



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

**REVISED  
FISCAL NOTE**

(replaces fiscal note dated March 12, 2018)

|                         |                                     |                        |   |
|-------------------------|-------------------------------------|------------------------|---|
| <b>Drafting Number:</b> | LLS 18-0255                         | <b>Date:</b>           | April 13, 2018  |
| <b>Prime Sponsors:</b>  | Rep. Pettersen<br>Sen. Priola; Jahn | <b>Bill Status:</b>    | House Appropriations  |
|                         |                                     | <b>Fiscal Analyst:</b> | Bill Zepernick   303-866-4777<br>Bill.Zepernick@state.co.us |

**Bill Topic:** OPIOID MISUSE PREVENTION

**Summary of Fiscal Impact:**

|   |  |
|---|--|
| <input type="checkbox"/> State Revenue                | <input type="checkbox"/> TABOR Refund                |
| <input checked="" type="checkbox"/> State Expenditure | <input checked="" type="checkbox"/> Local Government |
| <input type="checkbox"/> State Transfer               | <input type="checkbox"/> Statutory Public Entity     |

The bill continues the Opioid and Other Substance Use Disorders Interim Study Committee for two years and allocates marijuana tax revenue to various substance use prevention efforts. It will increase state expenditures through a mix of one-time costs, costs continuing through FY 2020-21, and ongoing costs.

**Appropriation Summary:** For FY 2018-19, the bill requires appropriations of \$3.8 million to multiple state agencies.

**Fiscal Note Status:** The revised fiscal note reflects the introduced bill, as amended by the House Public Health Care and Human Services Committee. The bill was originally recommended by the Opioid and Other Substance Use Disorders Interim Study Committee.

**Table 1  
State Fiscal Impacts Under HB 18-1003**

|                     |                        | <b>FY 2018-19</b>  | <b>FY 2019-20</b> |
|---------------------|------------------------|--------------------|-------------------|
| <b>Revenue</b>      |                        | -                  | -                 |
| <b>Expenditures</b> | General Fund           | \$39,249           | \$39,249          |
|                     | Cash Funds             | \$3,790,928*       | \$586,225         |
|                     | Centrally Appropriated | \$12,977           | \$12,977          |
| <b>Total</b>        |                        | <b>\$3,843,154</b> | <b>\$638,451</b>  |
| <b>Total FTE</b>    |                        | <b>0.9 FTE</b>     | <b>0.9 FTE</b>    |
| <b>Transfers</b>    |                        | -                  | -                 |

\* This amount includes \$1.5 million for deposit into a cash fund for distribution as youth prevention grants across three fiscal years. Future year cash fund expenditures for these grants are excluded to avoid double counting. See State Expenditures section for more detail.

### **Summary of Legislation**

This bill implements several policies related to the prevention of opioid and substance misuse, including:

- establishing the 10-member Opioid and Other Substance Use Disorders Study Committee as an ongoing, year-round study committee through July 1, 2020, with the committee authorized to meet up to six times and to refer up to six bills per year;
- clarifying that school-based health centers that apply for grants from the grant program from the Department of Public Health and Environment (CDPHE) can use this funding for education, intervention, and prevention for opioid, alcohol, marijuana, and other substance use disorders, and requiring that \$775,000 from the Marijuana Tax Cash Fund be appropriated in FY 2018-19 for school-based behavioral health services;
- directing the Department of Health Care Policy and Financing (HCPF) to make grants to organizations to operate screening, brief intervention, and referral to treatment (SBIRT) programs that meet certain requirements starting on July 1, 2018, and requiring that a total of \$1,250,000 in grants be awarded;
- requiring HCPF to contract for an online patient education module for women of childbearing age to learn about the risks of substance-exposed pregnancies and requiring that \$175,000 from the Marijuana Tax Cash Fund be appropriated for this purpose;
- creating the Youth Opioid and Substance Use Prevention Pilot Program in the Department of Human Services as part of the Tony Grampsas Youth Services Program, specifying that grants be awarded to up to five geographically diverse organizations around the state, and outlining the evaluation and administrative requirements of the grant program, including providing a report to the General Assembly on the progress and performance metrics of the pilot program by January 1, 2021;
- directing the Center for Research into Substance Use Disorder Prevention, Treatment, and Recovery Support Strategies at the University of Colorado Health Sciences Center to develop and implement continuing medical education activities to help prescribers of pain medication to safely and effectively manage patients with chronic pain, and prescribe opioids when appropriate, requiring the center to develop education and training for law enforcement officers and first responders concerning the use of opioid antagonists, and requiring that \$750,000 from the Marijuana Tax Cash Fund be appropriated for these purposes in FY 2018-19; and
- requiring the Governor to direct the Colorado Consortium for Prescription Drug Abuse Prevention to develop a strategic plan concerning substance use recovery services and issue recommendations to the General Assembly in several areas by January 1, 2020.

