds in FY 2025-26. Cash funds consist of patient revenues and \$0.9 million Marijuana Tax Cash Fund that supports substance use treatment. Reappropriated funds consist of Medicaid payments from HCPF, as well as \$3.3 million from the Department of Corrections for food services at the Pueblo campus.

State hospital FY 2025-26 appropriations.



Patient revenues consist of Medicare and private insurance payments. The current Medicaid appropriation primarily consists of interdepartmental transfers from HCPF, but also includes \$232,174 from RAEs. The Department indicates that the hospitals also receive payments from patient Social Security Income. The amount of SSI utilized by the state hospitals is currently unknown to staff.

Table 1: Current Hospital Appropriations

Item	General Fund	Patient Revenues (CF)	HCPF Payments (RF)	RAE Payments (RF)
Fort Logan	\$53,573,214	\$2,071,316	\$98,236	\$106,191
Pueblo	137,431,180	4,254,216	8,664,643	27,747
Total	\$191,004,394	\$6,325,532	\$8,762,879	\$133,938

Patient revenues have increased in recent years as the hospitals serve more patients and Medicaid rates have increased. HCPF actual expenditures for the state hospitals were \$10.8 million in FY 2024-25, which exceeded the appropriation by \$2.5 million General Fund. If patient revenues received as cash funds exceed the appropriation, the revenues revert to the General Fund and are available for expenditure in the next fiscal year.

The Department requests that the Committee sponsor legislation to create a cash fund to receive and retain patient revenues across fiscal years to the General Fund obligation of the state hospitals. The Department request reflects increased private insurance, Medicare, and Medicaid received from RAEs as cash funds, and increased Medicaid received directly from HCPF as reappropriated funds.

Table 2: Department Request

Item	Total Funds	General Fund	Cash Funds	Reappropriated Funds
Fort Logan	\$0	-\$460,585	\$372,249	\$88,336
Pueblo	0	-3,420,587	2,227,743	1,192,844
Total	\$0	-\$3,881,172	\$2,599,992	\$1,281,180

Staff Recommendation: Option 1

Staff does not recommend creating a new cash fund due to the TABOR revenue impacts discussed in the prior request narrative. Staff does recommend that the Committee approve increased cash fund and reappropriated fund spending authority to align with the Department’s patient revenue projections. Staff further recommends that the Committee refinance \$458,779 anticipated to be received from RAEs with a direct General Fund appropriation to reduce the TABOR revenue impact.

Table 3: Staff Recommendation

Item	Total Funds	General Fund	Cash Funds	Reappropriated Funds
Fort Logan	\$0	-\$354,395	\$372,250	-\$17,855
Pueblo	0	-3,166,235	0	3,166,235
Total	\$0	-\$3,520,630	\$372,250	\$3,148,380

The incremental adjustments included in the staff recommendation are described in the table below.

Table 4: Staff Recommendation Detail

Item	Total Funds	General Fund	Medicare & Private	HCPF payments	RAE Payments
Fort Logan Base	\$55,848,957	\$53,573,214	\$2,071,316	\$98,236	\$106,191
Increase Medicare/private payments	372,250	0	372,250	0	0
Increase HCPF payments	88,336	0	0	88,336	0
Increase RAE payments	0	0	0	0	0
Reduce General Fund	-460,586	-460,586	0	0	0
Refinance RAE payments	0	106,191	0	0	-106,191
Fort Logan adjustments	\$0	-\$354,395	\$372,250	\$88,336	-\$106,191
Pueblo base	\$150,377,786	\$137,431,180	\$4,254,216	\$8,664,643	\$27,747
Increase Medicare/private payments	0	0	0	0	0
Increase HCPF payments	3,193,982	0	0	3,193,982	0
Increase RAE payments	226,605	0	0	0	226,605
Reduce General Fund	-3,420,587	-3,420,587	0	0	0
Refinance RAE payments	0	254,352	0	0	-254,352
Pueblo adjustments	\$0	-\$3,166,235	\$0	\$3,193,982	-\$27,747
Total recommended adjustments	\$0	-\$3,520,630	\$372,250	\$3,282,318	-\$133,938

Option 2: Continue receiving Medicaid payments from RAEs

The Committee could choose not to replace Medicaid payments from RAEs with General Fund. The appropriation impact of this option is provided in the table below.

Table 5: Option 2 Calculation Detail

Item	Total Funds	General Fund	Medicare & Private	HCPF payments	RAE Payments
Fort Logan Base	\$55,848,957	\$53,573,214	\$2,071,316	\$98,236	\$106,191
Increase Medicare/private payments	372,250	0	372,250	0	0
Increase HCPF payments	88,336	0	0	88,336	0
Increase RAE payments	0	0	0	0	0
Reduce General Fund	-460,586	-460,586	0	0	0
Refinance RAE payments	0	0	0	0	0
Fort Logan adjustments	\$0	-\$460,586	\$372,250	\$88,336	\$0
Pueblo base	\$150,377,786	\$137,431,180	\$4,254,216	\$8,664,643	\$27,747
Increase Medicare/private payments	0	0	0	0	0
Increase HCPF payments	3,193,982	0	0	3,193,982	0
Increase RAE payments	226,605	0	0	0	226,605
Reduce General Fund	-3,420,587	-3,420,587	0	0	0
Refinance RAE payments	0	0	0	0	0
Pueblo adjustments	\$0	-\$3,420,587	\$0	\$3,193,982	\$226,605
Total recommended adjustments	\$0	-\$3,881,173	\$372,250	\$3,282,318	\$226,605

→ R4c Increase competency contracts

Request

The request increases private hospital contracts for five inpatient competency restoration beds.

- Year 1 and ongoing: \$2.1 million General Fund.

Recommendation

Staff recommends denial of the request.

Analysis

Competency restoration services may be court ordered to occur in outpatient or inpatient settings. Inpatient restoration occurs at the state or private hospitals. The Department contracts with private hospitals for inpatient competency restoration. The appropriation for contracted private hospital beds in FY 2025-26 is \$29.9 million General Fund.

The Department has also submitted a request to increase private hospital contracts by 16 beds in BA2. The increase is associated with moving competency restoration patients from the Pueblo hospital to private

contracts for a Pueblo hospital unit to instead serve individuals who are permanently incompetent to proceed. The total request for FY 2026-27 is \$38.6 million General Fund for an estimated 105 beds.

Funding History

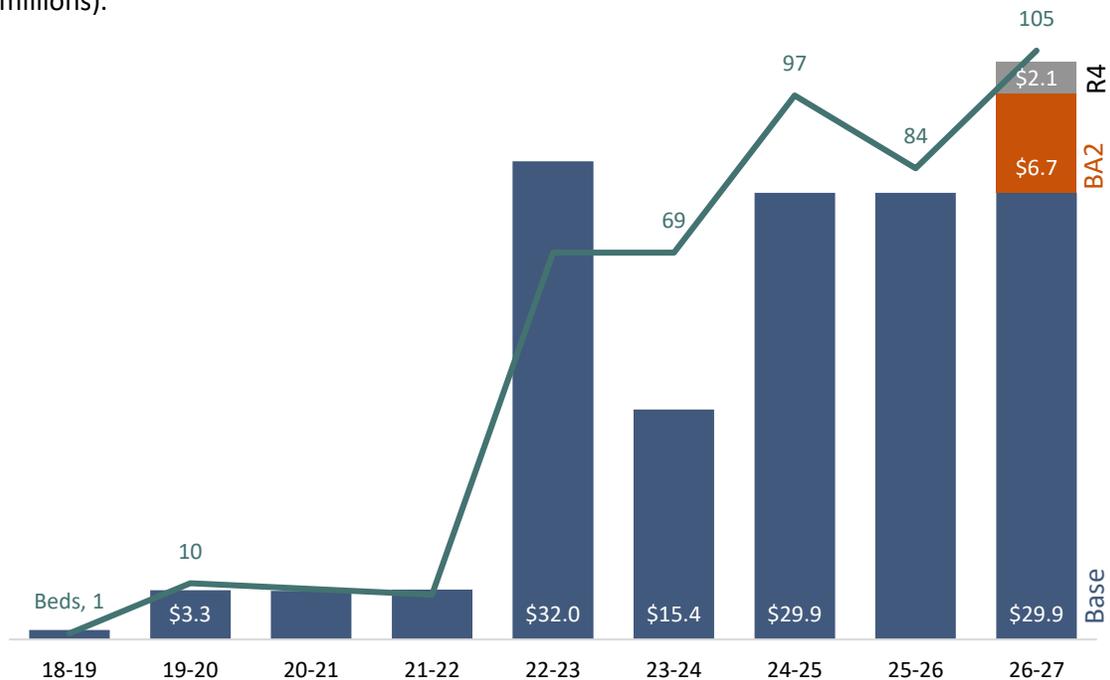
The Department began contracting with private hospitals for inpatient restoration following a FY 2018-19 budget request. The original appropriation included \$3.2 million General Fund to support 10 private hospital beds in the Denver metro area. The appropriation supported 8 private hospital beds by FY 2023-24.

[House Bill 22-1386 \(Competency to Proceed and Restoration Competency\)](#) included a one-time appropriation of \$28.6 million ARPA funds to support additional private hospital competency restoration beds. The appropriation supported 61 private hospital beds. The Committee and General Assembly approved an increase of \$26.3 million General Fund in FY 2024-25 to maintain the ARPA funded beds and add an additional 2 beds.

The Committee denied a request to reduce private hospital contracts by \$2.0 million General Fund for budget balancing in FY 2025-26. The Department’s response to [RFI 22](#) indicates that the appropriation supported 97 beds in July 2024, but only 84 by June 2025. One hospital elected to not renew a contract, and funding for contract beds decreased as spending authority for ARPA funded beds expired.

The chart below demonstrates the funding and capacity changes since funding began in FY 2018-19. Funds for FY 2022-23 include ARPA funds that rolled forward to FY 2023-24. The amount for FY 2026-27 reflects the requested appropriations including R4 and BA2.

Private hospital bed capacity compared to historic and requested appropriations (amounts in millions).



Capacity and Calculation Assumptions

Calculations for private hospital beds are based on the following assumptions:

- Each bed costs \$1,200 per day
- Each bed is occupied for 95.0 percent of the year
- Each bed serves an average of 3 patients per year

Therefore, the Department assumes that an increase of \$2.1 million will support an additional 5 contracted beds and 15 patients per year.

Recommendation

Staff recommends denial of this portion of the request for budget balancing. This funding is an example of an appropriation that has increased significantly in recent years. The increase is the result of one-time ARPA funding that became an ongoing General Fund appropriation.

The Committee may consider further reductions if necessary for budget balancing. Unlike the state hospitals, appropriations for private hospital contracts can be reduced by a single bed as necessary to balance. Small reductions at the state hospitals can lead to disproportionate impacts on capacity if staffing ratios decrease and require the closure of an entire hospital unit.

Staff does not recommend further reductions at this time based on an assumption that reducing contracts would increase the wait time for competency restoration services.

→ R11 Reduce peer support

Request

The request eliminates a contract for peer support at the state hospitals for budget balancing.

- Year 1 and ongoing: -\$649,260 General Fund.

Health/life/safety impact: Low

Recommendation

Staff recommends approval of the request.

Analysis

The state hospitals currently contract for peer support services. Peer support professionals are individuals who provide support to people with behavioral health disorders based on lived experience. Peer support is typically paired with other clinical services as part of an overall treatment plan.¹⁴

The request indicates that the contract for peer support has been underutilized due to workforce shortages and the high acuity of patients at the hospitals. The request assumes that peer support is not appropriate for

¹⁴ [HCPF Peer Services plan.](#)

patients prior to stabilization and sustained, voluntary compliance with medications. The contractor has struggled to connect peer support specialists even when eligible patients are identified.

Staff has been unable to identify a bill or budget action that began the peer support contract. The Department estimates that peer services were utilized by 260 unique patients at the Pueblo hospital, and 42 patients at Fort Logan annually from 2020 to 2025.

The request includes a reduction of \$227,242 General Fund for Fort Logan and \$422,018 for Pueblo. The reduction is expected to eliminate access to peer support services for patients at the hospitals. However, the Department anticipates that there will not be significant interruptions in treatment plans since peer support is not appropriate for many patients.

Evidence Designation

The Department indicates that the evidence level for this request is Insufficient because research findings are mixed. The request cites several studies discussed below.

- Chinman M, et al. Peer support services for individuals with serious mental illnesses: assessing the evidence. *Psychiatric Services*. 2014 Apr 1;65(4):429-41.
 - Literature review of 20 studies from 1995 to 2012 that found the level of evidence for peer support was moderate. Outcomes varied by service type and many studies had methodological shortcomings.
- Cooper, R.E., Saunders, K.R.K., Greenburgh, A. et al. The effectiveness, implementation, and experiences of peer support approaches for mental health: a systematic umbrella review. *BMC Med* 22, 72 (2024).
 - Literature review of 35 studies that found results for peer support were mixed. Studies that found favorable outcomes had training and supervision and a supportive workplace culture. Peer support roles tend to be poorly defined, and outcomes are more favorable for certain populations like perinatal patients.
- Gillard S, et al. Peer support for discharge from inpatient mental health care versus care as usual in England (ENRICH): a parallel, two-group, individually randomised controlled trial. *Lancet Psychiatry*. 2022 Feb 9(2):125-136.
 - Randomized control trial of adult psychiatric patients with at least one admission in the last two years from state-funded health services in England. The study found that one-to-one peer support for discharge from inpatient psychiatric care did not reduce hospital readmissions.
- Lloyd-Evans, et al. A systematic review and meta-analysis of randomised controlled trials of peer support for people with severe mental illness. *BMC Psychiatry* 14, 39 (2014).
 - Meta-analysis of 18 randomized control trials. The study found that there is little evidence about the effectiveness of peer support for people with severe mental illness and evidence does not support requirements from policy makers for mental health services to provide peer support.
- Lyons, N., et al. A systematic review and meta-analysis of group peer support interventions for people experiencing mental health conditions. *BMC Psychiatry* 21, 315 (2021).
 - Meta-analysis of randomized control trials. The study found that peer support may make small improvements to overall recovery, but have a limited impact on other outcomes, including clinical symptoms.
- Mutschler, C., et al (2022). Implementation of peer support in mental health services: A systematic review of the literature. *Psychological Services*, 19(2), 360–374.

- Literature review that provides best practice recommendations. Staff did not have access to the article, but the abstract recommendations include clear role definition, organizational culture with a recovery focus, allied beliefs about peer support, and a clear peer role.
- Ser, H.X.E., et al (2024), Experiences of Certified Peer Support Specialist Providing Formal Peer Support in Mental Health Services: A Systematic Review and Meta-Synthesis. *Int J Mental Health Nurs*, 33: 1988-2004.
 - Review of qualitative peer support studies. Staff did not have access to the article, but findings in the abstract includes findings that peers struggle to justify their roles and find sources of support.

Staff agrees with the Department’s finding that evidence is Mixed. The most rigorous studies specific to peer support for people with serious mental illness or prior hospitalization do not show favorable outcomes. Therefore, staff further agrees with the Department that funding peer support at the state hospitals is not expected to be broadly effective.

→ R15 Reduce Not Guilty by Reason of Insanity services

Request

The request is a caseload reduction to services for people who are Not Guilty by Reason of Insanity transitioning to the community.

- Year 1 and ongoing: -\$300,000 General Fund.

Health/life/safety impact: Low

Recommendation

Staff recommends approval of the request. Staff further recommends net-zero adjustments to align with recent transfers, and a reduction in Long Bill footnote transfer authority.

Analysis

NGRI individuals can be served at the state hospitals, and gradually step-down to lower levels of care. This may include lower security units at Pueblo, Mental Health Transitional Living Homes, and outpatient services. The Forensic Community-Based Services (FCBS) program provides case management and support for individuals found Not Guilty by Reason of Insanity (NGRI) who are transitioning from the state hospitals to a community-based outpatient setting. The program serves an average of 140 clients per year.

The FCBS line item includes \$4.6 million General Fund and 20.4 FTE for FY 2025-26. The Long Bill includes a footnote that allows the Department to transfer 5.0 percent of appropriations between all divisions in OCFMH except the mental health transitional living homes. The Department indicates that an average of \$1.2 million has been transferred from this line over the last four fiscal years to the hospitals and other forensic services.

Staff recommended an RFI to report on transfers made in 2025. Actual transfers made were 1.3 percent of General Fund appropriations in FY 2024-25. The largest transfer is from the line item reduced by this request,

transferred to the personal services line item for the Pueblo hospital. Reported transfers are provided in the table below.

FY 2024-25 Reported OCFMH Transfers

Transfer From	Transfer To	Amount
Forensic Community Based Services	Pueblo personal services	\$1,360,045
Pueblo pharmaceuticals	Pueblo personal services	309,153
Pueblo capital outlay	Pueblo personal services	34,360
Fort Logan pharmaceuticals	Outpatient restoration	274,767
Pueblo contract medical services	Outpatient restoration	247,144
Forensic services quality assurance	Outpatient restoration	90,671
Fort Logan operating	Outpatient restoration	10,417
Pueblo operating	Fort Logan operating	455,577
Fort Logan personal services	Fort Logan contract medical services	415,269
Pueblo capital outlay	Purchased psychiatric beds	1,032
Fort Logan operating	Purchased psychiatric beds	4,943
Pueblo operating	Purchased psychiatric beds	76,057
Fort Logan personal services	Purchased psychiatric beds	165,450
Pueblo operating	Purchased psychiatric beds	92,527
Pueblo educational programs	Purchased psychiatric beds	1,139
Pueblo educational programs	Forensic services admin	716
Total		\$3,539,267

A 5.0 percent transfer of the FY 2026-27 General Fund request would be \$14.3 million General Fund. The footnote was first included in the FY 2014-15 Long Bill from a staff recommendation to decrease the need for mid-year adjustments. At the time, the footnote allowed 10.0 percent transfer authority on a \$67.3 million General Fund appropriation. The transfer percentage was reduced to 5.0 percent in FY 2019-20 to align with historic transfers of 1.6 percent to 3.7 percent.

The request indicates that the reduction can be supported without impacting access to services for NGRI individuals. However, the reduction decreases the overall funding available for competency services. The overall request for the line item reflects a 5.4 percent reduction from FY 2025-26.

Recommendation

Staff recommends a reduction of \$1.3 million General Fund for FCBS services, an increase of \$1.0 million General Fund for Pueblo personal services, and a reduction of allowable transfers from 5.0 percent to 1.0 percent.

Staff agrees that a certain amount of transfer authority is appropriate because expenditures tend to be unpredictable. Expenditures are driven by court orders and contract staffing costs, which can change unpredictably outside of the Legislative Session. However, the allowable transfer amount has more than doubled since the original recommendation was made.

Staff is concerned that the transfer authority reduces transparency into the actual funding needs for the hospitals and other forensic services. The recommendation reduces transfer authority below actual transfers made in FY 2024-25, but rebalances appropriations between the two line items with the largest transfers in recent years. The Committee could instead choose to limit the line items that transfer authority applies to, or limit transfers to a dollar amount rather than a percentage.

Evidence Designation

The Department indicates that the evidence level for this request is Promising. The designation is based on evaluations of Forensic Assertive Community Treatment (FACT) and Assertive Community Treatment (ACT) programs.

Burns BJ, Santos AB. Assertive community treatment: an update of randomized trials. *Psychiatric Services* 1995 Jul;46(7):669-75.

- **Claim:** FACT programs have a strong positive effects on days of inpatient hospital admissions and on patient and family satisfaction.
- **Finding:** The article is a review of randomized clinical trials of assertive community treatment for seriously mentally ill patients from 1990 to 1994. The article includes the claim in the request.

Vitacco, M. J., et al. (2008). Developing services for insanity acquittees conditionally released into the community: Maximizing success and minimizing recidivism. *Psychological Services*, 5(2), 118–125.

- **Claim:** Found a relationship between revocation of conditional release with substance use disorder and mental health services requiring hospitalization.
- **Finding:** Staff did not have access to the article. The abstract indicates that logistic regression demonstrated that a diagnosis of substance abuse, previous revocation of conditional release, and mental health symptoms requiring inpatient hospitalization were all related to revocation of conditional release for NGRI individuals.

Parker, G.F. (2004). Outcomes of Assertive Community Treatment in an NGRI Conditional Release Program. *J Am Acad Psychiatry Law* 32:291–303.

- **Claim:** Logistic regression analysis of 83 NGRI individuals on conditional release in the community found annual hospitalization rates of 14 percent and annual arrests of 1.4 percent.
- **Finding:** Staff did not have access to the article or abstract.

Smith, R. J., et al. (2010). Forensic continuum of care with assertive community treatment (ACT) for persons recovering from co-occurring disabilities: Long-term outcomes. *Psychiatric Rehabilitation Journal*, 33(3), 207.

- **Claim:** ACT programs for individuals with co-occurring disabilities and substance use disorder had favorable outcomes for non-reoffending, psychiatric stability, substance use, stable housing, and meaningful activity.
- **Finding:** Staff did not have access to the article. However, the abstract includes the claim in the request and states that this study shows strong results for ACT and Intensive Case Management in contrast to other studies.

Goulet, M.-H., et al. (2021). Effectiveness of Forensic Assertive Community Treatment on Forensic and Health Outcomes: A Systematic Review and Meta-Analysis. *Criminal Justice and Behavior*, 49(6), 838-852.

