



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

HB 18-1172

**FINAL
FISCAL NOTE**

Drafting Number:	LLS 18-0855	Date:	May 17, 2018
Prime Sponsors:	Rep. Young Sen. Lambert	Bill Status:	Signed into Law
		Fiscal Analyst:	Kerry White 303-866-3469 Kerry.White@state.co.us

Bill Topic: MONEY ALLOCATED TO DESIGNATED MANAGED SERVICE ORG

Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill clarifies how marijuana tax cash fund moneys may be used by managed service organizations and the Department of Human Services for substance use disorder services. It may shift the timing and amount of state expenditures, but does not change appropriations.

**Appropriation
Summary:** No appropriation is required.

**Fiscal Note
Status:** The fiscal note reflects the enacted bill.

Summary of Legislation

This bill clarifies that Marijuana Tax Cash Fund (MTCF) funds can be used to fund start up and other necessary costs to expand the delivery of substance use disorder services. It also allows a managed service organization (MSO) or the Department of Human Services (DHS) to carry forward allocated, but unexpended, appropriations into the next fiscal year. After the second fiscal year, any unexpended appropriations to a MSO must be returned to the DHS. The bill clarifies existing reporting requirements related to substance use disorder services and requires the DHS to include information about these efforts in its annual SMART Act hearing.

Background

In 2016, the General Assembly enacted Senate Bill 16-202 to expand access to substance use disorder services. That bill required each MSO to assess the sufficiency of substance use disorder services for various populations in its geographic region, and to prepare a community action plan to address the most critical service gaps by March 1, 2017. It also allowed appropriations from the MTCF to support the implementation of MSO community action plans and to provide substance abuse treatment. Each community action plan was required to outline the MSO's plan for using this funding to provide substance use treatment in critical areas.

For FY 2016-17, the Department of Human Services disbursed a total of \$5,823,632 to MSOs. At the end of that fiscal year, \$671,508 was required to be returned as unspent.

State Expenditures

The bill does not affect appropriations, but it shifts the timing of, and may increase expenditures of existing appropriations for substance use disorder services. The bill permits a MSO to spend its annual allocation from the MTCF over a two-year period, rather than a one-year period. This change will likely result in funds being used rather than returned to the MTCF as unexpended at the end of the fiscal year.

The bill also requires the DHS to include information about substance use disorder services in its annual SMART Act hearing. This analysis assumes that any increase in workload is minimal.

Effective Date

The bill was signed into law by the Governor and took effect on April 9, 2018.

State and Local Government Contacts

Human Services