**State Expenditures**

On net, this bill increases state expenditures by \$3.8 million in FY 2018-19 and reduces expenditures by \$638,451 in FY 2019-20 and future years. Staffing is increased by 0.9 FTE in both years. These costs are paid primarily from the Marijuana Tax Cash Fund, but with Legislative Department costs paid from the General Fund. These costs are summarized in Table 2 and discussed below.

**Table 2  
 Expenditures Under HB 18-1003**

|  | <b>FY 2018-19</b>  | <b>FY 2019-20</b>  |
|--|--------------------|--------------------|
| <b>Dept. of Health Care Policy and Financing</b> |                    |                    |
| Training Module                                  | \$175,000          | -                  |
| SBIRT Grants                                     | \$500,000          | \$500,000          |
| <b>HCPF Subtotal</b>                             | <b>\$675,000</b>   | <b>\$500,000</b>   |
| <b>Department of Human Services</b>              |                    |                    |
| Personal Services                                | \$34,250           | \$34,250           |
| Operating Expenses and Capital Outlay Costs      | \$5,178            | \$475              |
| Youth Prevention Grants*                         | \$1,500,000        | -                  |
| Evaluation                                       | \$50,000           | \$50,000           |
| Travel   | \$1,500            | \$1,500            |
| Centrally Appropriated Costs**                   | \$6,922            | \$6,922            |
| FTE – Personal Services                          | 0.5 FTE            | 0.5 FTE            |
| <b>DHS Subtotal</b>                              | <b>\$1,597,850</b> | <b>\$93,147</b>    |
| <b>Legislative Department</b>                    |                    |                    |
| Personal Services                                | \$26,139           | \$26,139           |
| Member Per Diem and Reimbursement                | \$13,110           | \$13,110           |
| Centrally Appropriated Costs*                    | \$6,055            | \$6,055            |
| FTE – Personal Services                          | 0.4 FTE            | 0.4 FTE            |
| <b>Legislative Subtotal</b>                      | <b>\$45,304</b>    | <b>\$45,304</b>    |
| <b>Other Grants</b>                              |                    |                    |
| School-Based Health Clinic Grants (CDPHE)        | \$775,000          | -                  |
| Research Grants (CDHE)                           | \$750,000          | -                  |
| <b>Other Grants Subtotal</b>                     | <b>\$1,525,000</b> | <b>-</b>           |
| <b>Total Cost</b>                                | <b>\$3,843,154</b> | <b>\$638,451</b>   |
| <b>Total FTE</b>                                 | <b>0.9 FTE</b>     | <b>0.9 FTE FTE</b> |

\* This amount represents the full amount to fund three years of grants. Cash fund expenditures for these grants in future years are excluded to avoid double counting. The General Assembly may also opt to appropriate funding for grants on an annual basis (\$500,000 per year) or to fund grants at a different level.

\*\* Centrally appropriated costs are not included in the bill's appropriation.

**Department of Health Care Policy and Financing.** HCPF will have costs in two areas. First, it will be required to contract for the development of a training module on substance-exposed pregnancies. The bill requires an appropriation of \$175,000 for this purpose. This is a one-time expense. Second, the bill requires that HCPF provide \$1.25 million in SBIRT grants on or after July 1, 2018. Currently, the department receives an annual appropriation of \$750,000 for SBIRT grants. Therefore, to meet the requirement of the bill, HCPF requires an additional \$500,000 in funding in FY 2018-19, paid from the Marijuana Tax Cash Fund. The fiscal note assumes this funding will continue in future years.

**Department of Human Services.** The DHS will have increased costs to provide youth prevention grants to up to five organizations starting in FY 2018-19, and to administer and evaluate these grants, as discussed below.

*Grant awards.* The fiscal note assumes that the DHS will provide grants of \$100,000 per year to five organizations during the three-year pilot program. This will increase costs by \$500,000 per year, paid from the newly created Youth Opioid and Substance Use Prevention Fund. Assuming the General Assembly appropriates money to the fund to cover the costs for the three-year pilot, costs in FY 2018-19 will be \$1.5 million. It is assumed that Marijuana Tax Cash Fund, if available, can be used to fund the prevention grants. While the fiscal note provides an estimate for the grant amounts, the General Assembly has discretion when setting the funding amount for grants under the bill. A smaller appropriation will result in smaller or fewer grant awards. If Marijuana Tax Cash Fund moneys are deposited into the Youth Opioid and Substance Use Prevention Fund to fund grants, the DHS will require an annual appropriation from the cash fund.