- **Claim:** No significant results on health-related outcomes except for increased use of outpatient services and moderate improvement of justice outcomes such as the number of days in jail.
- **Finding:** Meta-analysis of FACT effectiveness for justice-involved individuals with severe mental illness. This is the most recent and rigorous study provided by the Department, and indicates mixed results.

Based on the evidence provided, staff finds that the evidence designation is Mixed. Because staff did not have access to many articles, it is unclear to staff if articles provided statistically significant, favorable outcomes with strong comparison groups. The staff designation is based on the most recent and rigorous study provided.

→ BA2 PITP services [legislation]

Request

The Department requests an increase to provide services for people who are determined to be permanently incompetent to proceed (PITP).

- Year 1: \$12.4 million General Fund and 33.3 FTE
- Year 2: \$21.7 million total funds, including \$11.8 million General Fund, \$9.9 million reappropriated funds, and 106.3 FTE.

The amounts listed above only include the requested appropriation impact to the Department of Human Services, and do not include impacts to the Department of Health Care Policy and Financing, capital construction, or legislative placeholders proposed by the Governor’s Office.

Recommendation

Staff recommends denial of the request for a complete PITP package to be considered in separate legislation.

Analysis

The request is the budget year impact of a supplemental request concerned by the Committee in January. The Committee denied the supplemental request, but designated a legislative placeholder of \$9,646,612 General Fund for the current fiscal year. This amount aligns with the full supplemental request, but only 2.0 FTE for skilled nursing care coordination.

Staff’s assessment of the request has not changed since the supplemental process. The request includes multiple components that impact the Departments of Human Services (CDHS) and Health Care Policy and Financing (HCPF). The components as assessed by staff are provided in the tables below.

Table 1: General Fund Impact by Fiscal Year and Component

Component	FY 2025-26 General Fund	FY 2026-27 General Fund	FY 2027-28 General Fund	FY 2028-29 General Fund
A1. Wheat Ridge building upgrades (4 beds)	\$485,934	\$0	\$0	\$0
A2. Wheat Ridge state FTE (7.0 FTE)	326,386	664,078	498,059	498,059
A3. Wheat Ridge contract security	125,000	250,000	187,500	187,500
B1. Skilled nursing contracts (10 beds)	0	2,065,526	2,065,526	2,065,526
B2. Skilled nursing private renovation	50,000	0	0	0
B3. Skilled nursing care coordination (8.0 FTE)	218,490	1,058,821	1,058,821	1,058,821
C1. Pueblo renovation capital (18 beds)	3,577,898	0	0	0
C2. Pueblo renovation operating (89.9 FTE)	0	946,522	3,996,176	5,151,034
C3. Move Pueblo patients to contracts (16 beds)	3,328,800	6,657,600	6,657,600	6,657,600

Component	FY 2025-26 General Fund	FY 2026-27 General Fund	FY 2027-28 General Fund	FY 2028-29 General Fund
C4. Pueblo Regional Center EHR (2.0 FTE)	48,008	195,264	195,264	195,264
D1. Outpatient clinic capital	1,722,906	0	0	0
D2. Outpatient clinic operating (23.5 FTE)	95,082	832,970	3,574,961	4,609,333
D3. Outpatient EHR (2.0 FTE)	51,078	207,540	207,540	207,540
E. Electronic health records supervisor (1.0 FTE)	33,300	134,813	134,813	134,813
F. Data analyst (1.0 FTE)	24,004	97,632	97,632	97,632
G. HCPF Policy advisors (2.0 FTE)	43,263	112,103	113,358	113,358
H. Legislative placeholder	0	10,000,000	10,000,000	10,000,000
Total	\$10,130,149	\$13,222,868	\$18,787,249	\$20,976,479

The ongoing impact is based on the CDHS request and calculations provided by HCPF. Staff assumes that actual ongoing costs will be higher based on standard annual increases for employee compensation and Medicaid rates.

Calculating the request by total funds double counts some of the General Fund and federal funds appropriations in HCPF as reappropriated funds in CDHS. The total funds impact by request component and fiscal year as estimated by Staff is provided in the table below.

Table 2: Total Funds Impact by Fiscal Year and Component

Component	FY 2025-26 Total Funds	FY 2026-27 Total Funds	FY 2027-28 Total Funds	FY 2028-29 Total Funds
A1. Wheat Ridge building upgrades (4 beds)	\$485,934	\$0	\$0	\$0
A2. Wheat Ridge state FTE (7.0 FTE)	326,386	664,078	996,117	996,117
A3. Wheat Ridge contract security	125,000	250,000	375,000	375,000
B1. Skilled nursing contracts (10 beds)	0	2,775,816	2,775,816	2,775,816
B2. Skilled nursing care coordination (8.0 FTE)	218,490	1,058,821	1,058,821	1,058,821
C1. Pueblo renovation capital (18 beds)	3,577,898	0	0	0
C2. Pueblo renovation operating (89.9 FTE)	0	946,522	14,427,020	19,058,827
C3. Move Pueblo patients to contracts (16 beds)	3,328,800	6,657,600	6,657,600	6,657,600
C4. Pueblo Regional Center EHR (2.0 FTE)	48,008	195,264	195,264	195,264
D1. Outpatient clinic capital	1,722,906	0	0	0
D2. Outpatient clinic operating (23.5 FTE)	95,082	832,970	7,564,645	9,928,909
D3. Outpatient EHR (2.0 FTE)	51,078	207,540	207,540	207,540
E. Electronic health records supervisor (1.0 FTE)	33,300	134,813	134,813	134,813
F. Data analyst (1.0 FTE)	24,004	97,632	97,632	97,632
G. HCPF Policy advisors (2.0 FTE)	86,525	224,205	226,715	226,715
H. Legislative placeholder	0	10,000,000	10,000,000	10,000,000
Total	\$10,123,411	\$24,045,260	\$44,716,982	\$51,713,053

The request includes FTE for CDHS and HCPF. The FTE impact by request component and fiscal year is provided in the table below.

Table 3: CDHS and HCPF FTE by Fiscal Year

Component	FY 2025-26 FTE	FY 2026-27 FTE	FY 2027-28 FTE	FY 2028-29 FTE
A2. Wheat Ridge state FTE	3.5	7.0	7.0	7.0
B2. Skilled nursing care coordination	2.0	8.0	8.0	8.0
C1. Pueblo Renovation operating	0.0	9.0	67.4	89.9
C4. Pueblo Regional Center EHR	0.5	2.0	2.0	2.0

Component	FY 2025-26 FTE	FY 2026-27 FTE	FY 2027-28 FTE	FY 2028-29 FTE
D1. Outpatient clinic operating	0.5	3.3	17.9	23.5
D3. Outpatient EHR	0.5	2.0	2.0	2.0
E. Electronic health records supervisor	0.3	1.0	1.0	1.0
F. Data analyst	0.3	1.0	1.0	1.0
G. HCPF Policy advisors	0.7	2.0	2.0	2.0
Total	8.2	35.3	108.3	136.4

The following sections describe each component of the request, largely unchanged from the supplemental process. New information in response to Committee questions during the supplemental presentation are provided after the component descriptions.

Request Component Summary Descriptions

A. Wheat Ridge Upgrades

Beds: 4

Clients: IDD PITP released from jail

Estimated ongoing cost per bed: \$803,000 including costs for existing staff.

Alternative names: Kipling Village

This portion of the request increases security at the Wheat Ridge Regional Center to make four beds available for people with intellectual and developmental disabilities (IDD) who are discharged from jail because they are determined to be permanently incompetent to proceed. The request indicates that there are not currently any fully secure facilities in the Regional Center system. However, the highest security beds are at the Wheat Ridge Regional Center. Security upgrades include one-time capital costs and ongoing security staff.

Table 4: Wheat Ridge Security CDHS General Fund Impact by Fiscal Year

Item	FY 2025-26	FY 2026-27	FY 2027-28 and ongoing
A1. Building upgrades	\$485,934	\$0	\$0
A2. State FTE (7.0 full year)	326,386	664,078	332,039
A3. Contract security	125,000	250,000	125,000
Total	\$937,320	\$914,078	\$457,039

One-time building improvements: The request includes one-time costs for physical security enhancements including cameras, fences, and gates. There are currently no security cameras, secure fences, or cabinet locks at the facility. The Department indicates that security upgrades are not necessary to meet any specific licensing requirements, but are necessary for the safety of staff and new residents.

The Department anticipates that improvements can be made immediately. Whether these upgrades meet statutory definitions for capital construction and current legislative authority is discussed later in this document. Estimated costs provided by the Department are listed in the table below.

Table 5: One-time Capital Construction Costs

Item	Units	FY 2025-26
Replace glass windows with plexiglass	Unknown	\$150,000
Backup generator	Unknown	150,000
Fence	1	75,000

Item	Units	FY 2025-26
Emergency hallway lighting	Unknown	60,000
Door locks	9	20,246
Security cameras	7	13,688
Secure gates	2	10,000
Bolt down furniture	Unknown	5,000
Cabinet locks	Unknown	2,000
Total		\$485,934

State FTE: The request includes funding for 3.5 FTE in the current fiscal year, and 7.0 FTE on an ongoing basis. The request indicates that a higher staff to patient ratio is necessary for the population intended to be served by the request compared to current staffing levels. The requested job classes are security officers. The Department indicates that Regional Centers do not hire security officers, and all security staff will be contracted. Requested FTE are expected to support an interdisciplinary treatment plan and have additional employment skills specific to this population. The request assumes 6 months of funding for staff in the current fiscal year, and includes costs for centrally appropriated line items.

Contract security: The request also includes additional funding for contract security. The Department indicates that contract security is primarily needed for evening and night shifts, and are expected to cover 16 hours per day, 7 days a week. Depending on the contract, 2-4 security staff are expected to be present at the facility during these times. The request assumes 6 months of funding for contract security in the current fiscal year.

Table 6: Wheat Ridge State and contract FTE costs

Item	FY 2025-26	FY 2026-27	FY 2027-28
Personal services (7.0 FTE full year)	\$240,689	\$481,380	\$240,690
Operating expenses	6,773	13,545	6,773
Centrally appropriated costs	78,924	169,153	84,577
State FTE Subtotal	\$326,386	\$664,078	\$332,039
Contract security	\$125,000	\$250,000	\$125,000
Total	\$451,386	\$914,078	\$457,040

The section of the Wheat Ridge Regional Center that would be renovated is called Kipling Village. The Department indicates that current residents will transition to other facilities on the Wheat Ridge campus, but that the caseload can be absorbed without displacing current patients from the campus.

The Department anticipates that PITP residents will stay at the facility for an average of 2-3 years. The estimate is based on the current average length of stay for intensive treatment patients at Wheat Ridge. Residents may step down after intensive treatment, including to other state-operated but lower security placements.

The Department anticipates that costs will be fully paid by Medicaid by FY 2027-28. Medicaid pays for the Regional Centers at cost. However, cost is based on retro-active utilization. Therefore, Medicaid reimbursement is not expected to occur until the beds have been operational for two fiscal years.

B. Skilled Nursing Contract Beds

Beds: 10

Clients: Dementia and brain injury

Current year cost: \$50,000 General Fund to Human Services.

Ongoing cost: \$1,355,236 General Fund to Human Services and \$1,420,580 total funds to HCPF. The HCPF costs are assumed to be 50.0 percent General Fund, or \$710,290.

Ongoing cost per bed: \$312,434 General Fund including CDHS care coordination staff.

This portion of the request is a contract with one facility for ten skilled nursing beds. Beds are expected to serve people with neurocognitive disorders, such as dementia and traumatic brain injury. The request indicates that skilled nursing is the most appropriate placement for people with neurocognitive disorders, but private providers may not accept patients with a history of criminal charges or aggressive behavior.

There are multiple costs to facilitate the contracts. Costs include one-time capital improvements for a private provider, incentive payments from CDHS to providers to accept patients, the Medicaid daily rate for beds, payments from CDHS for patients who are uninsured, and staff at CDHS to manage contracts and connect patients to care.

Table 7: Skilled Nursing Contract Annual General Fund Cost

Item	FY 2025-26	FY 2026-27 and ongoing
Provider capital improvements	\$50,000	\$0
Medicaid reimbursement	0	710,290
CDHS provider incentive [1]	0	1,011,050
CDHS uninsured payments [1]	0	344,186
Total	\$50,000	\$2,065,526

[1] Staff estimate based on information provided in the request.

Provider capital improvements: The request includes \$50,000 General Fund for one-time capital improvements for the private provider. The request does not indicate whether a private provider has been identified and what required improvements are expected to be necessary.

Medicaid reimbursement: The assumed Medicaid daily rate for this placement is \$277.33. Medicaid rates will be paid from HCPF to providers directly, and are not reappropriated to CDHS. The cost of this component is therefore not reflected in the CDHS request. Calculation detail provided by HCPF assumes that the Medicaid rate will be the current daily rate (\$278) plus the CDHS incentive rate (\$277) for a total daily rate of \$556. Calculations also assume 70.0 percent eligibility, 100.0 percent occupancy, and a 50.0 percent federal match rate.

Table 8: Medicaid Calculations

Item	Amount
Beds	10
Occupancy	100%
Eligibility	70%
Daily rate	556
Total	\$1,420,580
General Fund	\$710,290

CDHS Provider incentive: The request includes a total of \$1,355,236 General Fund for a provider incentive payment. The payment is expected to double the Medicaid daily rate paid to providers, and cover patients who are uninsured. The request does not specify what amount is required to cover the incentive payment, and what amount is expected to cover patients who are uninsured. Staff estimates that the incentive payment is \$1,011,050 annually based on calculations provided by HCPF.

The daily rate is already doubled to account for a CDHS incentive in the Medicaid costs provided by HCPF. Staff is unsure if the Medicaid costs double count the CDHS incentive, or if the daily rate is expected to be \$843 after HCPF and CDHS payments.

CDHS uninsured payments: Payments for people who are uninsured are expected to be covered by CDHS. Calculations provided by HCPF assume that 30.0 percent of patients will not be Medicaid eligible. This amount is included in the request, but an amount is not specified separate from the incentive payment. Staff estimates that the cost to cover patients who are not Medicaid eligible is \$344,186 annually. The request indicates that Medicaid eligibility and incentive payments are based on a current skilled nursing facility contract through the mental health transitional living homes program.

Care Coordination Team: The request includes a new Long Bill line item for care coordination and contracted services. The line item includes funding for 14.0 FTE on an ongoing basis to coordinate skilled nursing contracts, access to care, and electronic health records (EHR) for the new service types. Of that amount, 8.0 FTE are related to the skilled nursing contracts. EHR FTE are discussed later in this document.

State FTE include one manager, three skilled nursing contract coordinators, two care coordinators, one skilled nursing specialist, and one skilled nursing benefits compliance specialist. Calculations also include two contract positions for a skilled nursing psychiatrist and a skilled nursing physician assistant. Staff appreciates that this is a new and complex population for the Department to manage. However, it remains unclear why 8.0 FTE would be required to coordinate care and manage a contract with one facility for 10 beds.

Table 9: Skilled Nursing Staff General Fund Cost by Fiscal Year

Item	FY 2025-26 General Fund	FY 2025-26 FTE	FY 2026-27 General Fund	FY 2026-27 FTE
Personal services	\$166,799	2.0	\$667,192	8.0
Operating	3,870	0.0	15,480	0.0
Centrally appropriated costs	47,822	0.0	204,206	0.0
Contract psychiatry	0	0.0	171,943	0.0
Total	\$218,490	2.0	\$1,058,821	8.0

In conversations with the Executive Branch, departments indicated that additional staff are necessary to coordinate between State agencies. Staff is concerned that this function cannot be accomplished within existing resources, especially because care coordination resources already exist within CDHS, HCPF, the BHA, and the Judicial Department.

C. Pueblo NGRI Unit Conversion

Beds: +18 neurocognitive and neurodevelopmental, -16 competency restoration

Estimated ongoing cost per PITP bed: \$913,587 General Fund and federal funds

Estimated ongoing cost per competency bed: \$416,100 General Fund

Alternative names: Pueblo Cottage, Building 137

This component of the request would convert a unit at the Pueblo hospital. The building is expected to be a secure placement for patients with neurocognitive and neurodevelopmental disorders previously charged with high-level felonies. Requested amounts are included in both the capital construction supplemental request, and the CDHS operating budget.

Table 10: Pueblo NGRI Unit Conversion to PITP

Item	FY 2025-26 General Fund	FY 2026-27 General Fund	FY 2027-28 General Fund	FY 2028-29 General Fund
C1. Pueblo renovation capital (18 beds)	\$3,577,898	\$0	\$0	\$0
C2. Pueblo renovation operating (89.9 FTE)	0	946,522	3,996,176	5,151,034
C3. Move Pueblo patients to contracts (16 beds)	3,328,800	6,657,600	6,657,600	6,657,600
C4. Pueblo Regional Center EHR (2.0 FTE)	48,008	195,264	195,264	195,264
Total	\$6,954,706	\$7,799,386	\$10,849,040	\$12,003,898

Capital construction: The capital construction request includes \$3.6 million General Fund to renovate an existing building on the Pueblo hospital campus. The request indicates that the state does not currently have a facility that serves the desired population because Regional Centers only serve people with neurodevelopmental disorders. JBC Staff and OLLS Staff agree that it is not within the Department’s current statutory authority to serve people who with neurocognitive disorders outside of people who have been found Not Guilty by Reason of Insanity (NGRI).

The building currently has 16 beds serving NGRI patients who are preparing for community reintegration. The building offers a more home-like setting than the hospital units, and is referred to in request documents as the “Pueblo Cottage” or “Building 137.”

The renovation project is expected to convert the building to serve people with neurocognitive and neurodevelopmental disorders who are a risk to the community, including patients with IDD, traumatic brain injury (TBI), and dementia. The renovation will increase the current number of beds in the building from 16 to 18. If approved and completed as requested, the project would begin in the spring of 2026 and be complete in 18 months.

Current patients will be moved to a different facility within the Pueblo campus, but the Department indicates that decisions have not yet been made about what specific unit current patients will be moved to. Other ongoing capital projects have decreased capacity at the hospital, and it is unclear if the hospital has other available space to provide homelike settings and the appropriate level of care for the NGRI population. Staff is concerned about proceeding with the capital construction project before the Department has a clear plan for serving current patients.

The request assumes that patients will be moved throughout the Pueblo campus as necessary, and the 16 lowest security competency restoration patients will be moved to private hospital contracts on an ongoing basis. The associated contract costs are described in a later section.

The project was approved by the Capital Development Committee on January 15, 2025. However, the project was not approved by the JBC and was therefore not included in the Supplemental Capital bill. The project has ongoing operating costs described in the next section. The unit will be operated by the Division of Regional Centers separately from the rest of the Pueblo hospital managed by OCFMH.

There are several other ongoing capital projects at the hospitals. Projects funded in 2022 were expected to open in FY 2023-24 and are still not complete. The youth psychiatric residential facility funded by H.B. 22-1283 did not break ground until September of 2025. The Fort Logan G-wing funded by H.B. 22-1303 is expected to open in March 2026 after multiple construction and inspection delays. There is also an ongoing maintenance project at the Pueblo hospital that has reduced capacity by 26 beds. Therefore, staff assumes that the renovation could take four or more years to be operational rather than the 18 months outlined in the request.

Ongoing operating: The operating request assumes that the unit will be 10.0 percent operational in FY 2026-27, 75.0 percent operational in FY 2027-28, and fully operational by FY 2028-29. Hiring will begin in FY 2026-27, and include 89.9 FTE on an ongoing basis. The estimated average length of stay for the unit is 2-3 years. The Department assumes that patients will be able to step-down to lower security placement options, including other state operated facilities.

Table 11: Pueblo Operating General Fund Impact by Fiscal Year

Item	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
State FTE (89.9)	\$0	\$846,522	\$6,457,835	\$8,465,247
Contract psychiatrists	0	0	323,788	431,718
Equipment	0	0	24,000	0
Laundry	0	0	540,000	720,000
Food	0	0	105,000	140,000
Electronic health records	0	100,000	22,500	30,000
Medicaid federal funds offset	0	0	-3,476,949	-4,635,931
Total	\$0	\$946,522	\$3,996,175	\$5,151,034

The operating costs for the Pueblo unit are primarily for 89.9 FTE. Staff asked the Department why it was necessary to hire 89.9 FTE if the unit is already operational. The Department indicates that Building 137 does not currently have a permanently assigned staff. The staff currently at Building 137 typically staff another unit that is under construction. Current staff will move with patients when a new location for those patients is identified, and eventually return to their previous unit. Based on the Department’s responses, staff is concerned about whether the hospital would be adequately staffed if all units were operational.

Medicaid calculations assume that 90.0 percent of patients will be Medicaid eligible, and the monthly rate will be \$47,695. The estimated monthly rate is based on the staffing and operating costs calculated by CDHS.

Table 12: Pueblo Operating Medicaid Costs by Fiscal Year

Item	FY 2027-28	FY 2028-29
Beds	18	18
Eligibility	90.0%	90.0%
Occupancy	71.3%	95.0%
Rate	47,695	47,695
Total Funds	\$6,953,896	\$9,271,908
General Fund	\$3,476,948	\$4,635,954

The hospitals are not reimbursed by Medicaid because of the federal IMD rule. The IMD rule stipulates that facilities with more than 16 beds serving people with mental illness as the primary diagnosis for more than 16 days are not eligible for reimbursement. CDHS and HCPF expect that Building 137 will be Medicaid eligible because mental illness will not be the primary diagnosis for patients, and the facility will be operated separately from the rest of the hospital. HCPF was not aware of another facility with 18 beds that is currently receiving Medicaid reimbursement.

