



Colorado General Assembly
Joint Budget Committee

Joint Budget Committee Staff

FY 2014-15 Budget Briefing Summary

Department of Public Health and Environment

The Department of is responsible for protecting and improving the health of the people of Colorado and ensuring the quality of Colorado's environment. The Department's FY 2013-14 appropriation represents 2.3 percent of statewide operating appropriations and 0.7 percent of statewide General Fund appropriations.

FY 2013-14 Appropriation and FY 2014-15 Request

Department of Public Health and Environment						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$527,884,495	\$39,423,458	\$166,674,257	\$29,677,710	\$292,109,070	1,239.6
HB 13-1117	(19,904,563)	(1,453,849)	(17,602,514)	0	(848,200)	(7.5)
HB 13-1191	15,000,000	15,000,000	0	0	0	0.0
Other legislation	<u>1,098,400</u>	<u>433,138</u>	<u>665,262</u>	<u>0</u>	<u>0</u>	<u>9.2</u>
TOTAL	\$524,078,332	\$53,402,747	\$149,737,005	\$29,677,710	\$291,260,870	1,241.3
FY 2014-15 Requested Appropriation						
FY 2013-14 Appropriation	\$524,078,332	\$53,402,747	\$149,737,005	\$29,677,710	\$291,260,870	1,241.3
R1 Marijuana research studies	7,084,656	0	7,084,656	0	0	1.0
R2 Water infrastructure	12,000,000	12,000,000	0	0	0	1.0
R3 Risk based contract monitoring	69,452	0	0	69,452	0	1.0
Non-prioritized requested changes	634,947	0	25,000	599,220	10,727	0.0
Centrally appropriated line items	11,650,162	315,828	1,979,078	562,755	8,792,501	0.0
Base adjustments	0	0	50,000	0	(50,000)	(0.0)
Annualize prior year legislation	(14,816,735)	(14,959,518)	142,783	0	0	(3.4)
Annualize prior year budget actions	(224,241)	(310,035)	(598,854)	680,925	3,723	1.4
Statewide IT common policy adjustments	<u>(68,726)</u>	<u>(237,424)</u>	<u>(872,692)</u>	<u>2,820,258</u>	<u>(1,778,868)</u>	<u>0.0</u>
TOTAL	\$540,407,847	\$50,211,598	\$157,546,976	\$34,410,320	\$298,238,953	1,242.3
Increase/(Decrease)	\$16,329,515	(\$3,191,149)	\$7,809,971	\$4,732,610	\$6,978,083	1.0
Percentage Change	3.1%	(6.0%)	5.2%	15.9%	2.4%	0.1%

The request also includes the payback of three cash funds from which transfers were made to the General Fund during FY 2008-09 and FY 2009-10. The three Department cash funds are the Recycling Resources Economic Opportunity Fund, the Waste Tire Cleanup Fund, and the Hazardous Substance Response Fund.

Summary of Issues Presented to the Joint Budget Committee

Issue #1 Medical Marijuana Registry: The statutory implementation of Amendment 64 charged the Department with monitoring the effects of marijuana but did not affect the Medical Marijuana Registry. The Medical Marijuana Registry is operated by the Department of Public Health and Environment and is funded by a fee on new and renewal applications for the Medical Marijuana Registry card. The fee is credited to the Medical Marijuana Cash Fund which is projected to have an excess fund balance of \$13.8 million in FY 2013-14. The size of the balance was an audit concern voiced by the State Auditor during the July 2013 presentation of the audit on the Medical Marijuana Program. In order to partially address the excessive balance, the Department has requested spending authority for \$7.0 million cash funds from the Medical Marijuana Cash Fund in FY 2014-15 to support research projects that will study the effects of medical marijuana. The State Board of Health will consider revisions to the application fee at the December 18, 2013 meeting as another mechanism to address the size of the balance.

Issue #2 State Laboratory: The Department temporarily suspended blood-drug and blood-alcohol testing by the Toxicology Unit of the State Laboratory in July 2013. After internal department reviews and an audit by the Association of Public Health Laboratories, the Department decided to not reopen the Toxicology Unit in November 2013. The permanent closure of the Toxicology Unit impacts law enforcement agencies that purchase the blood test kits and the district attorney and public defenders that rely on expert testimony to describes what the testing results mean. Due to increased legal expenses, and a lack of revenue from testing fees, the State Laboratory will require additional General Fund for existing expenses related to the Toxicology Unit.

Issue #3 Water Quality Control Division: The current structure of cash fees for the Water Quality Control Division is inflexible and prohibits the ability of the Division to charge fees at a sufficient level to support specific activities of the Division which would otherwise be cash funded. For FY 2013-14 the General Assembly approved funding for 16.0 additional FTE to enable the Division to progress towards a staffing level sufficient to meet the workload demands. Due to the limitations of the Division's ability to set fees, all 16.0 FTE were funded with General Fund. If the General Assembly had granted the Water Quality Control Commission with fee setting authority, 10.0 FTE would have been funded with cash funds once the fees were established.

Issue #4 Waste Tires: The Waste Tire Program has undergone numerous changes over the past ten years, with the most significant change occurring in 2010 via H.B. 10-1018 which consolidated all components of the Waste Tire Program in the Department. After three years of administering the Waste Tire Program it has become evident that there remains a need for statutory changes to enable the Program to operate in an efficient manner.

Issue #5 Medical Inflation: The Department purchases medical supplies for a number of programs including the chemistry and microbiology units of the State Laboratory, test kits for the Tuberculosis Control and Treatment Program, and pharmaceuticals for programs administered by the Disease Control and Environmental Epidemiology Division. The Department has not received a medical inflation increase since FY 2002-03 to enable the funding available for medical supply purchases to increase commensurate with the increasing cost of supplies.

Issue #6 Implementation of Recent Legislation: There have been a number of bills passed by the General Assembly over the past two sessions which have created new programs or increased the responsibilities of existing Department programs. This issue presents a summary of the bills, requirements not yet implemented, any fiscal issues, and additional considerations which may impact the ability of the Department to implement the legislation.

Issue #7 Update on Funding Increases from FY 2013-14: The General Assembly provided a number of funding increases to the Department of Public Health and Environment through the FY 2013-14 Long Bill including an additional \$4.3 million for school-based health centers, an additional \$50,000 for a grants management system, and additional funding for the treatment side of the Breast and Cervical Cancer Program. This issue provides a brief update on how those additional funds are being used and what, if any, issues exist with expending all of the funding.

For More Information

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To read the entire briefing: http://www.tornado.state.co.us/gov_dir/leg_dir/jbc/2013-14/pubheabrf.pdf