



Fiscal Note

Legislative Council Staff

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HB 25-1132: MILITARY FAMILY BEHAVIORAL HEALTH GRANT PROGRAM

Prime Sponsors:

Rep. Camacho; Stewart R.
Sen. Hinrichsen; Bridges

Fiscal Analyst:

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Bill Outcome: Signed into Law**Drafting number:** LLS 25-0479**Version:** Final Fiscal Note**Date:** June 2, 2025**Fiscal note status:** The final fiscal note reflects the enacted bill.

Summary Information

Overview. The bill shifts funding for veterans' mental health services to a new grant program in the Behavioral Health Administration.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- Minimal State Expenditures

Appropriations. For FY 2025-26, the bill requires and includes a reduction of \$5 million of reappropriated funds from the Behavioral Health Administration to the Department of Military and Veterans Affairs.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures (No Net Change) ¹	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

¹ The bill reduces expenditures in the Department of Military and Veterans Affairs and increases spending in the Behavioral Health Administration, resulting in no net change in state expenditures. See change by departments in Table 2.

Summary of Legislation

The bill repeals and reenacts the Veterans Mental Health Services Program in the Department of Military and Veterans Affairs (DMVA). Currently the program directly reimburses for mental health services provided to eligible veterans living in community living centers. The bill allows reimbursements for services that are complementary to mental health services such as acupuncture and massage and requires the first \$600,000 appropriated to the program to be for eligible veterans.

In addition to direct provider reimbursements, the bill allows the program to provide grants to nonprofit organizations to establish and expand community behavioral health programs for service members, veterans, and their families. The bill requires the Behavioral Health Administration (BHA) to award grants, outlines who is eligible to receive grants, what nonprofits must demonstrate when applying for a grant, and how to prioritize applicants.

Background

In November 2024, voters passed Proposition KK which created a new tax on firearms, firearm parts, and ammunition. Currently, the first \$30 million in excise tax revenue is transferred from the Firearms and Ammunition Excise Tax Cash Fund to fund victim services and then the next \$5.0 million is transferred to the Behavioral and Mental Health Cash Fund for use to expand the Veterans Mental Health Services program in the DMVA. Based on the [fiscal note for House Bill 24-1349](#), transfers to the Behavioral and Mental Health Cash Fund are projected to begin in FY 2025-26. The Veterans Mental Health Services Program in the DMVA was created by [House Bill 23-1088](#) and receives a General Fund appropriation of \$660,000 in FY 2024-25.

Assumption

Because the bill requires the BHA to grant money to nonprofit organizations, the fiscal note assumes that the money from Proposition KK should be appropriated for use by the BHA, rather than to the DMVA. Currently, Proposition KK money is appropriated to the BHA and then reappropriated to the DMVA. The fiscal note also assumes all \$5.0 million will go towards this new grant program, as current General Fund appropriations to the Veterans Mental Health Services Program in the DMVA already meet the requirements in statute and in the bill for the General Assembly to appropriate at least \$600,000 for the program.

State Expenditures

While the bill shifts \$5 million in spending between state agencies and programs, it results in no net change in state expenditures. The bill decreases expenditure in the DMVA by \$5 million and increases spending in the BHA to administer the new grant program by the same amount. This shift in spending is shown in Table 2 and described below. Costs for both programs are paid from the Behavioral and Mental Health Cash Fund. Should excise tax revenue not be sufficient to fully fund the transfer to the Behavioral and Mental Health Cash Fund, the Veterans Mental Health Services Program in the DMVA is first in line for funding, followed by the new grant program in the BHA.

Table 2
State Expenditures
All Departments

Department	Budget Year FY 2025-26	Out Year FY 2026-27
Department of Military and Veterans Affairs	-\$5,000,000	-\$5,000,000
Behavioral Health Administration	\$5,000,000	\$5,000,000
Total Costs	\$0	\$0

Department of Military Affairs

Under current law, the Veterans Mental Health Services Program in the DMVA will receive an additional \$5.0 million in FY 2025-26, on top of the \$660,000 General Fund currently appropriated to the program in FY 2024-25 and which is assumed to continue for FY 2025-26. This bill reduces spending by the DMVA by \$5 million.

Behavioral Health Administration

Expenditures will increase by \$5 million in the BHA to distribute grants to local nonprofits that provide mental health services to veterans and their families. The fiscal note assumes any administrative expenses in BHA can be covered using the funding provided, but that overall any administrative effort is minimal and most or all of the \$5 million will go toward grants.

Effective Date

The bill was signed into law by the Governor on May 1, 2025, and takes effect on August 6, 2025, assuming no referendum petition is filed.

State Appropriations

For FY 2025-26, the bill requires and includes a reduction of \$5 million in reappropriated funds from the Behavioral Health Administration to the Department of Veterans and Military Affairs for the Veterans Mental Health Services Program. This reappropriation originates from the Behavioral and Mental Health Cash Fund. This fund is continuously appropriated to the Behavioral Health Administration, so no other adjustment in annual appropriations is required.

State and Local Government Contacts

Behavioral Health Administration

Military and Veterans Affairs

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).