Move competency patients to contracts: The request includes \$3.3 million General Fund in the current fiscal year to move 16 competency restoration patients from the Pueblo hospital to private hospital contracts. The Department contracts with private hospitals for inpatient competency restoration beds at a rate of \$1,200 per day. The average length of stay is 3 months.

The Department indicates that the patients expected to move into private contracts are easier to place with private providers than the patients that will move into Building 137. Additionally, competency patients have a lower average length of stay.

The current appropriation for private hospital competency contracts is \$29.9 million General Fund and 1.0 FTE. According to the response to RFI 22,¹⁵ the number of private hospital contracts decreased from 97 to 84 in FY 2024-25. The response states that the reduction was the result of one private hospital contract ending due to changing priorities for that hospital. The Department anticipates that contract beds are available at the current daily rate despite the recent decrease in capacity.

The request calculations assume that contract beds will be funded for six months in the current fiscal year. When asked about the contracting timeline, the Department stated that patients would move to contracts three to four months after capital funding was approved. Staff therefore assumes current year funding for contracts is not necessary even if the capital project was approved as requested.

Table 13: Contract Beds General Fund Impact by Fiscal Year

Item	FY 2025-26	FY 2026-27 and ongoing
Beds	16	16
Vacancy	95%	95%
Days	183	365
Rate	\$1,200	\$1,200
Total	\$3,328,800	\$6,657,600

Electronic Health Records (EHR) staff: The request includes 6.0 FTE for additional data management work. Of that amount, 2.0 FTE are expected to oversee the construction and ongoing maintenance of electronic health records for the Pueblo unit. The system that supports the unit will need to communicate with the Pueblo hospital EHR system as well as the Regional Center system since the unit will be operated by the Regional Center System on the Pueblo campus.

D. State-operated Outpatient Clinic

Clients: Hospital and jail step-down

Ongoing cost: \$10,136,449 total funds and 23.5 FTE to CDHS and HCPF.

This component of the request would create a state-operated outpatient clinic. Requested amounts are included in both the capital construction supplemental request, and the CDHS operating budget. JBC Staff and OLLS Staff agree that the Department does not have current statutory authority to operate an outpatient clinic.

Table 14: State-operated Outpatient Clinic CDHS General Fund Costs

Item	FY 2025-26 General Fund	FY 2026-27 General Fund	FY 2027-28 General Fund	FY 2028-29 General Fund
D1. Outpatient clinic capital	\$1,722,906	\$0	\$0	\$0
D2. Outpatient clinic operating (23.5 FTE)	95,082	832,970	2,577,540	3,279,438
D3. Outpatient EHR (2.0 FTE)	51,078	207,540	207,540	207,540
Total	\$1,869,066	\$1,040,510	\$2,785,080	\$3,486,978

¹⁵ [FY 2026-27 CDHS RFI 22 Response](#).

The outpatient clinic is expected to fill a gap in the current continuum of care for competency restoration services managed by OCFMH. Outpatient services are currently offered by Comprehensive Safety Net Providers (CSNPs) that receive funding from HCPF and the Behavioral Health Administration (BHA).

Capital project: The request proposes an ongoing lease for CDHS to establish the first state-operated outpatient mental health clinic. The capital construction request includes \$1.7 million General Fund to renovate private leased space to establish the clinic.

The supplemental request expected the Department to enter into a lease in the Denver metro area in the current fiscal year. The first year of leasing costs were expected to be \$100,000 covered within existing appropriations. Ongoing lease costs are included in the operating request, described in the next section.

The Department identified space for an outpatient clinic on the Fort Logan campus after the supplemental process. The Department is still producing cost estimates for this option. Staff does not know how this change will impact the costs and timeline assumed in the request.

The request indicates that the Department was requesting to lease private space because it will be faster to establish the clinic than renovating or building on state property. The Department estimates that a lease will take 12-18 months to establish a clinic, compared to 24-36 months for new construction on state land, or 36-60 months to purchase and renovate a building.

Table 15: Lease and Construction Options

Option	Cost	Timeline
Annual Lease first year	\$1,822,906	12-18 months
Annual lease ongoing	394,220	
State land new construction	5,913,000	24-36 months
Purchase and renovate	3,322,906	36-60 months

Based on the amounts presented, staff assumes that the cumulative annual cost of the lease would exceed the cost to purchase and renovate in 4 years, and exceed the cost to construct on state land in 10 years. Staff calculations do not account for other ongoing operating and maintenance costs.

The Capital Development Committee (CDC) approved the project on January 15, 2026. The motion to approve the request included the condition that the lease term be at least as long as the expected useful life of the renovations made using state dollars. Whether renovations of leased space meet statutory definitions for capital construction is discussed later in this document.

Ongoing operating: The clinic is expected to provide partial hospitalization and intensive outpatient treatment Monday-Thursday. Other services will be provided on evenings and weekends. The type and number of clients described by the request is provided in the table below.

Table 16: Anticipated Weekly Outpatient Clients

Service	Clients	Description
Partial hospitalization	10	Typically 20+ hours per week
Intensive outpatient	24	Typically less than 16 hours per week
Community-based services	5	Medication management, case management, individual therapy
Other services	10	Not described
Total	49	

These services are currently available through CSNPs and other private providers. Staff questioned why the Department is proposing a state-operated clinic rather than investing in the established statewide behavioral health safety net. CDHS, HCPF, and the BHA indicate that CSNPs are not equipped to handle the populations stepping down from the state hospitals, and it is therefore necessary for the state to step up to provide a safety net. The exact barriers for the current safety net system are currently unclear to staff.

Staff is concerned that the solution proposed by the Executive Branch establishes a new state obligation rather than improving investments that are already in place. The Department expects that establishing a state-operated clinic for people who are criminally justice involved will improve capacity at the state hospitals by allowing for additional step-down resources. Staff is concerned that continuing to invest in new programs in OCFMH rather than the established safety net may exasperate disparities that already exist, including geographic access and requiring criminal justice involvement to access care.

Anticipated expenses include two contracted crisis stabilization beds, patient transportation, a catering contract for patient box lunches and snacks, interpreter services, and general office supplies. Crisis stabilization beds are expected to cost \$1,200 per day and be occupied 100.0 percent of the time. The request includes the milage and lease costs for four vans to transport patients to and from the clinic.

Table 17: Outpatient Clinic General Fund Cost by Fiscal Year

Item	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
State FTE (23.5)	\$95,082	\$438,750	\$2,006,642	\$2,649,647
Contract psychiatry	0	0	355,794	474,393
2 Crisis beds	0	0	657,000	876,000
Food	0	0	105,000	140,000
Patient transport	0	0	29,106	38,808
Interpreter services	0	0	15,000	20,000
Office supplies	0	0	12,199	16,265
Annual lease payment	0	394,220	394,220	394,220
Medicaid federal funds offset	0	0	-997,421	-1,329,894
Total	\$95,082	\$832,970	\$2,577,540	\$3,279,439

Staffing costs include a range of clinical and non-clinical positions. Clinical positions include nurses, social workers, physician assistants, and a medical director. Non-clinical positions include a program director, transportation coordinators, a housing coordinator, two court specialists, a compliance specialist, and a billing specialist.

The request assumes that the Program Director will be hired for six months of the current fiscal year. Other positions begin hiring in FY 2026-27, but full staffing is not expected to be complete until FY 2028-29. The request assumes that the clinic will be 10.0 percent operational in FY 2026-27, 75.0 percent operational in FY 2027-28, and 100.0 percent operational in FY 2028-29.

Services provided at the clinic are expected to be Medicaid eligible. Calculations provided by HCPF assume that 90.0 percent of clients will be eligible for a 50.0 percent General Fund match. HCPF indicated that a new provider type will be created with the BHA to facilitate a payment rate for the state-operated facility that is different from the current prospective payment rate offered to CSNPs.

Electronic Health Records (EHR) staff: The request includes 6.0 FTE for additional data management work. Of that amount, 2.0 FTE are expected to oversee the construction and ongoing maintenance of electronic health

records for the outpatient clinic. The Department anticipates that the current contract and software used for EHR for the state hospitals can be used for the outpatient clinic. However, the outpatient system will be a new build that will require additional staff to develop and maintain.

E. Electronic Health Records Supervisor

The request includes 6.0 FTE for additional data management work. Of that amount, 1.0 FTE is expected to be a supervisor for the additional 5.0 positions. Four positions are expected to develop and maintain Electronic Health Record (EHR) systems for the Pueblo unit and the outpatient clinic. The final position is for a data analyst described in the next section. The EHR supervisor costs \$134,813 General Fund on an ongoing basis.

F. Data Analyst

The request includes 1.0 FTE to track, maintain, and analyze data related to the legal and treatment history for PITP individuals. The data analysis is expected to help the Department support care coordination, respond to data requests, and track program outcomes. The data analyst costs \$97,632 General Fund on an ongoing basis.

G. HCPF Policy Advisors

The request does not provide information on the staffing needs for HCPF. Additional information from HCPF and CDHS indicates that positions include one policy advisor for the HCPF Behavioral Health Initiatives and Coverage Office and one policy advisor for the Office of Community Living.

The Departments indicate that the positions are expected to coordinate across CMAs, RAEs, CDHS, CDPHE, BHA, DORA, counties, courts, probation, correctional facilities, law enforcement, and HCPF to ensure safe and secure placements. Costs are expected to be 50.0 percent federal funds.

Table 18: HCPF Staff Impact by Fiscal Year

Item	FY 2025-26 General Fund	FY 2025-26 FTE	FY 2026-27 General Fund	FY 2026-27 FTE
Personal services	\$27,040	0.7	82,528	2.0
Operating	7,246	0.0	735	0.0
Centrally appropriated costs	7,423	0.0	24,190	0.0
Leased space	1,554	0.0	4,650	0.0
Total	\$43,263	0.7	\$112,103	2.0

H. Legislative Placeholder

The Governor’s January 2 letter includes a \$10.0 million General Fund legislative placeholder for competency in addition to this request. Staff is not aware of what is expected to be included in separate legislation, and how it may or may not relate to this request.

The letter mentions that the ongoing investment in competency from the January 2 submission is \$43.2 million. Staff requested the breakdown of the items included in that amount. The Executive Branch indicated that the total should have been \$47.0 million total funds, and includes the following components. The costs for HCPF do not align with documents submitted to Staff, and therefore do not align with calculations provided throughout this document. Staff’s current assessment is that the Pueblo capital upgrades project is independent of the operating request.

Table 19: Total Competency Request Package in January 2 Letter

Item	FY 2025-26 Total Funds	FY 2026-27 Total Funds	FY 2027-28 Total Funds
Legislative Placeholder	\$0	\$10,000,000	\$10,000,000
CDHS BA2	4,786,081	12,400,474	21,669,066
CDHS BA2 HCPF Impact	86,525	1,644,786	4,547,306
Supplemental capital request	5,300,804	0	0
Pueblo capital upgrades ph. 2 of 3	0	4,144,206	10,792,478
Total	\$10,173,410	\$28,189,466	\$47,008,850

Legislative Authority

Legislation is either recommended or required for the main components of the request. JBC Staff and OLLS Staff agree that the Department does not have authority to serve patients with neurocognitive disorders, or operate an outpatient clinic under current law. Staff would recommend legislation to set parameters around other components of the request.

Wheat Ridge

This component includes building upgrades, contract security staff, and state security staff. The increases are expected to allow the Department to serve people with IDD found PITP.

Regional Centers provide state operated services and supports to persons with developmental disabilities.¹⁶ A person cannot be admitted to a Regional Center without a court order except in an emergency or for the purpose of temporary respite.¹⁷ A court order originates from a petition for legal disability.¹⁸ The individual must be found to pose a probable threat, and must be placed in the least restrictive residential setting appropriate.

JBC Staff and OLLS Staff agree that legislation is not required for a Regional Center to serve people with IDD who are discharged from jail, assuming a petition for legal disability is filed. However, staff remains concerned about appropriating funding for this purpose prior to determining the statutory requirements for referring people to the beds, and specifying the number of beds the Department may use for this purpose.

Staff is concerned that a Denver Post investigation of a high-profile PITP case found that the court had not utilized the options to connect the individual to services prior to discharge from jail. Staff concerned that if statutory requirements are not changed, placements will be elective to the courts and the highest acuity patients may continue to be released without services.

The Department indicates that no statutory changes are necessary to implement this portion of the request. According to the Department, locks and security upgrades are the only boundary to serving this population. If this is the case, staff is concerned that the Regional Centers could eventually be overtaken by PITP patients. Staff is also concerned that the Executive Branch did not identify a solution to serve this population until there was national news attention if minor security upgrades are the only boundary.

The General Assembly may choose to appropriate funding for Wheat Ridge security upgrades without legislation. However, staff would recommend legislative changes to clarify the process for court orders to

¹⁶ Section 27-10.5-301, C.R.S.

¹⁷ Section 27-10.5-110 (2), C.R.S.

¹⁸ Section 25.5-10-216, C.R.S.

Regional Centers specific to people deemed PITP, and limit the number of Regional Center beds that can be used for this purpose.

Skilled Nursing

This component of the request includes costs to renovate a private facility, contract skilled nursing beds for people with neurocognitive disorders, and care coordinators. The contract includes an incentive payment that doubles the Medicaid daily rate for the provider.

JBC Staff and OLLS Staff agree that the Department does not have the authority to serve neurocognitive disorders. Therefore, legislation is required to implement this portion of the request. Staff would also recommend statutory requirements for the private renovation, number of beds, and incentive payment based on recent legislation for similar programs.

The Department is charged with serving people with IDD and mental health disorders.¹⁹ Staff has not been able to identify current statutory language related to residential treatment requirements for people with neurocognitive disorders. This is one of the factors driving a gap in services for people with neurocognitive disorders.

Staff is also concerned about the process for placing people with neurocognitive disorders. Staff assumes that patients will need to be in the custody of the Department, as is current practice for a residential level of care in Department facilities. The process for placing people with neurocognitive disorders in the custody of the Department would need to be clarified as the length of stay is expected to span 2-3 years.

Recent legislation has included renovations for private providers and provider incentives in statute. Funding for private facility renovations was included for Mental Health Transitional Living Homes in H.B. 22-1303. Some funding appropriated in the bill was recaptured because the actual need for renovations was less than the Department anticipated. Therefore, staff is concerned about whether the Department has evaluated the need for this funding and the process for funding building improvements for facilities not owned or leased by the state without legislative requirements.

Provider incentives youth services placements were included in H.B. 23-1307, and incentives for high acuity youth and respite placements were included in H.B. 24-1038. The bills provided expectations for how funding should be utilized. These requirements have allowed staff to analyze whether the appropriated funding is being utilized in line with legislative intent, including whether the funding is supporting more or less beds than anticipated.

Pueblo Renovation

This portion of the request renovates an existing unit at the Pueblo hospital to serve people with neurocognitive and neurodevelopmental disorders. The unit will operate under the Regional Centers rather than OCFMH.

Staff finds that the Division of Regional Centers does not currently have statutory authority to serve people with neurocognitive disorders. Staff is not supportive of approving funding separate from statutory changes to refer people to treatment.

¹⁹ Section 26-1-201, C.R.S.

House Bill 22-1303 also included expectations for a renovation on the Fort Logan campus. The bill required that the renovated unit initially support forensic patients. Once the competency waitlist is eliminated, the unit is required to serve civil patients. If the General Assembly is appropriating funding with the expectation that the renovation is used for a specific population, Staff recommends putting that expectation in statute.

Otherwise, the Department may change the expected use of the unit over time. Staff is particularly concerned due to the Department’s descriptions of moving patients between units with multiple ongoing capital projects, as well as differentiating the unit from the hospital for Medicaid eligibility. House Bill 22-1283 established the youth neuro-psych unit in statute, which is similarly on the Fort Logan campus but expected to operate separately from the hospital for Medicaid reimbursement.

Outpatient Clinic

The capital construction request includes funding to renovate a private facility to develop a state operated outpatient mental health clinic. JBC Staff and OLLS Staff agree that the Department does not have the statutory authority to operate an outpatient clinic. Legislation is therefore required to implement this portion of the request.

Capital Construction

The request includes multiple projects that could be categorized as capital construction. The Department requested funding as part of the supplemental capital construction request and in the operating budget in line with common practices from state agencies. Staff would classify these projects differently from the request after seeking advisement from the State Architect and OLLS.

Request and Staff Capital Classifications by Project

Project	Request classification	Staff classification
Wheat Ridge Security Upgrades	Operating	Capital
Skilled nursing provider renovations	Operating	Operating
Pueblo unit renovation	Capital	Capital
Outpatient clinic leased space renovation	Capital	Operating

What is the difference between capital and operating?

Capital construction and IT capital are sections at the end of the Long Bill separate from Department sections. Line items in the capital sections reflect individual projects approved by the General Assembly. Capital projects automatically receive three years of roll-forward spending authority and are overseen by the Office of the State Architect.

The Department sections of the Long Bill are referred to as the operating budget. Expenses that do not meet the definitions of capital may be appropriated in the operating budget rather than the capital construction section. Appropriations would often be placed in the Operating Expenses line item of the relevant department division, rather than a one-time line item with the project name. Projects appropriated through the operating budget are not overseen by the State Architect and do not automatically receive roll-forward authority.

What is a capital project?

The statutory definition of a capital project includes:²⁰

1. The construction, demolition, remodeling, or renovation of real property necessitated by changes in the program, to meet standards required by applicable codes, to correct other conditions hazardous to the health and safety of persons which are not covered by codes.
2. Site improvement or development of real property.
3. Installation of the fixed or moveable equipment necessary for the conduct of programs in or on real property upon completion of the new construction, remodeling, or renovation.

The definition of real property includes state-owned buildings and state-owned grounds around a state-owned building.²¹

Doesn't a project have to have a minimum cost to be considered capital construction?

Joint Rule 45 outlines threshold amounts for capital projects that should be reviewed by the Capital Development Committee (CDC).²² The rule specifies that capital construction projects that cost more than \$500,000 are reviewed by the CDC. Cash funded capital construction projects for Higher Education, capital renewal projects, and controlled maintenance projects between \$5,000 and \$2.0 million are also referred to the CDC.

Historically, whether a project was appropriated in the capital budget or the operating budget may have been based on the threshold in Joint Rule 45. However, JBC Staff, OLLS Staff, and the State Architect agree that projects that meet the statutory definition of capital construction should be appropriated in the capital budget rather than the operating budget regardless of the cost of the project.

Is renovating leased space a capital project?

Renovating leased space is not a capital project because a capital project must be real property owned by the state. Leasehold interests are specifically exempted from the statutory definition of real property.²³ Statute outlines a specific budgetary process for leased space renovations.

An approved building project is defined as a capital construction project involving a lease that receives approval from the CDC and JBC.²⁴ The executive director of the leasing department is required to submit a report to the Office of State Planning and Budgeting (OSPB) on the proposed building project, including the proposed terms of the lease agreement, prior to executing a lease agreement.²⁵

If OSPB approves the proposed building project, OSPB must make project recommendations to the CDC. If the CDC approves the proposed building project, the CDC must make recommendations to the JBC. If the JBC approves the proposed building project, funding for the project must be included in the next introduced Long Bill.

²⁰ Section 24-30-1301 (2), C.R.S.

²¹ Section 24-30-1301 (8) and (15)(a), C.R.S.

²² [Joint Rule 45 \(a\)\(2\)](#).

²³ Section 24-30-1301 (15)(a), C.R.S.

²⁴ Section 24-82-1201 (1), C.R.S.

²⁵ Section 24-82-1202 (2)(a), C.R.S.

Statute does not outline a process for funding a building project that is not approved by the JBC. Similar to capital projects, there are no cost thresholds for building projects in statute. Joint Rule 45 does not address building projects, but statute does require approved building projects to be referred to the CDC regardless of cost.

How are projects classified if they do not meet the definition of capital or building projects?

JBC Staff previously thought that projects that did not meet the cost threshold for CDC referral were capital outlay appropriated in the operating budget. The statutory definition of capital outlay includes:²⁶

1. The equipment, furniture, motor vehicles, software, and other items that have a useful life of one year or more.
2. Alterations and replacements, meaning major and extensive repair, remodeling, or alteration of buildings, or the replacement and renewal of the plumbing, wiring, electrical, fiber optic, heating, and air conditioning systems therein.
3. New structures.
4. Nonstructural improvements to land.

The definition specifically exempts anything that meets the statutory definition of capital construction, renewal, or maintenance from capital outlay.

The budget rules from OSPB indicate that projects must be under \$50,000 to meet the definition of capital outlay.²⁷ JBC Staff, OLLS Staff, and the State Architect are not aware of the origin of this limit as it is not within the statutory definition. However, only projects under \$50,000 should be submitted in the operating budget under OSPB's instructions to departments.

What does this mean for the budget request?

Staff finds that the Department referred projects to the CDC in line with statute and Joint Rule. However, staff is concerned that the Wheat Ridge upgrades meet the statutory definition of capital construction as it is an improvement to real property.

The Department does not agree that Wheat Ridge meets the definition of capital because beginning to serve patients who are permanently incompetent to proceed at the Regional Centers is not a new program. Staff agrees that the Department is able to serve people with IDD with court orders under current law. However, staff is unaware of people who are deemed PITP being served at the Regional Centers under current custom and practice. Staff and the Executive Branch are concerned about the president of requiring that improvements be appropriated as capital. However, staff finds that it is unclear how improvements to real property should be appropriated if the cost is between \$50,000 and \$500,000.

Recommendation

Staff recommends denial of the request for several reasons.

