

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING CHANGING THE PENALTY FOR CERTAIN VIOLATIONS PURSUANT TO THE "UNIFORM CONTROLLED SUBSTANCES ACT OF 2013".

Prime Sponsors: Reps. Herod and Sandridge
Sens. Marble and Lee

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Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/02/19.

	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
XXX	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
XXX	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 Judiciary Committee Report (04/02/19) and the House Finance Committee Report (04/08/19) include amendments to the bill. While Legislative Council Staff and JBC Staff agree that the committee amendments do not change the fiscal impact of the bill for FY 2019-20, these amendments will have a fiscal impact in future fiscal years likely leading to a General Fund reduction in prison and parole costs. However, the magnitude of this reduction has not been determined as of the date of this analysis.

In addition, the Finance Committee Report creates a new Community Substance Use and Mental Health Services Grant Program to be administered by the Department of Local Affairs. This new program will be supported by a new cash fund that will consist of "money that the General Assembly may appropriate or transfer to the [newly created] fund". The size of this grant program and the General Fund appropriation that will be required for the implementation of this program has not yet been estimated.

Finally, please note that page one of the attached Fiscal Note incorrectly indicates that the number of Judicial Department FTE will decrease by 7.6 FTE in FY 2019-20. This reduction is actually 3.2 FTE, as indicated on page seven of the Fiscal Note.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001 Staff has prepared amendment **J.001** (attached) to add a provision appropriating \$350,000 General Fund to the Judicial Department in FY 2019-20 for the County Court Drug Court Grant Program. This provision also reduces by \$297,370 General Fund appropriations to the Judicial Department in FY 2019-20 for trial court programs, and states that this reduction is based on the assumption that the Department will require a reduction of 3.2 FTE.

This amendment does not include statutory appropriations or transfers for future fiscal years as outlined in Table 3 on page six of the attached Fiscal Note, as the fiscal impact of the Judiciary Committee Report has not yet been determined. In addition, the amendment does not include any appropriations related to the Community Substance Use and Mental Health Services Grant Program created in the Finance Committee Report.

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 \$65.2 million General Fund unallocated. Thus, the General Assembly could appropriate up to \$60.8 million General Fund to fund 2019 legislation and maintain a 7.25 percent General Fund reserve. This bill requires a net increase in General Fund appropriations of \$52,630 for FY 2019-20, reducing the excess General Fund reserve by \$56,446.