*Administration and evaluation.* The DHS requires 0.5 FTE to administer the pilot program. This staff will design the application process, award grants, manage contracts with grantees and evaluators, and provide oversight to the program. Personal services, operating, capital, and travel costs for this staff are shown in Table 2 above. The DHS will also have costs of \$50,000 for a contract evaluator to work with grantees on data collection and to conduct an evaluation of the pilot program. It is assumed that the contract evaluator will provide results for inclusion in the final report on the pilot program prepared by the DHS in FY 2020-2021. As described in the Technical Note section, the DHS is limited to spending two percent of money deposited into the Youth Opioid and Substance Use Prevention Fund for administration. Because anticipated administrative costs are higher than this amount, it is assumed that a direct appropriation to the DHS from the Marijuana Tax Cash Fund is required to pay for these costs.

**Legislative Department.** By extending the Opioid and Other Substance Use Disorders Study Committee for two years, Legislative Council Staff and the Office of Legislative Legal Services will have increased costs for staffing, and per diem and expense payments to legislators. These costs, which continue for two fiscal years, are shown in Table 2 and are based on the committee meeting six times per calendar year, with all 10 legislators receiving \$218.50 in per diem and expense reimbursement per meeting. It is assumed that the committee will start meeting on July 1, 2018. Legislative Council Staff will also have increased workload to prepare the final reports of the committee and to prepare fiscal notes for any bills requested.

**Other grants.** For FY 2018-19 only, the bill requires that \$775,000 be appropriated to the CDPHE for grants to school-based health clinics and that \$750,000 be appropriated for a research institution at the University of Colorado to develop and provide continuing medical education activities and law enforcement training. It is assumed that the research center will continue to provide education and training within existing appropriations and revenue streams in future years once the initial \$750,000 has been spent.

**Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$12,977 in both FY 2018-19 and FY 2019-20.

### **Local Government**

The bill clarifies the scope of behavioral health treatment in school-based health clinics and provides grant funding through the CDPHE. To the extent school-based health clinics operated by school districts or other local entities choose to seek grant funding and provide additional services, local revenue and costs will increase.

### **Technical Note**

The bill limits administrative funding for the Youth Opioid and Substance Use Prevention Grant Pilot Program to two percent of the amount deposited into the program's cash fund. This amount is insufficient to cover the costs of administering and evaluating the grant pilot program. Therefore, the fiscal note assumes that these costs will be funded through direct appropriations from either the Marijuana Tax Cash Fund or the General Fund. If this limitation is removed from the bill, administrative and evaluation expenses can be paid from the Youth Opioid and Substance Use Prevention Fund, rather than from separate appropriations. Also, while the bill specifies that funds should be deposited into the Youth Opioid and Substance Use Prevention Fund to pay for the costs of the program, continuous spending authority is not specifically granted to the DHS from the fund. Therefore, annual appropriations from the cash fund are required, even if money for all three years are placed into the fund in the first year.

### **Effective Date**

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

### **State Appropriations**

For FY 2018-19, the bill requires the following appropriations from the Marijuana Tax Cash Fund:

- \$775,000 to the CDPHE for school-based health clinic grants;
- \$750,000 to the University of Colorado System in the Department of Higher Education;
- \$500,000 to HCPF for SBIRT grants;
- \$175,000 to HCPF for contractor services;
- \$90,928 and 0.5 FTE to the DHS for administrative expenses of the Youth Opioid and Substance Use Prevention Grant Pilot Program; and
- \$1,500,000 for deposit into the Youth Opioid and Substance Use Prevention Fund.

For FY 2018-19, the bill requires an appropriation of up to \$500,000 from the Youth Opioid and Substance Use Prevention Fund to the DHS for grants.

For FY 2018-19, the bill requires General Fund appropriations of \$39,249 to the Legislative Department as follows:

- \$18,414 and 0.3 FTE to Legislative Council Staff;
- \$7,725 and 0.1 FTE to the Office of Legislative Legal Services; and
- \$13,110 to the General Assembly for member reimbursement and per diem.

**State and Local Government Contacts**

Education  
Higher Education  
Information Technology  
Public Health and Environment  
School Districts

Health Care Policy and Financing  
Human Services  
Legislature  
Regulatory Agencies