1. The request meets many of the same criteria as historic decisions that have established a structural budget deficit. Examples include large capital construction projects that create new ongoing services, a large state

²⁶ Section 24-75-112 (1)(a)(I), C.R.S.

²⁷ [OSPB 2025 Budget Instructions](#).

FTE increase, increasing Medicaid long-term care services, and costs that are not fully realized for several fiscal years. Staff is concerned that actual FTE and Medicaid costs will exceed the amounts provided in the request given annual increases for compensation, maintenance, and Medicaid rates.

2. Some components of the request choose to create new ongoing state obligations rather than improving on existing resources.
3. The request requires people to be criminally justice involved to receive access to necessary care.

Staff agrees that it is necessary to address systemic gaps in services for people with neurocognitive and neurodevelopmental disabilities. However, service increases are more appropriately addressed as a complete package in separate legislation. Implementing increases as part of the budget process would commit the state to certain services without engaging in the complex and ongoing stakeholder negotiations on this topic.

Evidence Designation

The Department indicates that the evidence level for this request is Evidence-informed. The request provides several citations to support this evidence level, discussed below.

Upton, M. A., Muschett, A., Kurian, K., James, B., & Sherron, T. (2020). Determining reasonableness: identification of the non-restorable person adjudicated incompetent to stand trial. *The Journal of Forensic Psychiatry & Psychology*, 31(2), 255–272.

- **Claim:** A logistic regression analysis found lower likelihood of restoration was significantly associated with the presence of a developmental disorder, traumatic brain injury/neurological disorder, cognitive disorder, older age, and length of restoration effort.
- **Finding:** Staff did not have access to the full article. However, the claim included in the request is provided in the abstract.

Staats M., Kivisto A, & Connell R.E. “The role of cognitive functioning in predicting restoration among criminal defendants committed for inpatient restoration of competence to stand trial,” [link to study](#).

- **Claim:** A logistic regression analysis found that restoration rates differed across psychiatric classification, such that patients with mood and psychiatric classification, such that patients with mood and psychotic disorders were more likely to be restored whereas those with intellectual disabilities and neurocognitive disorders were less likely.
- **Finding:** The findings of the study align with the claim in the request.

Morris D, Parker. Effects of advanced age and dementia on restoration of competence to stand trial, *International Journal of Law and Psychiatry*, Volume 32, Issue 3, 2009, Pages 156-160. [Link to study](#).

- **Claim:** A regression analysis studied the relationship between age at hospital admission and dementia diagnosis with likelihood of restoration. The study found that both adults with dementia and older adults without dementia were significantly less likely to be restored.
- **Finding:** The study analyzed 78 defendants hospitalized for competency restoration from 1988-2004. The findings of the study align with the claim in the request.

Bortnick KN. “An Ecological Framework to Support Small-Scale Shared Housing for Persons with Neurocognitive Disorders of the Alzheimer’s and Related Types: A Literature Review.” *Hong Kong Journal of Occupational Therapy*, 2017;29(1):26-38. [Link to study](#).

- **Claim:** Literature review that found studies of small scale housing arrangements indicated an association stronger than or equal to controls on neurocognitive specific performance indicators, although a few studies had mixed or inconclusive results.
- **Finding:** The review did find various occupational performance indicators were better or equal to controls for people with neurocognitive disorders in deinstitutionalized care. Since the request is implementing institutionalized care, staff assumes the study indicates the request would be harmful.

Zubritsky, C., Rothbard, A. B., Dettwyler, S., Kramer, S., & Chhatre, S. (2012). "Evaluating the effectiveness of an integrated community continuum of care program for individuals with serious mental illness." *Journal of Mental Health*, 22(1), 12–21. [Link to study.](#)

- **Claim:** Regression methods found mixed results in outcomes for individuals with severe mental illness before and after provision of services in community-based continuum of care programs.
- **Finding:** The study followed 1,154 individuals admitted to four outpatient programs from 2003 to 2004 one year after treatment. The study found statistically significant improvements in housing, employment, and mental health. However, utilization of inpatient level of care also increased. Outcomes varied by provider, leading to questionable results.

Mayer, R.C., Alves, M.R., Yamauti, S.M., Silva, M.T., & Lopes, L.C. (2021). Quality of Life and Functioning of People With Mental Disorders Who Underwent Deinstitutionalization Using Assisted Living Facilities: A Cross-Sectional Study. *Frontiers in Psychology*, 12. [Link to study.](#)

- **Claim:** Correlative and linear regression analyses found an association between quality of life and levels of functioning among individuals with mental disorders in São Paulo, Brazil who transitioned from inpatient hospitalization to care in assisted living.
- **Finding:** The study interviewed 147 patients who had transitioned from long-term institutionalization to assisted living and found an association between who were currently studying, education, and better levels of functioning and quality of life.

Staff does not agree that the research provided by the Department supports the claim that the request is Evidence-informed. The research provided does not provide statistically significant, favorable outcomes with a strong comparison group for people deemed permanently incompetent to proceed due to neurocognitive or neurodevelopmental disorders in state-operated institutionalized, skilled nursing, or outpatient settings.

Staff therefore finds that the evidence designation is Ineligible based on the research provided. Staff could not produce additional research in the time available. Staff is concerned that institutionalization proposed in the Wheat Ridge and Pueblo components could be harmful to patients. Staff assumes that some of the services listed in the outpatient clinic component are Proven, such as partial hospitalization.

BA2 PITP Services Evidence Designation Based on Evidence Provided

Criteria	NA	Ineligible	Insufficient	Evidence-informed	Promising
Is this a program or practice with defined, replicable elements for a target population?	Yes				
Studies with relevant outcome data?		No			
One quality evaluation with measure of improvement and statistically significant outcomes?			No		
One quality evaluation with a strong comparison group and statistically significant favorable outcomes?				No	

Criteria	NA	Ineligible	Insufficient	Evidence-informed	Promising
At least two quality evaluations with strong comparisons and statistically significant favorable outcomes or one RCT?					No

→ Staff initiated consent decree increase

Recommendation

Staff recommends an inflationary increase of \$208,545 General Fund for consent decree fines and fees.

Analysis

The Department entered into a consent decree concerning the length of time that pre-trial detainees wait for court-ordered competency services in March 2019. The consent decree establishes set timeframes for competency evaluations and restoration services. The consent decree is legally binding and judicially enforceable through December 1, 2027. Compliance is overseen by the court and a Special Master (Groundswell Services, Inc.).

Fines accrue monthly and are deposited into a trust account for the purpose of funding non-Department mental health services. Funding is awarded through a grant process by the Colorado Fines Committee, which consists of representatives from the Plaintiff, the Department, and the Special Master. Reporting indicates that a total of \$65.2 million in fines has been received by the Fines Committee. Of that amount, \$60.3 million has been allocated and \$49.2 million expended as of December 2025.²⁸

Fines and fees were originally capped at \$10.9 million General Fund per year. A cap is still in effect, but the cap is adjusted annually for inflation. Inflationary adjustments are based on January Denver-Aurora-Lakewood CPI, and are therefore typically not available to the Department to submit a November or January prioritized request. It is therefore typical practice for JBC Staff to initiate inflationary adjustments in consultation with the Department.

The inflationary calculation provided by the Department for FY 2026-27 is provided in the table below.

Consent Decree Fines and Fees Inflationary Estimate

Item	FY 2024-25 Actuals	FY 2025-26 Estimate	CPI	FY 2026-27 Projection
Fines	\$11,882,380	\$12,155,675	2.6%	\$12,471,723
Special Master Fees	306,090	289,971	2.6%	314,048
Trustee Fees	3,246	3,207	2.6%	3,330
Total	\$12,191,716	\$12,448,853	2.6%	\$12,789,101

Staff questioned whether an inflationary increase was necessary in FY 2026-27 as the FY 2024-25 and FY 2025-26 expenditures were below the appropriation. The Department indicates that an increase is necessary because the Department anticipates an increased level of involvement from the Special Master and Trustee in the next fiscal year.

²⁸ [Colorado Fines Committee Awards.](#)

According to the Department, counsel for Disability Law Colorado submitted a letter to the Attorney General's Office alleging material violations of the consent decree in December 2025, triggering a dispute resolution. The Department is scheduled to return to court this week regarding the consent decree. Therefore, the Department indicates that an inflationary increase is necessary but exact expectations for fines and fees is currently unknown.

→ Fort Logan Youth Psychiatric Unit annualization

Request

The request includes an increase of \$5.7 million General Fund in the Administration and Finance Division and the Office of Civil and Forensic Mental Health for the annualization of H.B. 22-1283 (Youth and Family Behavioral Health Care).

Recommendation

Staff has worked with the Department to identify a reduced appropriation of \$3.3 million General Fund for FY 2026-27 to align with a delayed construction timeline. Staff further recommends implementing three new line items in OCFMH, rather than the single line item included in the Department request.

Analysis

The annualization is associated with the construction of a youth psychiatric residential treatment facility (PRTF) on the Fort Logan campus. The facility is being constructed using funds that originated from the American Rescue Plan Act of 2021 (ARPA) that have been refinanced with General Fund. Funding for the capital construction project was appropriated by H.B. 22-1283.

PRTF is the Medicaid designation for the highest level of inpatient youth psychiatric care. The unit is also referred to as a youth neuro-psych unit in the bill.²⁹ The unit will have 16 beds operated through a contract that has been awarded to Griffith Centers. The Department expects that 95.0 percent of youth served will be Medicaid-eligible. At the time this document was finalized, staff is unaware of whether the HCPF Medicaid forecast aligns with the timeline provided by CDHS. CDHS indicates that the current Medicaid daily rate for PRTF placements is \$816. Medicaid payments are expected to be made to the contractor directly and not to CDHS.

The Department originally included an annualization for the operating costs for FY 2024-25 to align with the fiscal note. However, the unit was not constructed or operational at the time. Therefore, the annualization was not included in FY 2024-25 or FY 2025-26. An [RFI response](#) indicates that construction on the unit began in September 2025.

The annualization submitted in November assumed that some hiring would begin in October 2026, with the unit becoming operational in January 2027. The Department currently estimates that construction will be complete

²⁹ Section 27-90-112, C.R.S.

in March and the unit will be operational in April 2027. The delay is due to necessary abatement of hazardous materials in the soil of the construction site.

Spending authority for the project ends December 31, 2026. The most recent expenditure reports from the Executive Branch indicate that of the \$35.0 million capital appropriation, \$2.6 million is expended and \$27.6 million is encumbered but unexpended as of December 2025. The Department indicated that funds will be expended within the required timelines and extended spending authority was not necessary at the hearing. The Department now indicates that they are evaluating the construction and spending authority timelines.

The costs included in the annualization are provided in the table below.

Adjusted Annualization Cost Assumptions

Item	General Fund	FTE
Facilities management staff	\$61,746	0.9
OCFMH staff	303,322	3.5
Utilities	21,210	0.0
Vehicles	4,996	0.0
Food	20,955	0.0
Supplies	15,000	0.0
Carts	5,000	0.0
Start-up costs	1,225,000	0.0
Contractor payments	1,734,845	0.0
Total	\$3,392,074	4.4

The adjusted annualization assumes that 3.5 facilities management positions will be hired beginning in April 2027. Positions in OCFMH include a program manager, a social services specialist, six dining services positions, and two facilities positions. The adjusted annualization assumes full year funding for the program manager, January hiring for the social services position, and all other positions beginning in April.

Start-up costs are expected to cover pre-operational expenses that are not covered by Medicaid. The Department expects that operating costs will be fully covered by Medicaid once the facility achieves full designation by the Department of Public Health and Environment and HCPF.

Costs also include a contract payment. Contract payments include a provider incentive and the cost of covering non-Medicaid eligible youth. The adjusted annualization assumes an incentive payment of \$1,084 per bed per day from April to June. Staff is not aware of how this incentive rate was calculated, but assumes the rate was negotiated with the contractor. This payment is in addition to the Medicaid daily rate of \$816.

Provider Incentive Calculation

Item	Amount
Beds	16
Days	91
Rate	\$1,084
Total	\$1,582,640

Finally, the adjusted annualization includes provider payments for youth who are not Medicaid eligible. The Department assumes that 5.0 percent of youth served will not be covered by Medicaid. The Department will cover the Medicaid daily rate with General Fund for non-eligible youth.

Non-Medicaid Youth Payment Calculation

Item	Amount
Beds	16
Occupancy	94.0%
Medicaid eligibility	95.0%
Days	91
Rate	\$816
Total	\$55,994

Staff finds that the calculations provided by the Department are \$96,211 lower than the total amount provided for provider payments. The FTE calculations provided by the Department are lower than staff calculations even if the start dates for the program manager and social services specialist are delayed to April.

Staff therefore recommends an appropriation of \$3,295,863 General Fund for FY 2026-27. This amount aligns with the adjusted annualization provided by the Department with a reduced amount for the provider payment that aligns with the Department’s background calculations.

The staff recommendation is based on an assumption that the General Assembly would prefer the unit to open as soon as possible. Staff also assumes that it will be easier for the Committee to approve a mid-year decrease if the project is further delayed, rather than a mid-year increase if the project proceeds as currently assumed.

The Department request includes all funding for the facility in a new subdivision and single line item. Staff recommends dividing the appropriation into three lines for personal services, operating expenses, and contract costs as provided in the table below.

The Committee could choose to reduce or eliminate the appropriation based on an assumption that the unit will not be operational until FY 2027-28. It may also be appropriate to adjust the calculation assumptions based on the final HCPF provider rate adjustments approved by the Committee.

The Committee has appropriated funding for the Fort Logan G-wing staffing based on the Department’s hiring timeline for the last two fiscal years. Funding has been decreased for that project during the supplemental process for the last two years. In the most recent supplemental, construction delays were realized after the Department began hiring staff. Therefore, appropriating funding creates a risk of hiring staff before the positions are actually needed.

CDHS estimates that the full year cost of the facility will be \$8.5 million General Fund in FY 2027-28. Based on the information provided by the Department, staff assumes that the Medicaid costs will be an additional \$2.1 million General Fund to HCPF.

Line Item Detail – (A) Administration

Administration

This line item supports personnel and operating expenses required to administer OCFMH. Personal services and operating expenses were separate line items until the Department’s Long Bill section was restructured in FY 2022-23.

Statutory Authority: Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-93-101 and 103 [Establishment of Mental Health Institute at Pueblo]; Section 27-94-102 and 103, C.R.S. [Establishment of mental health center at Fort Logan]; Section 16-8-106, C.R.S. [Competency examinations and report]; Section 16-8.5-101 et seq., C.R.S.

Request: The Department requests an appropriation of \$1.0 million General Fund.

Recommendation: Staff recommends approval of the request.

Administration

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$939,071	\$939,071	\$0	\$0	\$0	4.0
Total FY 2025-26	\$939,071	\$939,071	\$0	\$0	\$0	4.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$939,071	\$939,071	\$0	\$0	\$0	4.0
Prior year actions	27,116	27,116	0	0	0	0.0
Total FY 2026-27	\$966,187	\$966,187	\$0	\$0	\$0	4.0
Changes from FY 2025-26	\$27,116	\$27,116	\$0	\$0	\$0	0.0
Percentage Change	2.9%	2.9%	n/a	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$966,187	\$966,187	\$0	\$0	\$0	4.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Electronic Health Record and Pharmacy System

This line item supports a fully automated electronic health records system for the two state mental health hospitals. The system is integrated with all clinical, operational, and financial modules and must comply with federal requirements. The project replaced a number of separate health information and billing systems. This line item provides an appropriation for software licenses and maintenance, system hosting and support, and ongoing development and system enhancement.

Statutory Authority: Section 26-1-105, C.R.S.

Request: The Department requests a continuation appropriation of \$2,871,718 General Fund.

Recommendation: Staff recommends approval of the request.

State Mental Health Hospitals

The Department administers and operates two mental health hospitals that provide inpatient hospitalization for individuals with serious mental health disorders. One institute is located in Pueblo and the other is located on the Fort Logan campus in southwest Denver. The hospitals serve civil and forensic patients.

The hospitals are licensed by the Department of Public Health and Environment; certified by the federal Center for Medicare and Medicaid Services; and accredited by the Joint Commission. The Joint Commission is an

independent, not-for-profit organization that accredits and certifies more than 20,500 health care organizations and programs in the United States.

The General Assembly has increased capacity in recent years. Changes include providing funding to relocate existing programs at Pueblo to address safety risks in the 20-bed adolescent program, and adding 20 beds within the existing facility to serve long-term patients preparing to re-enter the community. These new beds freed up 20 beds in various units. Budget actions in FY 2024-25 supported additional funding for contract staff to open existing units at both hospitals. Funding was expected to support two units and 60 beds at Pueblo, and one unit and 22 beds at Fort Logan.

The General Assembly has also increased capacity utilizing stimulus funds that originated from the federal American Rescue Plan Act of 2021 (ARPA). House Bill 22-1283 appropriated \$35.0 million ARPA funds to construct a 16-bed youth neuro-psychiatric unit at Fort Logan, currently expected to be operational in 2026. House Bill 22-1303 appropriated \$33.5 million ARPA funds to renovate and open a 16-bed unit at Fort Logan, contract for at least 18 group home beds, and contract for at least 107 transitional living beds. The group home and transitional living beds are currently operational, while the Fort Logan unit is expected to open in 2025. Finally, H.B. 22-1386 appropriated \$29.4 million ARPA funds for 61 private hospital inpatient restoration beds.

The hospitals are primarily supported by General Fund appropriations. Other sources of revenue include patient revenues (including federal Medicaid and Medicare funds), funds transferred from the Department of Corrections for food, and Marijuana Tax Cash Fund that supports certified addiction counselors at both institutes. Funding for the hospitals is affected by capacity, personnel costs, and operational costs (including medication expenses and the cost of purchasing medical services from local hospitals and medical providers).

(B) Mental Health Institute at Ft. Logan

Personal Services

This line item supports employee compensation for the Mental Health Hospital in Ft. Logan (CMHHIFL, Fort Logan). The line also includes funding for contract medical services and medical staff employed through an interagency agreement with the University of Colorado at Denver, and contract trauma-informed care peer support specialists. Cash fund sources include patient revenues and Marijuana Tax Cash Fund.

The community provider rate is applied to contracted vendors such as interpreters and contract nursing staff. The provider rate does not apply to contract nurses and other medical staff.

Statutory Authority: Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-94-102 and 103, C.R.S. [CMHHIFL]; Section 39-28.8-501 (2)(b)(IV)(C), C.R.S. [Authorization for use of Marijuana Tax Cash Fund to treat and provide related services to people with any type of substance use or mental health disorder, including those with co-occurring disorders].

Request: The Department requests an appropriation of \$56.1 million total funds.

Recommendation: The staff recommendation is provided in the table below.

Fort Logan Personal Services

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$50,065,321	\$47,843,876	\$1,861,650	\$359,795	\$0	352.8
Total FY 2025-26	\$50,065,321	\$47,843,876	\$1,861,650	\$359,795	\$0	352.8
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$50,065,321	\$47,843,876	\$1,861,650	\$359,795	\$0	352.8
Prior year actions	6,247,810	6,417,166	32,487	-201,843	0	33.8
R4b Hospital patient revenues	0	-397,400	372,250	25,150	0	0.0
R11 Reduce peer support	-227,242	-227,242	0	0	0	0.0
Total FY 2026-27	\$56,085,889	\$53,636,400	\$2,266,387	\$183,102	\$0	386.6
Changes from FY 2025-26	\$6,020,568	\$5,792,524	\$404,737	-\$176,693	\$0	33.8
Percentage Change	12.0%	12.1%	21.7%	-49.1%	n/a	9.6%
FY 2026-27 Executive Request	\$56,085,889	\$53,573,215	\$2,266,386	\$246,288	\$0	386.6
Staff Rec. Above/-Below Request	\$0	\$63,185	\$1	-\$63,186	\$0	0.0

Contract Medical Services

This line item covers the costs of outside medical expenses for Ft. Logan patients. The community provider rate is not applied because contract medical services are based on bids and negotiated via a competitive solicitation for a five-year term. Prices associated with Medicare pricing are typically fixed.

Statutory Authority: Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-94-102, C.R.S. [CMHHIFL].

Request: The Department requests a continuation appropriation of \$1,003,297 General Fund.

Recommendation: Staff recommends approval of the request.

Operating Expenses

This line item supports the general operating expenses of CMHHIFL, including food, medical supplies, custodial supplies, laundry, telephone and IT expenses, office equipment, and maintenance. Cash fund sources include patient revenues and Marijuana Tax Cash Fund.

Statutory Authority: Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-94-102, C.R.S. [CMHHIFL].

Request: The Department requests an appropriation of \$2.4 million total funds.

Recommendation: The staff recommendation is provided in the table below.

Fort Logan Operating Expenses

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
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Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$2,545,364	\$2,405,831	\$115,630	\$23,903	\$0	0.0
Total FY 2025-26	\$2,545,364	\$2,405,831	\$115,630	\$23,903	\$0	0.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$2,545,364	\$2,405,831	\$115,630	\$23,903	\$0	0.0
R4b Hospital patient revenues	0	22,359	0	-22,359	0	0.0
Prior year actions	-167,501	-167,501	0	0	0	0.0
Total FY 2026-27	\$2,377,863	\$2,260,689	\$115,630	\$1,544	\$0	0.0
Changes from FY 2025-26	-\$167,501	-\$145,142	\$0	-\$22,359	\$0	0.0
Percentage Change	-6.6%	-6.0%	0.0%	-93.5%	n/a	n/a
FY 2026-27 Executive Request						
FY 2026-27 Executive Request	\$2,377,863	\$2,238,330	\$115,630	\$23,903	\$0	0.0
Staff Rec. Above/-Below Request	\$0	\$22,359	\$0	-\$22,359	\$0	0.0

Capital Outlay

This line item supports the replacement of equipment and furnishings and minor facility renovations.

