

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING BEHAVIORAL HEALTH SUPPORTS FOR HIGH-RISK FAMILIES, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Reps. Herod and Pelton
Senator Garcia

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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 03/12/19.

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 House Appropriations Committee Report (04/16/19), which was adopted by the House on Second Reading, adds an appropriation clause that is consistent with the Fiscal Note.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
None	

Current Appropriations Clause in Bill

The bill includes a provision that appropriates \$500,000 General Fund to the Department of Human Services (DHS) for FY 2019-20 for the Child Care Services and Substance Use Disorder Treatment Pilot Program. This provision also states that the appropriation is based on the assumption that DHS will require an additional 0.6 FTE.

Points to Consider

General Fund Impact

1. 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 \$500,000 for FY 2019-20, reducing the excess General Fund reserve by \$536,250.

Technical Issues

- The bill requires the State Treasurer to transfer to the newly created High-risk Families Cash Fund, "any money appropriated by the General Assembly" for certain programs that remains "unexpended and unencumbered" at the end of the fiscal year [see page 9 of the reengrossed bill, line 22, through page 10, line 17]. The bill states that, "Such money does not revert to the *General Fund*" (emphasis added). As detailed in the following table, appropriations to DHS for the specified programs consist of three different sources of funds, and only one program is supported by a direct General Fund appropriation. **Does the General Assembly intend for this provision to apply to all sources of State funds appropriated for these programs?**

EXISTING APPROPRIATIONS REFERENCED IN SECTION 8, SUBSECTION (3) OF H.B. 19-1193				
PROGRAM	FY 2018-19 APPROPRIATIONS			
	GENERAL FUND	CASH FUNDS (MARIJUANA TAX CASH FUND)	REAPPROPRIATED FUNDS (MEDICAID FUNDS TRANSFERRED FROM HCPF)	TOTAL FUNDS
(3)(a): Children and Youth Mental Health Treatment Act	\$2,480,818	\$407,247	\$126,610	\$3,014,675
(3)(a): Treatment of Pregnant Women (the Fiscal Note assumes that this is referring to the "High Risk Pregnant Women Program")	0	0	1,838,654	1,838,654
(3)(b): Increasing Access to Effective Substance Use Disorder Services (SB 16-202)	0	15,204,950	0	15,204,950
TOTAL	\$2,480,818	\$15,612,197	\$1,965,264	\$20,058,279

In addition, the Medicaid funds that are transferred to DHS to support two of the programs consist of 50 percent federal Medicaid funds and 50 percent General Fund:

- The General Assembly may not appropriate these federal funds, and HCPF may only use federal Medicaid funds for Medicaid-eligible clients and covered services. Thus, the attached Fiscal Note assumes this provision does not apply to the federal funds.
- The matching General Fund appropriation to HCPF is restricted by the "(M)" notation in the general appropriations bill, which requires the General Fund and federal funds to be expended proportionally. Thus, if the full amount that is appropriated for a program is not expended, the General Fund appropriation is reduced to the amount needed to match the federal funds and there are no "unexpended and unencumbered" funds. If this bill passes, the State Controller's Office will need to determine whether this statutory provision essentially overrides the "(M)" notation requirement.

Timing Issue

- The attached Fiscal Note indicates that diversion of state funds that would otherwise revert to the General Fund or the Marijuana Tax Cash Fund to the newly created High-risk Families Cash Fund will begin in FY 2019-20. However, if the bill is enacted before June 30, 2019, the provisions related to these diversions will apply to FY 2018-19 appropriations.