

FY 2026-27 Budget Briefing Summary

Behavioral Health Administration

The Behavioral Health Administration (BHA) is responsible for the oversight of the state's public behavioral health system. The BHA's FY 2025-26 appropriation represents approximately 0.9 percent of statewide General Fund appropriations.

Summary of Request

Behavioral Health Administration

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
SB 25-206 (Long Bill)	\$311,874,172	\$155,938,795	\$76,649,002	\$10,122,721	\$69,163,654	170.5
Other legislation	-2,997,684	-6,494,306	3,496,622	0	0	-3.0
Total	\$308,876,488	\$149,444,489	\$80,145,624	\$10,122,721	\$69,163,654	167.5
FY 2026-27 Requested Appropriation						
FY 2025-26 Appropriation	\$308,876,488	\$149,444,489	\$80,145,624	\$10,122,721	\$69,163,654	167.5
R1 Reduce admin	-551,200	-551,200	0	0	0	-4.0
R2 Repeal safety net assist	-500,000	-500,000	0	0	0	0.0
R3 Reduce substance treatment	-3,000,000	-3,000,000	0	0	0	0.0
R4 Reduce care coordination	-250,000	-250,000	0	0	0	0.0
Statewide R6 Prior reduction options	-1,600,000	-1,600,000	0	0	0	0.0
Operating common policies	-446,119	0	-238,124	-7,098	-200,897	0.0
Prior year actions	-825,065	-325,090	-760,071	25,625	234,471	0.0
Total	\$301,704,104	\$143,218,199	\$79,147,429	\$10,141,248	\$69,197,228	163.5
Increase/-Decrease	-\$7,172,384	-\$6,226,290	-\$998,195	\$18,527	\$33,574	-4.0
Percentage Change	-2.3%	-4.2%	-1.2%	0.2%	0.0%	-2.4%

Changes are assumed to be ongoing unless otherwise noted.

R1 Reduce administration: The BHA asks to decrease funding for administrative costs that are duplicative of administrative requirements for BHASOs.

Year 1: The reduction is \$551,200 General Fund and 4.0 FTE.

The request eliminates four positions in the BHA to address duplication with BHASO requirements. The positions include one contract administrator, two care coordinators, and one engagement specialist. The reduction also includes an operating decrease of \$124,886 related to IT start-up costs for setting up the BHASO system that are no longer needed.

R2 Repeal safety net assistance [legislation]: The BHA asks for legislation to eliminate a statutorily required contract to provide technical assistance for safety net applications.

Year 1: The reduction is \$500,000 General Fund.

[House Bill 24-1045 \(SUD Treatment\)](#) required the BHA to contract with a third-party to provide technical assistance for safety net provider applications. The BHA contracted to support withdrawal management providers as an area of specialized need.

The request requires legislation to eliminate the contract requirement. The BHA is still required to provide technical assistance, and materials produced under the contract will remain available to applicants.

R3 Reduce substance treatment [legislation]: The BHA asks to eliminate the Building SUD Treatment Capacity Grant Program.

Year 1: The reduction is \$3.0 million General Fund.

The request notes a few concerns with the grant program, including:

- Funds are distributed at the time of the 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 the BHASOs.
- Awards are one-time capacity building grants that must be spent in two years. Awardees struggle to spend the full amount in the time provided due to workforce shortages or construction delays, particularly in rural areas.
- Awards are made by a board that the BHA struggles to fill because eligible members prefer to work on similar grants with larger awards.

The request uses \$3.0 million from the Marijuana Tax Cash Fund that supported the grant to refinance \$3.0 million General Fund for general substance use disorder (SUD) treatment. The BHA indicates that the purpose of the request is to maintain the most effective and flexible funding streams for direct treatment by identifying and reducing less effective programs. The BHA has indicated that this is a Promising request. The request components are detailed in the table below.

R3 Detail

Item	Total Funds	General Fund	Marijuana Tax Cash Fund
Repeal 19-1287 SUD grant	-\$3,000,000	\$0	-\$3,000,000
Refinance general SUD treatment	0	-3,000,000	3,000,000
Total	-\$3,000,000	-\$3,000,000	\$0

R4 Reduce care coordination: The BHA asks to reduce funding for the Care Coordination for Certified Individuals program.

Year 1: The reduction is \$250,000 General Fund.

[House Bill 22-1256 \(Modifications to Civil Involuntary Commitment\)](#) required the BHA to provide or contract for care coordination services to certified individuals. Certification is a civil court order for involuntary mental health treatment. The program was expected to serve 220 individuals annually, but only served 188 in FY 2024-25.

The request is a budget balancing reduction based on a reversion in the first full year of the program. The reduction is expected to align the appropriation with actual caseload and is not expected to impact access to services.

Statewide R6 Prior reduction options [legislation]: The Executive Branch asks for additional decreases as part of a statewide request.

Year 1: The reduction is \$1.6 million General Fund.

For the BHA, Statewide R6 includes legislation to repeal the Recovery Support Grant. The grant was created by S.B. 21-137 (Behavioral Health Recovery Act). Repeal of the grant was proposed during the staff briefing last year, but was not recommended during figure setting.

The grant supports programs that provide community for people in substance use recovery. This may include grants to non-profits that host sober events or sober community spaces. The BHA indicates that while community is essential to recovery when it is done in partnership with clinical treatment, preserving funding for clinical treatment is a higher priority for budget balancing. The reduction will impact access to recovery services.

Operating common policies: The request includes a net decrease of \$446,119 total funds for departmental indirect cost adjustments.

Prior year actions: The request includes a net decrease of \$825,065 total funds for the impact of prior year budget decisions and legislation.

Prior year actions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 25-26 Salary survey	\$552,939	\$196,876	\$155,043	\$17,304	\$183,716	0.0
FY 25-26 Step plan	167,848	20,153	88,619	8,321	50,755	0.0
SB 25-238 Repeal school BH screens	22,011	22,011	0	0	0	0.0
FY 25-26 BHA admin reduction	0	1,000,000	-1,000,000	0	0	0.0
HB 22-1238 Youth mental health	-1,250,000	-1,250,000	0	0	0	0.0
SB 24-117 Eating disorder treatment	-314,130	-314,130	0	0	0	0.0
FY 25-26 Behav health licensing	-3,733	0	-3,733	0	0	0.0
Total	-\$825,065	-\$325,090	-\$760,071	\$25,625	\$234,471	0.0

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

ARPA Spending Update: Multiple bills appropriated a total of \$296.0 million that originated from federal stimulus funds from the American Rescue Plan Act of 2021 (ARPA) to the Behavioral Health Administration (BHA). This issue brief provides the most recent expenditure data.

Budget Reduction Options: The Executive Budget Request includes reductions of \$5.9 million General Fund for the Behavioral Health Administration, representing 3.9 percent of the current General Fund appropriations in this section of the budget.¹ This issue brief reviews these proposals and additional options identified by staff.

Statewide Behavioral Health Funding: The General Assembly appropriates General Fund to multiple departments for behavioral health programs. This issue brief summarizes the coordination role of the BHA,

¹ Current FY 2025-26 appropriations do not include mid-year reductions in executive orders.

estimates behavioral health funding statewide, and discusses a proposal to restructure the BHA Long Bill section.

For More Information

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To read the entire briefing: Go to content.leg.colorado.gov/content/budget#budget-documents-section to use the budget document search tool. Select this department's name under Department/Topic, "Briefing" under Type, and select a Start date and End date to show documents released in November and December of 2025.