Statutory Authority: Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-94-102, C.R.S. [CMHHIFL].

Request: The Department requests a continuation appropriation of \$112,916 General Fund.

Recommendation: Staff recommends approval of the request.

Pharmaceuticals

This line item supports the cost of purchasing medication for CMHHIFL patients. The pharmacy is responsible for dispensing over-the-counter medications, general health-related medications for the treatment of conditions such as diabetes and hypertension, and psychiatric medications such as mood stabilizers, anti-depressants, and anti-psychotics. Cash funds are from patient revenues.

Statutory Authority: Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-94-102, C.R.S. [CMHHIFL].

Request: The Department requests a continuation appropriation of \$1,975,007 total funds, including \$1,858,399 General Fund, \$94,036 cash funds, and \$22,572 reappropriated funds.

Recommendation: The staff recommendation is provided in the table below.

Fort Logan Pharmaceuticals

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$1,975,007	\$1,858,399	\$94,036	\$22,572	\$0	0.0
Total FY 2025-26	\$1,975,007	\$1,858,399	\$94,036	\$22,572	\$0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$1,975,007	\$1,858,399	\$94,036	\$22,572	\$0	0.0
R4b Hospital patient revenues	0	20,646	0	-20,646	0	0.0
Total FY 2026-27	\$1,975,007	\$1,879,045	\$94,036	\$1,926	\$0	0.0
Changes from FY 2025-26						
Changes from FY 2025-26	\$0	\$20,646	\$0	-\$20,646	\$0	0.0
Percentage Change	0.0%	1.1%	0.0%	-91.5%	n/a	n/a
FY 2026-27 Executive Request						
FY 2026-27 Executive Request	\$1,975,007	\$1,858,399	\$94,036	\$22,572	\$0	0.0
Staff Rec. Above/-Below Request	\$0	\$20,646	\$0	-\$20,646	\$0	0.0

(C) Mental Health Institute at Pueblo

Personal Services

This line item supports employee compensation at the Mental Health Hospital in Pueblo (CMHHIP). The line also includes funding for contract medical services and the medical staff employed through an interagency agreement with the University of Colorado at Denver and contract trauma-informed care peer support specialists. Cash funds are from patient revenues and the Marijuana Tax Cash Fund.

The community provider rate is applied to contracted vendors such as interpreters and contract nursing staff.

Statutory Authority: Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-93-101 and 103, C.R.S. [CMHHIP].

Request: The Department requests and appropriation of \$139.7 million total funds.

Recommendation: The staff recommendation is provided in the table below.

Pueblo Personal Services

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$138,237,300	\$123,364,525	\$4,287,703	\$10,585,072	\$0	1,059.0
Total FY 2025-26	\$138,237,300	\$123,364,525	\$4,287,703	\$10,585,072	\$0	1,059.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$138,237,300	\$123,364,525	\$4,287,703	\$10,585,072	\$0	1,059.0
Prior year actions	1,860,770	3,861,610	46,581	-2,047,421	0	0.0
R15 Reduce NGRI transition serv	1,000,000	1,000,000	0	0	0	0.0
R4b Hospital patient revenues	0	-3,193,982	0	3,193,982	0	0.0
R11 Reduce peer support	-422,018	-422,018	0	0	0	0.0
Total FY 2026-27	\$140,676,052	\$124,610,135	\$4,334,284	\$11,731,633	\$0	1,059.0
Changes from FY 2025-26						
Changes from FY 2025-26	\$2,438,752	\$1,245,610	\$46,581	\$1,146,561	\$0	0.0
Percentage Change	1.8%	1.0%	1.1%	10.8%	n/a	0.0%

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2026-27 Executive Request	\$139,676,052	\$123,383,530	\$6,562,027	\$9,730,495	\$0	1,059.0
Staff Rec. Above/-Below Request	\$1,000,000	\$1,226,605	-\$2,227,743	\$2,001,138	\$0	0.0

Contract Medical Services

This line item supports outside medical expenses for Pueblo patients. The provider rate is not applied to this line item because contract medical services are based on bids and negotiated via a competitive solicitation for a five-year term. Prices are associated with Medicare pricing and are typically fixed.

Statutory Authority: Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-93-101, C.R.S. [CMHIP]; Section 39-28.8-501 (2)(b)(IV)(C), C.R.S. [Authorization for use of Marijuana Tax Cash Fund to treat and provide related services to people with any type of substance use or mental health disorder, including those with co-occurring disorders].

Request: The Department requests a continuation appropriation of \$2,784,664 General Fund.

Recommendation: Staff recommends approval of the request.

Operating Expenses

This line item supports general operating expenses for CMHHIP, including food, medical supplies, custodial supplies, laundry, telephone and IT expenses, office equipment, and maintenance. Cash funds are from patient revenues and reappropriated funds are Medicaid funds from the Department of Health Care Policy and Financing.

Statutory Authority: Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-93-101, C.R.S. [CMHHIP].

Request: The Department requests an appropriation of \$9.1 million total funds.

Recommendation: The staff recommendation is provided in the table below.

Pueblo Operating Expenses

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$9,038,217	\$4,395,918	\$395,155	\$4,247,144	\$0	0.0
Total FY 2025-26	\$9,038,217	\$4,395,918	\$395,155	\$4,247,144	\$0	0.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$9,038,217	\$4,395,918	\$395,155	\$4,247,144	\$0	0.0
R4b Hospital patient revenues	0	17,662	0	-17,662	0	0.0
BA2 PITP services	0	0	0	0	0	0.0
Total FY 2026-27	\$9,038,217	\$4,413,580	\$395,155	\$4,229,482	\$0	0.0
Changes from FY 2025-26	\$0	\$17,662	\$0	-\$17,662	\$0	0.0
Percentage Change	0.0%	0.4%	0.0%	-0.4%	n/a	n/a

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2026-27 Executive Request	\$9,138,217	\$4,495,918	\$395,155	\$4,247,144	\$0	0.0
Staff Rec. Above/-Below Request	-\$100,000	-\$82,338	\$0	-\$17,662	\$0	0.0

Capital Outlay

This line item supports the replacement of equipment and furnishings and minor facility renovations.

Statutory Authority: Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-93-101, C.R.S. [CMHHIP].

Request: The Department requests a continuation appropriation of \$324,068 General Fund.

Recommendation: Staff recommends approval of the request.

Pharmaceuticals

This line item supports the cost of purchasing medication for CMHHIP patients. The pharmacy is responsible for dispensing over-the-counter medications, general health-related medications for the treatment of conditions such as diabetes and hypertension, and psychiatric medications such as mood stabilizers, anti-depressants, and anti-psychotics. Cash funds are from patient revenues and reappropriated funds are Medicaid funds from the Department of Health Care Policy and Financing.

Statutory Authority: Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-93-101, C.R.S. [CMHHIP].

Request: The Department requests a continuation appropriation of \$4,714,182 total funds, including \$4,480,700 General Fund, \$195,861 cash funds, and \$37,621 reappropriated funds.

Recommendation: The staff recommendation is provided in the table below.

Pueblo Pharmaceuticals

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$4,714,182	\$4,480,700	\$195,861	\$37,621	\$0	0.0
Total FY 2025-26	\$4,714,182	\$4,480,700	\$195,861	\$37,621	\$0	0.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$4,714,182	\$4,480,700	\$195,861	\$37,621	\$0	0.0
R4b Hospital patient revenues	0	10,085	0	-10,085	0	0.0
Total FY 2026-27	\$4,714,182	\$4,490,785	\$195,861	\$27,536	\$0	0.0
Changes from FY 2025-26	\$0	\$10,085	\$0	-\$10,085	\$0	0.0
Percentage Change	0.0%	0.2%	0.0%	-26.8%	n/a	n/a
FY 2026-27 Executive Request						
FY 2026-27 Executive Request	\$4,714,182	\$4,480,700	\$195,861	\$37,621	\$0	0.0
Staff Rec. Above/-Below Request	\$0	\$10,085	\$0	-\$10,085	\$0	0.0

Educational Programs

This line item supports Pueblo staff and operating expenses associated with educational programs. Patients under age 21 receive educational services. These services include educational testing and assessment, treatment planning, special education, GED training and testing, and career education. This line item is supported by reappropriated funds transferred from the Facility Schools Funding line item in the Department of Education, and General Fund.

Statutory Authority: Section 22-54-129, C.R.S. [Facility school funding]; Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-93-101, C.R.S. [CMHHIP].

Request: The Department requests a continuation appropriation of \$236,402 total funds, including \$31,094 General Fund and \$205,308 reappropriated funds.

Recommendation: Staff recommends approval of the request.

(D) Forensic Services

This subsection was first included in the FY 2018-19 Long Bill to support operational and programmatic funding related to court-ordered services for forensic clients. Forensic clients are individuals who are diagnosed with mental health disorders, involved with the criminal justice system, and either currently incarcerated or living in the community. Funds were transferred from various line items in the Mental Health Institutes subsection and the Community Behavioral Health Administration subsection to create the division.

Forensic Services Administration

This line item supports personnel expenses for forensic services. Some positions are specific to forensic services, and others support all hospital functions and are thus allocated across all three subsections.

Statutory Authority: Section 16-8-101, et seq., C.R.S. [Criminal proceedings – insanity]; Section 16-8.5-101, et seq., C.R.S. [Criminal proceedings – competency to proceed]; Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-93-101 and 103, C.R.S. [CMHHIP].

Request: The Department requests an appropriation of \$1.4 million total funds.

Recommendation: Staff recommends approval of the request.

Forensic Services Administration

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$1,328,736	\$1,328,736	\$0	\$0	\$0	15.9
Total FY 2025-26	\$1,328,736	\$1,328,736	\$0	\$0	\$0	15.9
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$1,328,736	\$1,328,736	\$0	\$0	\$0	15.9
Prior year actions	38,878	38,878	0	0	0	0.0
Total FY 2026-27	\$1,367,614	\$1,367,614	\$0	\$0	\$0	15.9

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Changes from FY 2025-26	\$38,878	\$38,878	\$0	\$0	\$0	0.0
Percentage Change	2.9%	2.9%	n/a	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$1,367,614	\$1,367,614	\$0	\$0	\$0	15.9
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Forensic Support Team

This line item was added in the FY 2022-23 Long Bill for the Forensic Support Team, which the Department reports was created and funded in response to the consent decree from S.B. 19-223 (Consent Decree). Prior to FY 2022-23, the team was included in the Court Services line item.

The Forensic Support Team includes forensic navigators and care coordinators responsible for monitoring pretrial defendants awaiting admission to inpatient competency restoration services. In contrast, the Court Services line item supports competency evaluators who are licensed psychologists. According to the Department, the navigators continuously monitor the acuity levels of defendants and may make recommendations to the court to consider outpatient restoration services or opportunities to resolve charges. As such, the navigators are the primary point of contact for judicial stakeholders tracking defendants' progress toward competency.

Statutory Authority: Section 16-8-101, et seq., C.R.S. [Criminal proceedings – insanity]; Section 16-8.5-101, et seq., C.R.S. [Criminal proceedings – competency to proceed]; Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-93-101 and 103, C.R.S. [CMHHIP].

Request: The Department requests an appropriation of \$2.6 million total funds.

Recommendation: Staff recommends approval of the request.

Forensic Support Team

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$2,551,541	\$2,551,541	\$0	\$0	\$0	28.0
Total FY 2025-26	\$2,551,541	\$2,551,541	\$0	\$0	\$0	28.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$2,551,541	\$2,551,541	\$0	\$0	\$0	28.0
Prior year actions	48,651	48,651	0	0	0	0.0
Total FY 2026-27	\$2,600,192	\$2,600,192	\$0	\$0	\$0	28.0
Changes from FY 2025-26	\$48,651	\$48,651	\$0	\$0	\$0	0.0
Percentage Change	1.9%	1.9%	n/a	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$2,600,192	\$2,600,192	\$0	\$0	\$0	28.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Court Services

This line item supports staff who administer and deliver services related to court-ordered exams and evaluations of competency, sanity, and other mental conditions. This includes the costs directly related to licensed psychologists that conduct competency evaluations. The community provider rate is applied to contracted vendors for this line item.

Statutory Authority: Section 16-8-101, et seq., C.R.S. [Criminal proceedings – insanity]; Section 16-8.5-101, et seq., C.R.S. [Criminal proceedings – competency to proceed]; Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-93-101 and 103, C.R.S. [CMHHIP].

Request: The Department requests an appropriation of \$9.1 million total funds.

Recommendation: Staff recommends approval of the request.

Court Services

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$8,984,890	\$8,984,890	\$0	\$0	\$0	67.6
Total FY 2025-26	\$8,984,890	\$8,984,890	\$0	\$0	\$0	67.6
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$8,984,890	\$8,984,890	\$0	\$0	\$0	67.6
Prior year actions	121,292	121,292	0	0	0	0.0
Total FY 2026-27	\$9,106,182	\$9,106,182	\$0	\$0	\$0	67.6
Changes from FY 2025-26	\$121,292	\$121,292	\$0	\$0	\$0	0.0
Percentage Change	1.3%	1.3%	n/a	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$9,106,182	\$9,106,182	\$0	\$0	\$0	67.6
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Forensic Community-based Services

This line item supports staff who provide case management and support for individuals found not guilty by reason of insanity (NGRI) transitioning from the mental health institutes to a community-based outpatient setting. The community provider rate is applied to the value of vendor contracts.

Statutory Authority: Section 16-8-101, et seq., C.R.S. [Criminal proceedings – insanity]; Section 16-8.5-101, et seq., C.R.S. [Criminal proceedings – competency to proceed]; Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-93-101 and 103, C.R.S. [CMHHIP].

Request: The Department requests an appropriation of \$4.3 million total funds.

Recommendation: The staff recommendation is provided in the table below.

Forensic Community-based Services

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$4,560,186	\$4,560,186	\$0	\$0	\$0	20.4
Total FY 2025-26	\$4,560,186	\$4,560,186	\$0	\$0	\$0	20.4
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$4,560,186	\$4,560,186	\$0	\$0	\$0	20.4
Prior year actions	53,616	53,616	0	0	0	0.0
R15 Reduce NGRI transition serv	-1,300,000	-1,300,000	0	0	0	0.0
Total FY 2026-27	\$3,313,802	\$3,313,802	\$0	\$0	\$0	20.4
Changes from FY 2025-26	-\$1,246,384	-\$1,246,384	\$0	\$0	\$0	0.0
Percentage Change	-27.3%	-27.3%	n/a	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$4,313,802	\$4,313,802	\$0	\$0	\$0	20.4
Staff Rec. Above/-Below Request	-\$1,000,000	-\$1,000,000	\$0	\$0	\$0	0.0

Jail-based Competency Restoration Program

This line item has provided funding for a jail-based competency restoration program since FY 2013-14. The program serves defendants who have been determined by the court to be incompetent to proceed with criminal cases. The Department has contracted with Wellpath (formerly known as Correct Care, LLC., and GEO Care), to provide these services at the Arapahoe County Detention Facility in Centennial. This program is called the Restoring Individuals Safely and Effectively or "RISE" Program. The RISE Program generally serves individuals who: do not have significant medical needs identified; do not have significant medication compliance issues; and are likely to be restored in a relatively short period of time. The community provider rate is historically applied to the value of vendor contracts.

Statutory Authority: Section 16-8.5-101, et seq., C.R.S. [Criminal proceedings – competency to proceed]; Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-93-101, C.R.S. [CMHHIP].

Request: The Department requests an appropriation of \$14.9 million total funds.

Recommendation: Staff recommends approval of the request.

Jail-based Competency Restoration Program

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$14,856,519	\$14,856,519	\$0	\$0	\$0	5.3
Total FY 2025-26	\$14,856,519	\$14,856,519	\$0	\$0	\$0	5.3
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$14,856,519	\$14,856,519	\$0	\$0	\$0	5.3
Prior year actions	10,929	10,929	0	0	0	0.0
Total FY 2026-27	\$14,867,448	\$14,867,448	\$0	\$0	\$0	5.3

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Changes from FY 2025-26	\$10,929	\$10,929	\$0	\$0	\$0	0.0
Percentage Change	0.1%	0.1%	n/a	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$14,867,448	\$14,867,448	\$0	\$0	\$0	5.3
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Purchased Psychiatric Bed Capacity

This line item supports contracts with private for-profit or not-for-profit hospitals to increase inpatient competency restoration capacity. The community provider rate is applied to the value of vendor contracts.

House Bill 22-1386 provided a one-time appropriation of \$28.6 million for this line item from federal stimulus funds that originated from the American Rescue Plan Act of 2021. Those funds were fully expended by the Spring of 2024, and were replaced by an ongoing General Fund appropriation through budget actions beginning in FY 2023-24. The FY 2024-25 appropriation was expected to support 71 beds and 216 clients per year, at a daily rate of \$1,200.

Statutory Authority: Section 16-8.5-101, et seq., C.R.S. [Criminal proceedings – competency to proceed]; Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-93-101 and 103, C.R.S. [CMHHIP].

Request: The Department requests an appropriation of \$38.6 million General Fund.

Recommendation: The staff recommendation is provided in the table below.

Purchased Psychiatric Bed Capacity

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$29,860,801	\$29,860,801	\$0	\$0	\$0	1.0
Total FY 2025-26	\$29,860,801	\$29,860,801	\$0	\$0	\$0	1.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$29,860,801	\$29,860,801	\$0	\$0	\$0	1.0
R4c Increase contract competency beds	0	0	0	0	0	0.0
BA2 PITP services	0	0	0	0	0	0.0
Total FY 2026-27	\$29,860,801	\$29,860,801	\$0	\$0	\$0	1.0
Changes from FY 2025-26	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	n/a	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$38,598,901	\$38,598,901	\$0	\$0	\$0	1.0
Staff Rec. Above/-Below Request	-\$8,738,100	-\$8,738,100	\$0	\$0	\$0	0.0

Outpatient Competency Restoration Program

This line item supports contracts for community-based competency restoration education services, related case management services, and associated administrative and training expenses. Senate Bill 17-012 required the Office to develop standardized juvenile and adult curricula for the educational component of competency restoration services by December 1, 2017, and included funding for this purpose. The community provider rate is historically applied to the value of vendor contracts.

Statutory Authority: Section 27-60-105, et seq., C.R.S. [Outpatient restoration to competency services].

Request: The Department requests an appropriation of \$4.5 million total funds.

Recommendation: Staff recommends approval of the request.

Outpatient Competency Restoration Program

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$4,513,757	\$4,513,757	\$0	\$0	\$0	3.0
Total FY 2025-26	\$4,513,757	\$4,513,757	\$0	\$0	\$0	3.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$4,513,757	\$4,513,757	\$0	\$0	\$0	3.0
Prior year actions	12,169	12,169	0	0	0	0.0
Total FY 2026-27	\$4,525,926	\$4,525,926	\$0	\$0	\$0	3.0
Changes from FY 2025-26	\$12,169	\$12,169	\$0	\$0	\$0	0.0
Percentage Change	0.3%	0.3%	n/a	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$4,525,926	\$4,525,926	\$0	\$0	\$0	3.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Quality Assurance

This line item was added in FY 2023-24 resulting from a budget request to establish a Quality Assurance Program.

Statutory Authority: Section 16-8.5-122, et seq., C.R.S. [Forensic evaluator training].

Request: The Department requests an appropriation of \$0.4 million General Fund.

Recommendation: Staff recommends approval of the request.

Quality Assurance

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$393,605	\$393,605	\$0	\$0	\$0	6.0
Total FY 2025-26	\$393,605	\$393,605	\$0	\$0	\$0	6.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$393,605	\$393,605	\$0	\$0	\$0	6.0
Prior year actions	6,522	6,522	0	0	0	0.0
Total FY 2026-27	\$400,127	\$400,127	\$0	\$0	\$0	6.0
Changes from FY 2025-26						
Changes from FY 2025-26	\$6,522	\$6,522	\$0	\$0	\$0	0.0
Percentage Change	1.7%	1.7%	n/a	n/a	n/a	0.0%
FY 2026-27 Executive Request						
FY 2026-27 Executive Request	\$400,127	\$400,127	\$0	\$0	\$0	6.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Care Coordination and Contracted Services [new line item]

The Department requests a new line item for care coordination as part of BA2 PITP services. Requested funding would support additional staff associated with a skilled nursing facility contract, electronic health records, and the Department of Health Care Policy and Financing.

Statutory authority: Unknown. Staff assumes that care coordination and electronic health records are within the Department’s existing statutory authority. However, care coordination is for patients with neurocognitive disorders, which is not within the current statutory authority of OCFMH.

Request: The Department requests an appropriation of \$2,694,490 General Fund and 14.0 FTE.

Recommendation: Staff recommends denial of the request.

(E) Consent Decree Fines and Fees

Consent Decree Fines and Fees

This line item was added in FY 2020-21 to support expected fines and fees accrued for the Consent Decree from the Center for Legal Advocacy (d/b/a Disability Law Colorado) v. Barnes and Marshall (Colorado Department of Human Services) lawsuit.

