

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING TREATMENT OF INDIVIDUALS WITH SUBSTANCE USE DISORDERS WHO COME INTO CONTACT WITH THE CRIMINAL JUSTICE SYSTEM, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Sens. Priola and Pettersen
Reps. Kennedy and Singer

JBC Analyst: Carolyn Kampman
Phone: 303-866-4959
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Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/16/19.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

The Senate Appropriations Committee Report (04/19/19), which was adopted on Second Reading (04/23/19), added an appropriation clause to the bill that is described below. Legislative Council Staff and JBC Staff agree that this amendment does not change the fiscal impact of the bill.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.002	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation

Current Appropriations Clause in Bill

The bill includes an appropriation clause that is consistent with the attached Revised Fiscal Note. This provision appropriates a total of \$4,296,882 General Fund and 4.9 FTE for FY 2019-20 for various departments as detailed in the following table. In addition, the clause provides \$1,800,000 reappropriated funds spending authority to the Department of Public Health and Environment from the Harm Prevention Grant Program Cash Fund in FY 2019-20.

Appropriations in Reengrossed Bill			
Department	General Fund	Reappropriated Funds	FTE
<u>Human Services</u>			
Personal Services	\$58,412		0.7
Operating Expenses	5,368		
Treatment and Detoxification Programs (Medication-Assisted Treatment in County Jails)	735,000		
Criminal Justice Diversion Programs (Co-Responder Program Expansion)	1,165,052		0.8
Subtotal - Human Services	1,963,832		1.5
<u>Corrections</u>			
Medical Services Subprogram			
Personal Services	370,492		1.6
Operating Expenses	900		
Start-up Costs	9,406		
Purchase of Pharmaceuticals	111,142		
Communications Subprogram			
Operating Expenses	810		
Subtotal - Corrections	492,750		1.6
<u>Public Health and Environment</u>			
Harm Reduction Grant Program	1,800,000	1,800,000	1.8
<u>Public Safety</u>			
DCJ Administrative Services (Substance Use Disorders in Criminal Justice System Study)	40,300		
TOTAL	\$4,296,882	\$1,800,000	4.9

Description of Amendments in This Packet

J.002 Bill Sponsor amendment **J.002** (attached) modifies the appropriation clause in the bill to change the source of funds supporting the appropriation of \$1.8 million to the Department of Public Health and Environment for the Harm Reduction Grant Program. Rather than making this appropriation from the General Fund, this amendment makes it a cash funds appropriation from the Marijuana Tax Cash Fund. This amendment thus reduces the General Fund appropriation for FY 2019-20 to \$2,496,882. It is staff's understanding that the \$1.8 million cash funds appropriation is intended to be a one-time appropriation for FY 2019-20.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2019-20 based on the March 2019 Legislative Council Staff revenue forecast. The budget package leaves approximately \$47.9 million General Fund unallocated. Thus, the General Assembly could appropriate up to \$44.7 million General Fund to fund 2019 legislation and maintain a 7.25 percent General Fund reserve. This bill requires a General Fund appropriation of \$4,296,882 for FY 2019-20, reducing the excess General Fund reserve by \$4,608,406. [With Sponsor Amendment J.002, the General Fund appropriation for FY 2019-20 is \$2,496,882, reducing the excess General Fund reserve by \$2,677,906.]

SB19-008

JBC Staff Analysis

Revenue Source

Is it necessary to appropriate General Fund [or money in the Marijuana Tax Cash Fund if J.002 is adopted] to a newly created cash fund rather than directly appropriating General Fund for the Harm Reduction Grant Program? This funding method complicates the budget process, making it more difficult to identify programs and services that are supported by the General Fund.

Revenue Source/ Related Budget Information

A total of \$158.9 million is projected to be available in the Marijuana Tax Cash Fund for appropriation in FY 2019-20, based on the March 2019 Legislative Council Staff revenue forecast. As detailed below, the FY 2019-20 budget package introduced by the Joint Budget Committee, as amended by General Assembly action on the Long Bill, leaves \$28.1 million available.

Total funds projected to be available for FY 2019-20	\$ 158,948,672
Less: Long Bill (S.B. 19-207) appropriations	(130,043,950)
Less: Transfers in/(out) under current law and S.B. 19-213	<u>(803,348)</u>
Funds remaining available	\$ 28,101,374