In March 2019, the Department reached an agreement with plaintiffs in a federal lawsuit concerning the length of time that pre-trial detainees wait for court-ordered competency services. The parties filed the agreement in federal court in the form of a consent decree. The consent decree resolves the lawsuit and replaced an existing settlement agreement. The consent decree is legally binding and judicially enforceable through December 1, 2027 unless the Department sustains a two-year period of compliance, in which case the consent decree is terminated. Until the consent decree is terminated, compliance is overseen by the Court and a Special Master (Groundswell Services, Inc., and its team of forensic mental health experts).

Among other provisions, the consent decree establishes set timeframes for competency evaluation and restoration services, and fines for each day a pretrial detainee waits beyond these timeframes. Fines range from \$100 to \$500 per detainee per day, and the consent decree capped the total amount paid by the Department at \$10.0 million for the period June 1, 2019, to May 31, 2020. This \$10.0 million limit increases for each subsequent 12-month period based on inflation. Fines are submitted to the Special Master and deposited into a trust

account for the purpose of funding “non-Department mental health services”. A court-appointed administrator manages the account, and a committee consisting of representatives from DLC, the Department, and the Special Master, makes decisions concerning payments from the account.

The Department paid the maximum of \$10.0 million in fines in FY 2019-20. Payments were reduced to \$2.0 million for FY 2020-21 and then increased to \$6.0 million for FY 2021-22 (but were still capped below the maximum under the consent decree) based on the impact of COVID-19. The appropriation increased to \$12.0 million for FY 2022-23 and \$12.2 million in FY 2024-25 with the expiration of those limits.

Request: The Department requests an appropriation of \$12.5 million General Fund.

Recommendation: The staff recommendation is provided in the table below.

Consent Decree Fines and Fees

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$12,508,556	\$12,508,556	\$0	\$0	\$0	0.0
Total FY 2025-26	\$12,508,556	\$12,508,556	\$0	\$0	\$0	0.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$12,508,556	\$12,508,556	\$0	\$0	\$0	0.0
Staff initiated consent decree increase	280,545	280,545	0	0	0	0.0
Total FY 2026-27	\$12,789,101	\$12,789,101	\$0	\$0	\$0	0.0
Changes from FY 2025-26						
Changes from FY 2025-26	\$280,545	\$280,545	\$0	\$0	\$0	0.0
Percentage Change	2.2%	2.2%	n/a	n/a	n/a	n/a
FY 2026-27 Executive Request						
FY 2026-27 Executive Request	\$12,508,556	\$12,508,556	\$0	\$0	\$0	0.0
Staff Rec. Above/-Below Request	\$280,545	\$280,545	\$0	\$0	\$0	0.0

(F) Mental Health Transitional Living Homes

Mental Health Transitional Living Homes

This subdivision and line item were created in FY 2024-25 to support the ongoing operating costs for Mental Health Transitional Living Homes. The homes were established by H.B. 22-1303 (Increase Residential Behavioral Health Beds). The homes were created through the renovation of existing state facilities and contracts with private providers. House Bill 22-1303 supported construction projects with a \$39.9 million appropriation that originated as federal stimulus funds from the American Rescue Plan Act of 2021. The homes are expected to be a step-down from the state hospitals, and operate as a transition between inpatient hospitalization and community-based services.

Statutory Authority: Section 27-71-103, C.R.S.

Request: The Department requests an appropriation of \$17.2 million total funds.

Recommendation: The staff recommendation is provided in the table below.

Mental Health Transitional Living Homes

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$17,145,935	\$11,980,905	\$0	\$5,165,030	\$0	53.2
Total FY 2025-26	\$17,145,935	\$11,980,905	\$0	\$5,165,030	\$0	53.2
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$17,145,935	\$11,980,905	\$0	\$5,165,030	\$0	53.2
Prior year actions	13,319	13,319	0	0	0	0.0
R4a MHTLH Medicaid cash fund	-5,165,030	0	0	-5,165,030	0	0.0
Total FY 2026-27	\$11,994,224	\$11,994,224	\$0	\$0	\$0	53.2
Changes from FY 2025-26	-\$5,151,711	\$13,319	\$0	-\$5,165,030	\$0	0.0
Percentage Change	-30.0%	0.1%	n/a	-100.0%	n/a	0.0%
FY 2026-27 Executive Request	\$17,159,254	\$11,994,224	\$5,165,030	\$0	\$0	53.2
Staff Rec. Above/-Below Request	-\$5,165,030	\$0	-\$5,165,030	\$0	\$0	0.0

(G) Youth Psychiatric Residential Treatment Facility

Youth Psychiatric Residential Treatment Facility [new line item]

The Department requests a new line item and subdivision for the youth psychiatric unit on the Fort Logan campus. The unit was constructed using federal stimulus funds from the American Rescue Plan Act of 2021 (ARPA) through H.B. 22-1283 (Youth and Family Behavioral Health Care).

Statutory Authority: Section 27-90-112, C.R.S.

Request: The Department requests an appropriation of \$5.4 million General Fund.

Recommendation: The staff recommends the creation of three separate line items, described in the sections below.

Personal Services [new line item]

This line item is intended to support the personal services costs of OCFMH staff at the youth psychiatric residential treatment facility. Full-year staffing is expected to include 10.0 FTE for a program manager, social services specialist, six dining services positions, and two technician positions.

Statutory Authority: Section 27-90-112, C.R.S.

Request: The Department did not request this line item.

Recommendation: Staff recommends an appropriation of \$295,068 General Fund and 3.5 FTE.

Operating Expenses [new line item]

This line item is intended to support the operating expenses for the youth psychiatric residential treatment facility.

Statutory authority: Section 27-90-112, C.R.S.

Request: The Department did not request this line item.

Recommendation: Staff recommends an appropriation of \$1,274,209 General Fund.

Contractor Payments [new line item]

This line item is intended to support payments to the youth psychiatric residential treatment provider. Expenses are expected to cover the Medicaid daily rate for youth who are not Medicaid eligible, as well as a daily incentive payment of \$1,084.

Statutory authority: Section 27-90-112, C.R.S.

Request: The Department did not request this line item.

Recommendation: Staff recommends an appropriation of \$1,638,634 General Fund.

(H) Outpatient Services

Denver Outpatient Clinic [new line item]

The Department requests a new line item and subdivision to establish an outpatient clinic in the Denver metro-area as part of BA2 PITP services.

Statutory Authority: JBC Staff and OLLS Staff agree that the Department does not have statutory authority to operate an outpatient clinic under current law.

Request: The Department requests an appropriation of \$0.7 million General Fund.

Recommendation: Staff recommends denial of the request.

(I) Indirect Cost Assessment

This line item reflects the money anticipated to be recovered from cash and federal fund sources that allow for statewide and departmental indirect administrative costs.

Statutory Authority: Colorado Fiscal Rules #8-3; Section 24-75-1401, C.R.S. [Indirect Costs Excess Recovery Fund].

Request: The Department requests an appropriation of \$3.1 million total funds.

Recommendation: The staff recommendation is pending Committee action on the Office of Information Technology, Department of Personnel, and Office of Economic Security.

Indirect Cost Assessment

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$3,553,697	\$0	\$1,978,028	\$1,575,669	\$0	0.0
Total FY 2025-26	\$3,553,697	\$0	\$1,978,028	\$1,575,669	\$0	0.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$3,553,697	\$0	\$1,978,028	\$1,575,669	\$0	0.0
Impacts driven by other agencies	1,128	0	628	500	0	0.0
Technical adjustments	0	0	0	0	0	0.0
Operating common policies	-426,223	0	-237,239	-188,984	0	0.0
Prior year actions	-58,809	0	-32,733	-26,076	0	0.0
Total FY 2026-27	\$3,069,793	\$0	\$1,708,684	\$1,361,109	\$0	0.0
Changes from FY 2025-26	-\$483,904	\$0	-\$269,344	-\$214,560	\$0	0.0
Percentage Change	-13.6%	n/a	-13.6%	-13.6%	n/a	n/a
FY 2026-27 Executive Request	\$3,069,793	\$0	\$1,708,684	\$1,361,109	\$0	0.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Long Bill Footnotes and Requests for Information

Long Bill Footnotes

Staff recommends **CONTINUING and AMENDING** the following footnote:

48 Department of Human Services, Office of Civil and Forensic Mental Health, Mental Health Institute at Fort Logan; Mental Health Institute at Pueblo; Forensic Services; Consent Decree Fines and Fees – In addition to the transfer authority provided in Section 24-75-108, C.R.S., the Department may transfer up to 5.0 percent of the total appropriations in these subsections among line items in these subsections.

Comment: This footnote provides the Department with the authority to transfer up to 5.0 percent between subdivisions. This footnote was first included from a staff recommendation in the FY 2014-15 Long Bill. Actual transfers made are reported in an RFI.

The FY 2014-15 Long Bill included two format changes to maintain a transparent delineation of expenditures at the mental health institutes while allowing the Department more flexibility to manage these appropriations and minimize the number of mid-year appropriation adjustments.

First, funding for outside medical expenses was removed from the Personal Services line items for each Institute and placed in a two new line item appropriations for "Contract Medical Services" – one for each Institute. Second, the above footnote was added to allow the Department to transfer up to 10 percent of the total appropriations in the Mental Health Institutes subsection of the Long Bill, starting in FY 2014-15.

In FY 2018-19, the Long Bill format was modified further to include appropriations related to forensic services in a separate subsection. In FY 2019-20, this footnote was modified to reduce the transfer authority from 10.0 percent to 5.0 percent to reflect historic transfers ranging from 1.6 percent (\$12.3 million in FY 2017-18) to 3.7 percent (\$11.3 million in FY 2015-16).

Staff recommends **REMOVING** the following footnotes to align with the recommended Long Bill consolidation:

45 Department of Human Services, Behavioral Health Administration, Community-based Mental Health Services, Assertive Community Treatment Programs and Other Alternatives to the Mental Health Institutes -- It is the General Assembly's intent that \$576,050 of this General Fund appropriation be allocated to a community mental health center in western Colorado for the purpose of providing behavioral health services for individuals who seek care from the emergency department of a regional medical center and who are diagnosed with physical health conditions that may be exacerbated by co-occurring mental health conditions.

Comment: This footnote was first included in the FY 2016-17 Long Bill as part of a \$500,000 General Fund increase in the appropriation for "Services for Indigent Mentally Ill Clients". The increase was intended to expand access to inpatient psychiatric care for individuals who are diagnosed with physical health conditions exacerbated by co-occurring mental health problems. This footnote was included to specify the General Assembly's intent in making the appropriation. The footnote is increased by the community provider rate when the Committee approves a common policy increase.

Staff finds that the footnote is an example of historic siloed funding and should be removed to align with the recommended Long Bill consolidation.

46 Department of Human Services, Behavioral Health Administration, Substance Use Treatment and Prevention Services, Treatment and Detoxification Programs -- It is the General Assembly's intent that this appropriation be used to provide services and to expand access to residential treatment services for individuals with substance use disorders, including initial expenses necessary to establish, license, and begin operating one or more programs that provide these services, such as building renovations, furnishings, and equipment.

Comment: This footnote was added by the Committee to the FY 2021-22 Long Bill through a staff comeback recommendation to express the General Assembly's intent that funding could be used to increase capacity given implementation of a new Medicaid SUD benefit. Staff recommends removal of the footnote to align with the intent of the Long Bill consolidation and prioritize utilizing funding for direct services.

47 Department of Human Services, Behavioral Health Administration, Integrated Behavioral Health Services, Circle Program and Other Rural Treatment Programs for People with Co-occurring Disorders -- It is the General Assembly's intent that this appropriation be used to: support the community-based Circle Program; support the provision of a full continuum of co-occurring behavioral health treatment services in southern Colorado and the Arkansas Valley; and expand access to residential treatment services in one or more rural areas of Colorado for individuals with co-occurring mental health and substance use disorders. It is also the General Assembly's intent that the appropriation may be used to provide services and to cover initial expenses necessary to establish, license, and begin operating one or more programs that provide these services, such as building renovations, furnishings, and equipment.

Comment: This footnote states the General Assembly's intent for the use of funds in the Circle Program and Other Rural Treatment Programs for People with Co-occurring Disorders line item. The General Assembly consolidated two previously existing footnotes in FY 2018-19 when the line items were combined. Staff recommends removal of the footnote to align with the intent of the Long Bill consolidation and prioritize utilizing funding for direct services.

Requests For Information

Staff recommends continuing and **CONTINUING AND MODIFYING** the following requests for information:

- 14 Department of Human Services, Behavioral Health Administration – The Department is requested to provide the following information no later than November 1:
- The number of comprehensive and essential providers.
 - ~~The amount of funding distributed to each comprehensive safety net provider under each programmatic contract for the last three fiscal years, as well as the estimated amounts for the budget year.~~
 - A summary of the methodology for the allocation of such funds among the comprehensive safety net providers, and how any such allocations have changed over that period, including with the addition of new comprehensive safety net providers.
 - ~~A description of how the Department expects any such allocations to change with the implementation of the Behavioral Health Administrative Services Organizations.~~
 - TOTAL FUNDING DISTRIBUTED TO EACH BHASO

- ADMINISTRATIVE RATES OF EACH BHASO
- TOTAL FUNDING DISTRIBUTED TO EACH COMPREHENSIVE PROVIDER
- TOTAL FUNDING DISTRIBUTED TO EACH ESSENTIAL PROVIDER
- TOTAL NUMBER OF INPATIENT SUBSTANCE USE AND CRISIS BEDS BY BHASO REGION
- TOTAL PATIENTS SERVED BY BHASO REGION, INCLUDING UTILIZATION FOR SPECIFIC SERVICES IF POSSIBLE
- DESCRIPTION OF POLICIES AND ACTIONS TAKEN TO ENSURE ADEQUATE ACCESS FOR ADULTS WITH SEVERE MENTAL ILLNESS AND CHILDREN AND YOUTH WITH SEVERE EMOTIONAL DISTURBANCE
- DESCRIPTION OF POLICIES AND ACTIONS TAKEN TO ENSURE ADEQUATE ACCESS TO BEHAVIORAL HEALTH TREATMENT IN RURAL AND FRONTIER COUNTIES.

Comment: This request provides an annual update on funding and services contracted through the BHA. Staff recommends updating the RFI to include information related to priority populations to align with the recommendation for a consolidated line item structure. Staff expects to continue to work with the BHA and other stakeholders to ensure the request reflects the highest level of data available to the BHA.

16 Department of Human Services, Behavioral Health Administration – The BHA is requested to provide, by November 1, the following information related to the 988 Enterprise.

- The amount of revenue received for the last three fiscal years.
- The expenses for the 988 hotline and the Colorado Crisis Hotline for the last three fiscal years.
- The number of calls and chats received for the last three fiscal years by the 988 hotline and the Colorado Crisis Hotline.
- A description of the current status of consolidating the Colorado Crisis Hotline into the 988 enterprise pursuant to S.B. 25-236.
- A description of public awareness campaigns related to the consolidation of the 988 hotline and the Colorado Crisis Hotline, INCLUDING THE AMOUNT EXPENDED ON PUBLIC AWARENESS FOR THE LAST THREE FISCAL YEARS.

Comment: The Committee added this request in FY 2025-26 to receive annual updates on the consolidation and utilization of the crisis hotlines.

20 Department of Human Services, Office of Civil and Forensic Mental Health – The Department is requested to provide by November 1, information on the current status of capital projects authorized by H.B. 22-1283 (Youth and Family Behavioral Health Care) and H.B. 22-1303 (Increase Residential Behavioral Health Beds), including ~~the estimated timeline for project completion, and the estimated timeline for hiring new staff. Projects should include the youth neuro-psych facility established by H.B. 22-1283, and the G-wing renovation and State Residential Group Home beds established by H.B. 22-1303.~~ when the Department began hiring staff to operate the youth neuro-psych unit, when the youth neuro-psych unit and the Fort Logan G-wing became operational, explanations for any construction or inspection delays since March 2026, and the number of operational contracted and state Mental Health Transitional Living Home beds. The response should indicate when the youth neuro-psych unit and G-wing are expected to become operational if not yet operational at the time the response is submitted.

Comment: This RFI was added in FY 2024-25 to determine when it would be appropriate to begin accounting for the staffing costs for multiple capital construction projects funded in 2022. Staff recommends adjustments to the RFI because all projects are currently expected to be operational in FY 2026-27.

21 Department of Human Services, Office of Civil and Forensic Mental Health, Consent Decree Fines and Fees – The Department is requested to provide by November 1 of each fiscal year, the actual monthly fines and fees paid by the Department in the prior fiscal year related to the Consent Decree resulting from the *Center for Legal Advocacy (d/b/a Disability Law Colorado) v. Barnes and Marshall (Colorado Department of Human Services)*.

Comment: This RFI was added in FY 2024-25 to proactively provide the Committee with information regarding the timing of consent decree payments.

22 Department of Human Services, Office of Civil and Forensic Mental Health – The Department is requested to provide, by November 1 of each fiscal year, the following monthly data for the prior fiscal year related to competency caseload:

- The number of court ordered competency evaluations
- The number of court ordered outpatient restoration services
- The number of court ordered inpatient restoration services
- The number of people on the competency restoration waitlist
- The average wait time for competency evaluation
- The range of wait times for competency evaluation
- The average wait time for outpatient competency restoration services
- The range of wait times for outpatient competency restoration services
- The average wait time for inpatient competency restoration services
- The range of wait times for inpatient competency restoration services
- Estimated number of inpatient competency restoration beds

Comment: This RFI was added in FY 2024-25 to proactively provide the Committee with information regarding the timing of consent decree payments.

23 Department of Human Services, Office of Civil and Forensic Mental Health – The Department is requested to provide by November 1 of each fiscal year, a list of each transfer made in the previous fiscal year between division line items as authorized by ~~FY 2024-25~~ FY 2025-26 Long Bill footnote 55 48. This information should include: the line item in which the funds originated, the line item to which the funds were transferred, the amount of each transfer, the fund source of each transfer, and the purpose of the transfer.

Comment: This RFI was added in FY 2025-26 to align with a similar RFI in the Division of Child Welfare.

Staff recommends **DISCONTINUING** The following requests for information:

15 Department of Human Services, Behavioral Health Administration – The BHA is requested to provide by November 1, 2025, a line item structure aligned to current programming. The BHA is requested to work with BHASOs, comprehensive providers, and essential providers, to determine a budget structure that optimizes existing resources and provides public transparency. The report should include information to tie existing appropriations to the newly proposed structure.

Comment: This was intended to be a one-time request to inform whether it was necessary to update the BHA Long Bill structure. Figure setting recommendations include a consolidated structure for FY 2026-27 based on the information provided in the 2025 response.

Additional Balancing Options: BHA

As part of staff budget briefings in November and December 2025, staff identified budget reduction options for each department that the JBC could consider in addition to or instead of the options presented in the budget request. **Items staff recommends and items that agencies have requested formally are addressed earlier in this packet.** Other items that could be considered, if needed to bring the budget into balance, are listed below.

A General Fund reduction of 5.0 percent to the sections of the budget covered in this figure setting packet equates to reduction of \$7.5 million. Items in the table are ordered from lowest impact on program operations to highest, based on staff's understanding of the impact of the change.

Option	General Fund	Other Funds	Bill? Y/N	Description
Revenue Enhancements				
ARPA Reversions	\$0	\$0	Y	\$15.4 million that originated as ARPA remains unencumbered. Funds are obligated, and any reduction is expected to prevent reimbursement to grant awardees at this time.
Subtotal - Revenue	\$0	\$0		
Expenditure Reductions				
Repeal rural vouchers	-50,000	0	Y	Repeal rural behavioral health vouchers from SB 21-137.
Eliminate Circle General Fund	-488,286	0	N	Eliminates General Fund appropriation for the Circle program
Reduce care coordination	-750,000	0	Y	50% reduction for BHA care coordination. Legislation may be preferred to reduce statutory responsibilities.
1% Jail-based reduction	-72,415	0	N	Base reduction for jail-based BH services.
1% community reduction	-300,640	0	N	Base reduction for community mental health safety net providers.
1% SUD reduction	-158,715	0	N	Base reduction for substance use treatment.
1% Community transition reduction	-79,459	0	N	Base reduction for support services to transition from hospitalization.
Reduce crisis public awareness	-292,075	0	N	Reduces funding to \$500,000
1% crisis reduction	-313,277	0	N	Base reduction for crisis services.
5% IMatter reduction	-250,000	0	N	IMatter provides 6 free therapy sessions to school-aged youth.
Repeal recovery certification	-200,000	0	Y	Repeal contracted recovery certification from SB 21-137.
6% Housing support reduction	-250,000	0	N	Reduce SUD housing grant from SB 21-137.
Repeal High acuity youth room & board	-5,929,104	0	Y	Eliminate room and board for high acuity youth from HB 23-1038.
Subtotal - Expenditures	-\$9,133,971	\$0		
Net General Fund Relief	\$9,133,971			

Revenue Enhancements

ARPA reversions

Description: Bill to recapture refinanced ARPA funds that are expected to revert.

Health/life/safety impact: Low

Additional Background: The most recent expenditure reports from the Executive Branch show \$15.4 million appropriated to the BHA. This is an increase from \$10.9 million reported in the fall. Unexpended funds will revert to the General Fund in FY 2026-27 if the General Assembly takes no action. The Committee could choose to transfer funds in FY 2025-26 or account for reversions for FY 2026-27 General Fund balancing. Staff expects to continue working with the Executive Branch to identify appropriate options based on the March forecasts and anticipated expenditures.

Expenditure Reductions

Repeal rural vouchers

Description: Legislation to repeal the behavioral health voucher program created by S.B. 21-137 for \$50,000 General Fund savings, or consolidate rural behavioral health programs between the BHA, Department of Agriculture, and Higher Education.

Health/life/safety: Moderate

Additional Background: Senate Bill 21-137 required the BHA to contract with a non-profit to offer behavioral health services in rural communities. The non-profit develops training materials for providers for rural and agriculture cultural competencies and subcontracts with providers for services. At least sixty percent of the appropriation (\$30,000) must be used for direct services.

The JBC sponsored legislation to repeal the program during the 2025 legislative session, S.B. 25-237 (Repeal Behavioral Health Vouchers). The bill was lost on second reading in the House.

Eliminate Circle Program General Fund appropriation

Description: Eliminates the \$488,286 General Fund appropriation that remains for the Circle program after the current staff recommendation to reduce the General Fund appropriation.

Health/life/safety: Moderate

Additional Background: The Circle program provides residential substance use beds. Utilization of the program has declined with implementation of the SUD Medicaid benefit. The appropriation has been reduced in recent years to align with caseload reductions. The line is also supported by a \$5.8 million Marijuana Tax Cash Fund appropriation. Staff assumes that the reduction may reduce access to inpatient substance use treatment.

Reduce care coordination

Description: Reduces funding for BHA care coordination by \$750,000 General Fund for a 65.2 percent reduction from the request.

Health/life/safety: Moderate

Additional Background: Safety net providers, BHASOs, and the BHA have separate statutory care coordination responsibilities. The current appropriation for BHA care coordination is \$1.8 million General Fund. Of that amount, \$1.4 million originates from care coordination responsibilities for civil commitment from H.B. 22-1256.

The remaining \$351,331 is from a budget request that addressed care coordination requirements from S.B. 21-137, S.B. 22-177, and H.B. 22-1278.

Figure setting recommendations already include a care coordination reduction of \$250,000 for a caseload adjustment from H.B. 22-1256. The Committee could consider legislation to reduce care coordination responsibilities and/or consolidate care coordination responsibilities with the BHASOs rather than the BHA.

1% Reduction for jail-based behavioral health services

Description: Reduces funding for jail-based behavioral health services by \$72,415 General Fund for a 1.0 percent reduction.

Health/life/safety: Moderate

Additional Background: Senate Bill 18-250 established jail-based services in statute. Funding supports mental health screening and care for adult jail inmates who have substance use and co-occurring mental health disorders. Funding also supports transition services after release. The BHA contracts with sheriffs' departments who work with local providers to provide services within jails.

General Fund appropriations for the program have increased from \$1.4 million in FY 2018-19 to \$7.2 million in FY 2025-26. The program also receives \$9.0 million reappropriated funds from the Correctional Treatment Cash Fund subject to awards from the Correctional Treatment Board.

1% Substance use treatment and detoxification reduction

Description: Reduces funding for substance use treatment by \$158,715 General Fund for a 1.0 percent reduction.

Health/life/safety: Moderate

Additional Background: This line item historically supported contracts with Managed Service Organizations (MSOs) for substance use treatment. General Fund appropriations have increased from \$12.5 million in FY 2018-19 to \$15.9 million in FY 2025-26.

The program also receives an estimated \$30.0 million federal funds. Figure setting recommendations already include a \$3.0 million reduction to this line item to eliminate the Building SUD Treatment Capacity Grant.

1% Community transition services reduction

Description: Reduces funding for support services for individuals transitioning from hospitalization to community by \$79,459 General Fund for a 1.0 percent reduction.

Health/life/safety: Moderate

Additional Background: Senate Bill 18-270 established the statewide Community Transition Specialist Program. The program coordinates referrals of high-risk individuals from hospitals and withdrawal management to transition specialists. General Fund appropriations have increased from \$3.8 million in FY 2018-19 to \$7.9 million in FY 2025-26. General Fund is the only fund source for the program.

Reduce crisis public awareness

Description: Reduces funding for crisis public awareness to \$500,000 General Fund.

Health/life/safety: Moderate

Additional Background: Statute requires that the contracted crisis system includes funding for public information about the crisis response system, the conversion of the Colorado Crisis Hotline to 988, and that all public and private schools be annually notified of the crisis response system. Funding was \$600,000 General Fund when the line was created in 2013. Funding was eliminated in 2020, but restored in 2021. Funding increased to include school notifications by H.B. 22-1052 (Promoting Crisis Services to Students).

1% Crisis services reduction

Description: Reduces funding for mental health crisis programs by \$313,277 General Fund for a 1.0 percent reduction.

Health/life/safety: High

Additional Background: This is the largest General Fund line item in the BHA, and supported historic contracts with Administrative Service Organizations (ASOs). Funding supports walk-in, mobile, residential, and respite services for individuals experiencing a mental health crisis. General Fund appropriations have increased from \$23.5 million in FY 2018-19 to \$31.3 million in FY 2025-26. The line item also receives \$4.3 million from the Marijuana Tax Cash Fund, \$3.0 million from Proposition KK firearm excise taxes, and an estimated \$1.1 million federal funds in FY 2025-26.

5% IMatter reduction

Description: Reduces funding for the IMatter program by \$250,000 General Fund for a 5.0 percent reduction.

Health/life/safety: High

Additional Background: The IMatter program is intended to provide 6 free therapy sessions to school aged youth. The current appropriation is \$5.0 million General Fund. Funding for the program has decreased in recent years to align with caseload. The current appropriation is more at risk of over-expenditure than under-expenditure. Any reduction is expected to decrease access to services by limiting therapy sessions or creating waitlists.

There is an annual evaluation of the IMatter program. The most recent evaluation was conducted by the Butler Institute for Families at the University of Denver. The evaluation was a longitudinal survey that found statistically significant improved well-being reported by participants and guardians.³⁰ Staff therefore assumes that a reduction would decrease funding for an Evidence-informed program.

³⁰ [Rienks, S., Mendoza, M., Grenier, A., Prish, C., & Silverstein, M. \(2025\). I Matter program evaluation report. Butler Institute for Families, University of Denver, Graduate School of Social Work.](#)

The General Assembly could consider legislation to change the requirements of the program, including billing Medicaid or private insurance when applicable. Billing for services is expected to decrease utilization by increasing administrative burden and introducing parental consent.

Repeal recovery residence certification

Description: Legislation to repeal the Recovery Certification Grant created by S.B. 21-137 for \$200,000 General Fund savings.

Health/life/safety: High

Additional Background: Senate Bill 21-137 required the BHA to contract with a third-party to certify recovery residences. There is no funding for the licensing or inspection of recovery residences in absence of this program. Eliminating funding is expected to reduce health and safety for people living in recovery residences.

6% Housing support grant reduction

Description: Reduces funding for the Housing Support Grant Program by \$250,000 General Fund for a 6.3 percent reduction.

Health/life/safety: High

Additional Background: The Housing Support Grant Program was created by S.B. 21-137. Appropriations for the program include \$4.0 million General Fund in FY 2025-26. Funding supports temporary housing assistance for people with substance use disorders who are transitioning from incarceration or hospitalization. A reduction is expected to increase rates of homelessness.

Repeal high acuity youth room and board

Description: Legislation to repeal a requirement that the BHA pay for room and board for high acuity youth in residential placements for General Fund savings of \$5.9 million.

Health/life/safety: High

Additional Background: House Bill 24-1038 (High Acuity Youth) required the BHA to pay for room and board for Medicaid youth in residential treatment. Medicaid does not pay for room and board. However, a county department of human services covers the cost of room and board for youth in their custody. Therefore, families would be faced with absolving custody of their children to afford the cost of care prior to H.B. 24-1038

Additional Balancing Options: OCFMH

As part of staff budget briefings in November and December 2025, staff identified budget reduction options for each department that the JBC could consider in addition to or instead of the options presented in the budget request. **Items staff recommends and items that agencies have requested formally are addressed earlier in this packet.** Other items that could be considered, if needed to bring the budget into balance, are listed below.

A General Fund reduction of 5.0 percent to the sections of the budget covered in this figure setting packet equates to reduction of \$14.6 million. Items in the table are ordered from lowest impact on program operations to highest, based on staff's understanding of the impact of the change.

Additional Options for General Fund Relief

Option	General Fund	Other Funds	Bill? Y/N	Description
Revenue Enhancements				
ARPA reversions	\$0	\$0	Y	\$2.4 million that originated as ARPA funds allocated to OCFMH remains unencumbered.
Subtotal - Revenue	\$0	\$0		
Expenditure Reductions				
Pharmaceuticals	-500,000	0	N	Based on FY 24-25 transfer.
5% Jail-based reduction	-743,372	0	N	5% base reduction
Reduce MHTL beds to 125	-3463,252	-614,135	N	Reduce MHTL beds from 164 to 125 statutory minimum
Reduce 10 private hospital beds	-4,161,000	0	N	Reduce private hospital forensic contracts from approx. 84 to 74 beds
Close forensic unit	-6,648,574	0	N	Based on Fort Logan G-wing appropriation.
Subtotal - Expenditures	-\$13,717,346	\$0		
Net General Fund Relief	\$13,717,346			

Revenue Enhancements

ARPA reversions

Description: Bill to recapture refinanced ARPA funds that are expected to revert.

Health/life/safety impact: Low

Additional Background: The most recent expenditure reports from the Executive Branch show \$2.4 million appropriated to CDHS. An additional \$27.6 million is encumbered but unexpended for the Fort Logan youth psychiatric unit. Unexpended funds will revert to the General Fund in FY 2026-27 if the General Assembly takes no action. The Committee could choose to transfer funds in FY 2025-26 or account for reversions for FY 2026-27 General Fund balancing. Staff expects to continue working with the Executive Branch to identify appropriate options based on the March forecasts and anticipated expenditures.

Expenditure Reductions

Pharmaceuticals

Description: Reduces funding for pharmaceuticals at the state hospitals by \$500,000 General Fund for a 7.9 percent reduction.

Health/life/safety: High

Additional Background: Two line items support pharmaceutical expenses for the state hospitals. The line items transferred \$583,919 General Fund to personal services for the Pueblo hospital and outpatient restoration services in FY 2024-25. Any reduction is expected to decrease overall funding available to the state hospitals and risk closing a forensic unit.

5% Jail-based competency restoration services reduction

Description: Reduces funding for jail-based competency restoration services by \$743,372 General Fund for a 5.0 percent reduction.

Health/life/safety: High

Additional Background: This line item supports contracts to provide competency restoration services in jails. Funding has increased from \$13.4 million in FY 2018-19 to \$14.9 million in FY 2025-26.

Reduce Mental Health Transitional Living Homes from 164 to 125

Description: Reduces funding for Mental Health Transitional Living Homes to the statutory minimum of 125.

Health/life/safety: High

Additional Background: [House Bill 22-1303 \(Increase Residential Behavioral Health Beds\)](#) appropriated federal stimulus funds that originated from the American Rescue Plan Act of 2021 (ARPA) to create Mental Health Transitional Living Homes (MHTLH) in DHS. The Department was required to create a minimum of 125 beds. There are currently 164 beds in operation.

MHTLHs are intended to be a step-down from the state hospitals and step-up from community-based services. The beds are essential for managing capacity at the state hospitals. Any decrease is expected to impact the waitlist for inpatient competency restoration services.

The beds receive \$5.2 million total funds in HCPF for eligible clients, and an additional \$12.0 million General Fund in DHS. The reduction is estimated based on the current appropriation. Actual impact may be higher or lower.

Reduce 10 private hospital beds

Description: Reduces funding for private hospital competency restoration contract beds.

Health/life/safety: High

Additional Background: The Department’s response to [RFI 22](#) indicates that the \$29.9 million General Fund appropriated in FY 2024-25 supported 84-96 private hospital beds for competency restoration. The Committee may choose to reduce the line by any amount as necessary to balance. The calculation is based on an assumed daily rate of \$1,200 and a 95.0 percent occupancy rate.

Close forensic hospital unit

Description: Reduces funding for the state hospitals by \$6.6 million General Fund to reduce the number of forensic hospital units by one.

Health/life/safety: High

Additional Background: The amount provided in the table is based on the amount appropriated for a forensic unit at Fort Logan in FY 2026-27. The actual cost of a forensic unit varies by location, number of beds, and patient needs. Reducing funding to the state hospitals by any amount could risk the Department’s ability to maintain appropriate staffing ratios and force a unit closure. The Department’s response to [RFI 22](#) indicates that the Pueblo hospital is already operating at reduced capacity due to renovations.

Appendix A: Numbers Pages

Appendix A details the actual expenditures for the last two state fiscal years, the appropriation for the current fiscal year, the requested appropriation for next fiscal year, and the staff recommendation. Appendix A organizes this information by line item and fund source.

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Numbers Pages

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
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DEPARTMENT OF HUMAN SERVICES
Michelle Barnes, Executive Director

(5) BEHAVIORAL HEALTH ADMINISTRATION

(A) Community Behavioral Health Administration

ijuana Tax Cash Fund.

Program Administration	<u>11,208,806</u>	<u>18,594,649</u>	<u>22,978,333</u>	<u>23,072,683</u>	<u>23,050,672</u>
FTE	115.1	127.7	157.1	153.1	153.1
General Fund	2,926,300	12,217,069	10,577,701	11,254,245	10,232,234
Cash Funds	1,332,878	(405,475)	4,120,877	3,278,587	4,278,587
Reappropriated Funds	501,260	503,688	926,843	952,468	952,468
Federal Funds	6,448,368	6,279,367	7,352,912	7,587,383	7,587,383
Behavioral Health Capacity Tracking System	<u>31,809 1.0</u>	<u>29,217 0.9</u>	<u>42,611</u>	<u>42,611</u>	<u>42,611</u>
General Fund	0	0	0	0	0
Cash Funds	31,809	29,217	42,611	42,611	42,611
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Behavioral Health Workforce Learning Management System	<u>705,906</u>	<u>808,935</u>	<u>773,935</u>	<u>775,244</u>	<u>775,244</u>
FTE	0.0	0.4	1.0	1.0	1.0
General Fund	705,906	808,935	773,935	775,244	775,244
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
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SUBTOTAL - (A) Community Behavioral Health					
Administration	11,946,521	19,432,801	23,794,879	23,890,538	23,868,527
<i>FTE</i>	<u>116.1</u>	<u>129.0</u>	<u>158.1</u>	<u>154.1</u>	<u>154.1</u>
General Fund	3,632,206	13,026,004	11,351,636	12,029,489	11,007,478
Cash Funds	1,364,687	(376,258)	4,163,488	3,321,198	4,321,198
Reappropriated Funds	501,260	503,688	926,843	952,468	952,468
Federal Funds	6,448,368	6,279,367	7,352,912	7,587,383	7,587,383

(B) Community-based Mental Health Services

General Fund, the federal Mental Health Services Block Grant, and the Marijuana Tax Cash Fund.

Mental Health Community Programs	<u>53,902,847 2.2</u>	<u>60,226,798 0.6</u>	<u>52,063,993</u>	<u>51,756,533</u>	<u>51,756,533</u>
General Fund	29,474,503	30,063,993	30,063,993	29,756,533	29,756,533
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	24,428,344	30,162,805	22,000,000	22,000,000	22,000,000
 ACT Programs and Other Alternatives to the MHIs	 <u>18,006,267</u>	 <u>18,366,392</u>	 <u>18,366,392</u>	 <u>18,366,392</u>	 <u>18,366,392</u>
General Fund	18,006,267	18,366,392	18,366,392	18,366,392	18,366,392
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Mental Health Services for Juvenile and Adult Offenders	<u>5,899,047</u>	<u>6,094,357</u>	<u>6,210,075</u>	<u>6,210,075</u>	<u>6,210,075</u>
General Fund	0	0	0	0	0
Cash Funds	5,899,047	6,094,357	6,210,075	6,210,075	6,210,075
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Children and Youth Mental Health Treatment Act	<u>6,765,224</u>	<u>7,817,479</u>	<u>8,110,513</u>	<u>8,110,513</u>	<u>8,110,513</u>
General Fund	6,368,097	7,363,781	7,519,135	7,519,135	7,519,135
Cash Funds	397,127	453,698	453,698	453,698	453,698
Reappropriated Funds	0	0	137,680	137,680	137,680
Federal Funds	0	0	0	0	0
Family First Prevention Services Act	<u>650,248</u>	<u>663,253</u>	<u>663,253</u>	<u>663,253</u>	<u>663,253</u>
General Fund	650,248	663,253	663,253	663,253	663,253
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Behavioral Health Vouchers	<u>50,000</u>	<u>48,147</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
General Fund	50,000	48,147	50,000	50,000	50,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Veterans Mental Health Services	<u>0</u>	<u>0</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
Cash Funds	0	0	5,000,000	5,000,000	5,000,000
Veteran Suicide Prevention Pilot Program	<u>3,022,813</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	3,022,813	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Veterans Mental Health Services	<u>0</u>	<u>3,089,376</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	3,089,376	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
SUBTOTAL - (B) Community-based Mental Health					
Services	88,296,446	96,305,802	90,464,226	90,156,766	90,156,766
<i>FTE</i>	<u>2.2</u>	<u>0.6</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	57,571,928	59,594,942	56,662,773	56,355,313	56,355,313
Cash Funds	6,296,174	6,548,055	11,663,773	11,663,773	11,663,773
Reappropriated Funds	0	0	137,680	137,680	137,680
Federal Funds	24,428,344	30,162,805	22,000,000	22,000,000	22,000,000

(C) Substance Use Treatment and Prevention Services

er Cash Fund, transfers from the Department of Health Care Policy and Financing (which originate as General Fund and federal Medicaid funds), and transfers from the Judicial Branch (which originate as General Fund and drug offender surcharge revenue).

FY 2017-18 Long Bill Structure

Treatment and Detoxification Programs	<u>69,319,959</u>	<u>65,622,284</u>	<u>51,392,307</u>	<u>47,892,307</u>	<u>51,392,307</u>
FTE	0.7	0.3	2.1	2.1	2.1
General Fund	19,900,258	16,924,503	15,871,526	12,371,526	15,871,526
Cash Funds	9,494,636	6,653,570	5,520,781	5,520,781	5,520,781
Reappropriated Funds	0	0	0	0	0
Federal Funds	39,925,065	42,044,211	30,000,000	30,000,000	30,000,000
 Increasing Access to Effective Substance Use					
Disorder Services	<u>25,092,008</u>	<u>15,666,787</u>	<u>16,938,566</u>	<u>16,938,566</u>	<u>16,938,566</u>
General Fund	0	0	0	0	0
Cash Funds	25,092,008	15,666,787	16,938,566	16,938,566	16,938,566
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Prevention Contracts	<u>8,133,881</u>	<u>4,803,807</u>	<u>7,051,149</u>	<u>7,051,149</u>	<u>7,051,149</u>
General Fund	0	0	0	0	0
Cash Funds	22,388	9,557	51,149	51,149	51,149
Reappropriated Funds	0	0	0	0	0
Federal Funds	8,111,493	4,794,250	7,000,000	7,000,000	7,000,000
Community Prevention and Treatment Programs	<u>2,334,631</u>	<u>1,971,217</u>	<u>2,583,275</u>	<u>2,583,275</u>	<u>2,583,275</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	2,334,631	1,971,217	2,583,275	2,583,275	2,583,275
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Housing Assistance for Individuals with a Substance use Disorder	<u>3,913,513</u>	<u>3,978,095</u>	<u>4,000,000</u>	<u>4,002,512</u>	<u>4,002,512</u>
FTE	0.4	0.0	1.0	1.0	1.0
General Fund	3,913,513	0	4,000,000	4,002,512	4,002,512
Cash Funds	0	3,978,095	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Offender Services	<u>4,012,532</u>	<u>4,423,789</u>	<u>3,318,616</u>	<u>3,318,616</u>	<u>3,318,616</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	3,087,591	3,318,616	3,318,616	3,318,616	3,318,616
Cash Funds	0	0	0	0	0
Reappropriated Funds	924,941	1,105,173	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Recovery Residence Certification Program	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
General Fund	200,000	200,000	200,000	200,000	200,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Fentanyl Education Program	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
General Fund	0	0	0	0	0
Cash Funds	25,000	25,000	25,000	25,000	25,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Study on the Health Effects of Criminal Penalties	<u>200,000</u>	<u>85,089</u>	<u>52,963</u>	<u>52,963</u>	<u>0</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	200,000	85,089	52,963	52,963	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - FY 2017-18 Long Bill Structure	113,231,524	96,776,068	85,561,876	82,064,388	85,511,425
FTE	<u>1.1</u>	<u>0.3</u>	<u>3.1</u>	<u>3.1</u>	<u>3.1</u>
General Fund	27,101,362	20,443,119	23,390,142	19,892,654	23,392,654
Cash Funds	37,168,663	28,389,315	25,171,734	25,171,734	25,118,771
Reappropriated Funds	924,941	1,105,173	0	0	0
Federal Funds	48,036,558	46,838,461	37,000,000	37,000,000	37,000,000

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
SUBTOTAL - (C) Substance Use Treatment and Prevention Services	113,231,524	96,776,068	85,561,876	82,064,388	85,511,425
<i>FTE</i>	<u>1.1</u>	<u>0.3</u>	<u>3.1</u>	<u>3.1</u>	<u>3.1</u>
General Fund	27,101,362	20,443,119	23,390,142	19,892,654	23,392,654
Cash Funds	37,168,663	28,389,315	25,171,734	25,171,734	25,118,771
Reappropriated Funds	924,941	1,105,173	0	0	0
Federal Funds	48,036,558	46,838,461	37,000,000	37,000,000	37,000,000

(D) Integrated Behavioral Health Services

al Fund, the Marijuana Tax Cash Fund, and transfers from the Judicial Branch (which originate as General Fund and drug offender surcharge revenue).

Crisis Response System - Walk-in, Stabilization,

Mobile, Residential, and Respite Services	<u>29,902,111</u>	<u>30,927,272</u>	<u>39,837,978</u>	<u>38,587,978</u>	<u>38,587,978</u>
General Fund	25,640,511	26,787,396	31,327,708	30,077,708	30,077,708
Cash Funds	4,261,600	4,139,876	7,346,832	7,346,832	7,346,832
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	1,163,438	1,163,438	1,163,438

Behavioral Health Crisis Response System Secure

Transportation Program	<u>570,189</u>	<u>594,572</u>	<u>594,572</u>	<u>594,572</u>	<u>594,572</u>
General Fund	0	0	0	0	0
Cash Funds	570,189	594,572	594,572	594,572	594,572
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Crisis Response System - Telephone Hotline	<u>3,746,083</u>	<u>3,863,758</u>	<u>3,863,938</u>	<u>3,863,938</u>	<u>3,863,938</u>
General Fund	3,428,061	3,496,442	0	0	0
Cash Funds	318,022	367,316	3,863,938	3,863,938	3,863,938
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Crisis Response System - Marketing	<u>733,356</u>	<u>792,075</u>	<u>792,075</u>	<u>792,075</u>	<u>792,075</u>
General Fund	733,356	792,075	792,075	792,075	792,075
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Community Transition Services	<u>7,790,066</u>	<u>7,913,155</u>	<u>7,945,867</u>	<u>7,945,867</u>	<u>7,945,867</u>
General Fund	7,790,066	7,913,155	7,945,867	7,945,867	7,945,867
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Criminal Justice Diversion Programs	<u>8,353,703</u>	<u>7,903,918</u>	<u>7,954,471</u>	<u>7,968,723</u>	<u>7,968,723</u>
FTE	1.1	2.2	2.3	2.3	2.3
General Fund	2,393,262	1,987,498	1,740,348	1,740,348	1,740,348
Cash Funds	5,960,441	5,916,420	6,214,123	6,228,375	6,228,375
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Jail-based Behavioral Health Services	<u>14,104,530</u>	<u>16,748,929</u>	<u>16,241,451</u>	<u>16,241,451</u>	<u>16,241,451</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	7,099,462	7,241,451	7,241,451	7,241,451	7,241,451
Cash Funds	0	0	0	0	0
Reappropriated Funds	7,005,068	9,507,478	9,000,000	9,000,000	9,000,000
Federal Funds	0	0	0	0	0
Circle Program and Other Rural Treatment Programs for People with Co-occurring Disorders	<u>7,236,329</u>	<u>6,315,799</u>	<u>6,467,949</u>	<u>6,467,949</u>	<u>6,317,949</u>
General Fund	626,462	338,286	638,286	638,286	488,286
Cash Funds	5,705,585	5,273,231	5,829,663	5,829,663	5,829,663
Reappropriated Funds	904,282	704,282	0	0	0
Federal Funds	0	0	0	0	0
Recovery Support Services Grant program	<u>1,416,537</u>	<u>1,570,145</u>	<u>1,600,000</u>	<u>805</u>	<u>1,600,805</u>
FTE	1.9	0.4	1.0	1.0	1.0
General Fund	1,416,537	1,570,145	1,600,000	805	1,600,805
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Temporary Youth Mental Health Services Program	<u>5,021,630 0.6</u>	<u>5,000,000 1.1</u>	<u>5,002,872 1.0</u>	<u>5,002,872 1.0</u>	<u>5,002,872 1.0</u>
General Fund	5,021,630	5,000,000	5,002,872	5,002,872	5,002,872
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Care Coordination	<u>231,570</u>	<u>1,459,860</u>	<u>1,751,331</u>	<u>1,501,331</u>	<u>1,501,331</u>
General Fund	231,570	1,459,860	1,751,331	1,501,331	1,501,331
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Behavioral Health-care Continuum Gap Program	<u>0</u>	<u>4,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	0	4,000,000	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
988 Crisis Hotline	<u>14,742,251</u>	<u>10,509,224</u>	<u>12,584,264</u>	<u>12,652,231</u>	<u>12,652,231</u>
FTE	3.7	4.0	2.0	2.0	2.0
General Fund	0	0	0	0	0
Cash Funds	14,742,251	10,509,224	12,584,264	12,652,231	12,652,231
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
School Mental Health Screening Program	<u>0</u>	<u>1,138,797</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	1,138,797	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Medication Consistency and Health Information					
Exchange	<u>677,748</u>	<u>739,578</u>	<u>760,700</u>	<u>760,700</u>	<u>760,700</u>
General Fund	0	0	0	0	0
Cash Funds	677,748	739,578	760,700	760,700	760,700
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (D) Integrated Behavioral Health					
Services	94,526,103	99,477,082	105,397,468	102,380,492	103,830,492
<i>FTE</i>	<u>7.3</u>	<u>7.7</u>	<u>6.3</u>	<u>6.3</u>	<u>6.3</u>
General Fund	54,380,917	57,725,105	58,039,938	54,940,743	56,390,743
Cash Funds	32,235,836	31,540,217	37,194,092	37,276,311	37,276,311
Reappropriated Funds	7,909,350	10,211,760	9,000,000	9,000,000	9,000,000
Federal Funds	0	0	1,163,438	1,163,438	1,163,438

JBC Staff Figure Setting - FY 2026-27
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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
(E) Indirect Cost Assessment					
Indirect Cost Assessment	2,992,538	2,864,932	3,719,593	3,213,100	3,213,100 *
General Fund	0	0	0	0	0
Cash Funds	2,066,982	1,853,759	1,985,392	1,715,043	1,715,043
Reappropriated Funds	374	8,821	59,178	51,118	51,118
Federal Funds	925,182	1,002,352	1,675,023	1,446,939	1,446,939
SUBTOTAL - (E) Indirect Cost Assessment	2,992,538	2,864,932	3,719,593	3,213,100	3,213,100
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	0	0	0	0
Cash Funds	2,066,982	1,853,759	1,985,392	1,715,043	1,715,043
Reappropriated Funds	374	8,821	59,178	51,118	51,118
Federal Funds	925,182	1,002,352	1,675,023	1,446,939	1,446,939
TOTAL - (5) Behavioral Health Administration	310,993,132	314,856,685	308,938,042	301,705,284	306,580,310
<i>FTE</i>	<u>126.7</u>	<u>137.6</u>	<u>167.5</u>	<u>163.5</u>	<u>163.5</u>
General Fund	142,686,413	150,789,170	149,444,489	143,218,199	147,146,188
Cash Funds	79,132,342	67,955,088	80,178,479	79,148,059	80,095,096
Reappropriated Funds	9,335,925	11,829,442	10,123,701	10,141,266	10,141,266
Federal Funds	79,838,452	84,282,985	69,191,373	69,197,760	69,197,760

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
(6) OFFICE OF CIVIL AND FORENSIC MENTAL HEALTH					
(A) Administration					
Personal Services	0	<u>835,871</u>	0	0	0
FTE	0.0	15.2	0.0	0.0	0.0
General Fund	0	835,871	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
OBH Administration	<u>143,367</u>	0	<u>939,071</u>	<u>966,187</u>	<u>966,187</u>
FTE	42.8	0.0	4.0	4.0	4.0
General Fund	143,367	0	939,071	966,187	966,187
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Electronic Health Record and Pharmacy System	<u>2,403,802</u>	<u>2,364,771</u>	<u>2,871,718</u>	<u>2,871,718</u>	<u>2,871,718</u>
General Fund	2,403,802	2,364,771	2,871,718	2,871,718	2,871,718
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
SUBTOTAL - (A) Administration	2,547,169	3,200,642	3,810,789	3,837,905	3,837,905
<i>FTE</i>	<u>42.8</u>	<u>15.2</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>
General Fund	2,547,169	3,200,642	3,810,789	3,837,905	3,837,905
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

(B) Mental Health Institute - Ft. Logan

Personal Services	<u>44,484,996</u>	<u>47,002,807</u>	<u>50,065,321</u>	<u>56,085,889</u>	<u>56,085,889</u> *
<i>FTE</i>	257.5	0.0	352.8	386.6	386.6
General Fund	11,868,289	45,842,521	47,843,876	53,573,215	53,636,400
Cash Funds	32,584,829	1,065,860	1,861,650	2,266,386	2,266,387
Reappropriated Funds	31,878	94,426	359,795	246,288	183,102
Federal Funds	0	0	0	0	0
Contract Medical Services	<u>1,328,471</u>	<u>1,230,566</u>	<u>1,003,297</u>	<u>1,003,297</u>	<u>1,003,297</u>
General Fund	1,328,471	1,230,566	1,003,297	1,003,297	1,003,297
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Operating Expenses	<u>2,518,163</u>	<u>2,311,210</u>	<u>2,545,364</u>	<u>2,377,863</u>	<u>2,377,863</u>
General Fund	2,403,306	2,172,480	2,405,831	2,238,330	2,260,689
Cash Funds	114,857	114,827	115,630	115,630	115,630
Reappropriated Funds	0	23,903	23,903	23,903	1,544
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Capital Outlay	<u>112,916</u>	<u>112,916</u>	<u>112,916</u>	<u>112,916</u>	<u>112,916</u>
General Fund	112,916	112,916	112,916	112,916	112,916
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Pharmaceuticals	<u>1,723,534</u>	<u>1,412,695</u>	<u>1,975,007</u>	<u>1,975,007</u>	<u>1,975,007</u>
General Fund	1,629,498	1,315,632	1,858,399	1,858,399	1,879,045
Cash Funds	94,036	74,491	94,036	94,036	94,036
Reappropriated Funds	0	22,572	22,572	22,572	1,926
Federal Funds	0	0	0	0	0
SUBTOTAL - (B) Mental Health Institute - Ft. Logan	50,168,080	52,070,194	55,701,905	61,554,972	61,554,972
<i>FTE</i>	<u>257.5</u>	<u>0.0</u>	<u>352.8</u>	<u>386.6</u>	<u>386.6</u>
General Fund	17,342,480	50,674,115	53,224,319	58,786,157	58,892,347
Cash Funds	32,793,722	1,255,178	2,071,316	2,476,052	2,476,053
Reappropriated Funds	31,878	140,901	406,270	292,763	186,572
Federal Funds	0	0	0	0	0

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
(C) Mental Health Institute - Pueblo					
Personal Services	<u>119,036,952</u>	<u>150,947,149</u>	<u>138,237,300</u>	<u>139,676,052</u>	<u>140,676,052</u> *
FTE	704.6	717.3	1,059.0	1,059.0	1,059.0
General Fund	20,343,955	142,283,750	123,364,525	123,383,530	124,610,135
Cash Funds	91,403,812	883,868	4,287,703	6,562,027	4,334,284
Reappropriated Funds	7,289,185	7,779,531	10,585,072	9,730,495	11,731,633
Federal Funds	0	0	0	0	0
Contract Medical Services	<u>2,279,175</u>	<u>2,510,519</u>	<u>2,784,664</u>	<u>2,784,664</u>	<u>2,784,664</u>
General Fund	2,279,175	2,510,519	2,784,664	2,784,664	2,784,664
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Operating Expenses	<u>8,861,263</u>	<u>8,434,907</u>	<u>9,038,217</u>	<u>9,138,217</u>	<u>9,038,217</u> *
General Fund	5,284,527	3,728,117	4,395,918	4,495,918	4,413,580
Cash Funds	60,079	395,155	395,155	395,155	395,155
Reappropriated Funds	3,516,657	4,311,635	4,247,144	4,247,144	4,229,482
Federal Funds	0	0	0	0	0
Capital Outlay	<u>324,068</u>	<u>288,676</u>	<u>324,068</u>	<u>324,068</u>	<u>324,068</u>
General Fund	324,068	288,676	324,068	324,068	324,068
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2026-27
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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Pharmaceuticals	<u>4,467,447</u>	<u>4,405,029</u>	<u>4,714,182</u>	<u>4,714,182</u>	<u>4,714,182</u>
General Fund	4,271,586	4,170,498	4,480,700	4,480,700	4,490,785
Cash Funds	195,861	195,861	195,861	195,861	195,861
Reappropriated Funds	0	38,670	37,621	37,621	27,536
Federal Funds	0	0	0	0	0
Educational Programs	<u>137,622</u>	<u>95,425</u>	<u>236,402</u>	<u>236,402</u>	<u>236,402</u>
FTE	0.1	0.0	2.7	2.7	2.7
General Fund	31,094	4,449	31,094	31,094	31,094
Cash Funds	0	0	0	0	0
Reappropriated Funds	91,776	76,123	205,308	205,308	205,308
Federal Funds	14,752	14,853	0	0	0
SUBTOTAL - (C) Mental Health Institute - Pueblo	135,106,527	166,681,705	155,334,833	156,873,585	157,773,585
FTE	<u>704.7</u>	<u>717.3</u>	<u>1,061.7</u>	<u>1,061.7</u>	<u>1,061.7</u>
General Fund	32,534,405	152,986,009	135,380,969	135,499,974	136,654,326
Cash Funds	91,659,752	1,474,884	4,878,719	7,153,043	4,925,300
Reappropriated Funds	10,897,618	12,205,959	15,075,145	14,220,568	16,193,959
Federal Funds	14,752	14,853	0	0	0

(D) Forensic Services

Forensic Services Administration	<u>956,334</u>	<u>1,280,340</u>	<u>1,328,736</u>	<u>1,367,614</u>	<u>1,367,614</u>
FTE	11.9	11.6	15.9	15.9	15.9
General Fund	192,287	1,280,340	1,328,736	1,367,614	1,367,614
Cash Funds	764,047	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Forensic Support Team	<u>1,933,714</u>	<u>3,119,439</u>	<u>2,551,541</u>	<u>2,600,192</u>	<u>2,600,192</u>
FTE	20.4	25.2	28.0	28.0	28.0
General Fund	491,795	3,119,439	2,551,541	2,600,192	2,600,192
Cash Funds	1,441,919	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Court Services	<u>8,513,156</u>	<u>8,877,265</u>	<u>8,984,890</u>	<u>9,106,182</u>	<u>9,106,182</u>
FTE	47.5	44.4	67.6	67.6	67.6
General Fund	3,347,495	8,877,265	8,984,890	9,106,182	9,106,182
Cash Funds	5,165,661	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Forensic Community-based Services	<u>2,934,469</u>	<u>3,079,847</u>	<u>4,560,186</u>	<u>4,313,802</u>	<u>3,313,802</u> *
FTE	17.2	17.2	20.4	20.4	20.4
General Fund	1,696,679	3,079,847	4,560,186	4,313,802	3,313,802
Cash Funds	1,237,790	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Jail-based Competency Restoration Program	<u>16,078,727</u>	<u>17,050,457</u>	<u>14,856,519</u>	<u>14,867,448</u>	<u>14,867,448</u>
FTE	6.6	5.9	5.3	5.3	5.3
General Fund	16,078,727	17,050,457	14,856,519	14,867,448	14,867,448
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Purchased Psychiatric Bed Capacity	<u>9,186,285</u>	<u>33,357,324</u>	<u>29,860,801</u>	<u>38,598,901</u>	<u>29,860,801</u> *
FTE	0.1	0.0	1.0	1.0	1.0
General Fund	9,186,285	33,357,324	29,860,801	38,598,901	29,860,801
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Outpatient Competency Restoration Program	<u>4,524,561</u>	<u>5,140,063</u>	<u>4,513,757</u>	<u>4,525,926</u>	<u>4,525,926</u>
FTE	5.3	0.0	3.0	3.0	3.0
General Fund	4,524,561	5,140,063	4,513,757	4,525,926	4,525,926
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Quality Assurance	<u>30,546 1.5</u>	<u>298,757</u>	<u>393,605 6.0</u>	<u>400,127 6.0</u>	<u>400,127 6.0</u>
General Fund	30,546	298,757	393,605	400,127	400,127
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Care Coordination and Contracted Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,694,490</u>	<u>0</u> *
FTE	0.0	0.0	0.0	14.0	0.0
General Fund	0	0	0	2,694,490	0

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
SUBTOTAL - (D) Forensic Services	44,157,792	72,203,492	67,050,035	78,474,682	66,042,092
<i>FTE</i>	<u>110.5</u>	<u>104.3</u>	<u>147.2</u>	<u>161.2</u>	<u>147.2</u>
General Fund	35,548,375	72,203,492	67,050,035	78,474,682	66,042,092
Cash Funds	8,609,417	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

(E) Consent Decree Fines and Costs

Consent Decree Fines and Costs	<u>11,787,297</u>	<u>12,191,716</u>	<u>12,508,556</u>	<u>12,508,556</u>	<u>12,789,101</u>
General Fund	11,787,297	12,191,716	12,508,556	12,508,556	12,789,101
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

SUBTOTAL - (E) Consent Decree Fines and Costs	11,787,297	12,191,716	12,508,556	12,508,556	12,789,101
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	11,787,297	12,191,716	12,508,556	12,508,556	12,789,101
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

(F) Mental Health Transitional Living Homes

Residential Bed Program	<u>0</u>	<u>8,609,377</u>	<u>17,145,935</u>	<u>17,159,254</u>	<u>11,994,224</u> *
<i>FTE</i>	0.0	8.1	53.2	53.2	53.2
General Fund	0	8,609,377	11,980,905	11,994,224	11,994,224
Cash Funds	0	0	0	5,165,030	0
Reappropriated Funds	0	0	5,165,030	0	0
Federal Funds	0	0	0	0	0

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
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SUBTOTAL - (F) Mental Health Transitional Living					
Homes	0	8,609,377	17,145,935	17,159,254	11,994,224
<i>FTE</i>	<u>0.0</u>	<u>8.1</u>	<u>53.2</u>	<u>53.2</u>	<u>53.2</u>
General Fund	0	8,609,377	11,980,905	11,994,224	11,994,224
Cash Funds	0	0	0	5,165,030	0
Reappropriated Funds	0	0	5,165,030	0	0
Federal Funds	0	0	0	0	0

(G) Youth Psychiatric Residential Treatment Facility

Personal Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>295,068</u>	<u>0</u>
<i>FTE</i>	0.0	0.0	0.0	3.5	0.0
General Fund	0	0	0	295,068	0
Operating Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,274,209</u>	<u>0</u>
General Fund	0	0	0	1,274,209	0
Youth Psychiatric Residential Treatment Facility				<u>5,410,793</u>	<u>6.3</u>
General Fund				5,410,793	

SUBTOTAL - (G) Youth Psychiatric Residential Treatment Facility					
	5,410,793	3,207,911			
<i>FTE</i>	<u>6.3</u>	<u>3.5</u>			
General Fund	5,410,793	3,207,911			

Outpatient Services

Denver Metro Outpatient Clinic	<u>0</u>	<u>0</u>	<u>0</u>	<u>743,365</u> *	<u>0</u>
<i>FTE</i>	0.0	0.0	0.0	3.3	0.0
General Fund	0	0	0	743,365	0

JBC Staff Figure Setting - FY 2026-27
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Denver Metro Outpatient Clinic	0	0	0		
FTE	0.0	0.0	0.0		
General Fund	0	0	0		
SUBTOTAL - Outpatient Services	0	743,365	0		
FTE	<u>0.0</u>	<u>3.3</u>	<u>0.0</u>		
General Fund	0	743,365	0		

(H) Indirect Cost Assessment

Indirect Cost Assessment	<u>2,232,857</u>	<u>6,399,467</u>	<u>3,553,697</u>	<u>3,069,793</u>	<u>3,069,793</u> *
General Fund	0	0	0	0	0
Cash Funds	892,983	4,839,132	1,978,028	1,708,684	1,708,684
Reappropriated Funds	1,339,874	1,560,335	1,575,669	1,361,109	1,361,109
Federal Funds	0	0	0	0	0
SUBTOTAL - (H) Indirect Cost Assessment	2,232,857	6,399,467	3,553,697	3,069,793	3,069,793
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	0	0	0	0
Cash Funds	892,983	4,839,132	1,978,028	1,708,684	1,708,684
Reappropriated Funds	1,339,874	1,560,335	1,575,669	1,361,109	1,361,109
Federal Funds	0	0	0	0	0

TOTAL - (6) Office of Civil and Forensic Mental Health	245,999,722	321,356,593	315,105,750	339,632,905	320,269,583
FTE	<u>1,115.5</u>	<u>844.9</u>	<u>1,618.9</u>	<u>1,676.3</u>	<u>1,656.2</u>
General Fund	99,759,726	299,865,351	283,955,573	307,255,656	293,417,906
Cash Funds	133,955,874	7,569,194	8,928,063	16,502,809	9,110,037
Reappropriated Funds	12,269,370	13,907,195	22,222,114	15,874,440	17,741,640
Federal Funds	14,752	14,853	0	0	0

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
TOTAL - Department of Human Services	556,992,854	636,213,278	624,043,792	641,338,189	626,849,893
<i>FTE</i>	<u>1,242.2</u>	<u>982.5</u>	<u>1,786.4</u>	<u>1,839.8</u>	<u>1,819.7</u>
General Fund	242,446,139	450,654,521	433,400,062	450,473,855	440,564,094
Cash Funds	213,088,216	75,524,282	89,106,542	95,650,868	89,205,133
Reappropriated Funds	21,605,295	25,736,637	32,345,815	26,015,706	27,882,906
Federal Funds	79,853,204	84,297,838	69,191,373	69,197,760	69,197,760