

**UPDATED JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING WHOLESALE IMPORTATION OF PRESCRIPTION PHARMACEUTICAL PRODUCTS FROM CANADA FOR RESALE TO COLORADO RESIDENTS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Sens. Rodriguez and Ginal
Representative Jaquez Lewis

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Date Prepared: April 30, 2019

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 04/25/19.

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

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.003	Staff-prepared appropriation amendment
L.024/J.004	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation

Current Appropriations Clause in Bill

The bill includes an appropriation clause that provides \$1,361,217 General Fund to the Department of Health Care Policy and Financing for FY 2019-20. The provision also states that the appropriation is based on the assumption that the Department will require an additional 4.1 FTE and the Department will receive \$70,000 less federal funds to implement the act. Of the money appropriated to the Department of Health Care Policy and Financing, \$186,534 is reappropriated to the Department of Law for legal services and \$296,160 is reappropriated to the Office of the Governor for the Office of Information Technology. The provision also states that the appropriation to the Department of Law is based on the assumption that the Department will require 1.0 FTE.

Description of Amendments in This Packet

J.003 Staff has prepared amendment **J.003** (attached) to change the existing clause to appropriate \$1,479,777 General Fund to the Department of Health Care Policy and Financing for FY

SB19-005**JBC Staff Analysis**

2019-20. The provision also states that the appropriation is based on the assumption that the Department will require an additional 4.1 FTE and the Department will receive \$70,000 less federal funds to implement the act. Of the money appropriated to the Department of Health Care Policy and Financing, \$186,534 is reappropriated to the Department of Law for legal services and \$296,160 is reappropriated to the Office of the Governor for the Office of Information Technology. The provision also states that the appropriation to the Department of Law is based on the assumption that the Department will require 1.0 FTE.

L.024 and J.004

Bill Sponsor amendment **L.024** (attached) changes the deadline for contracting with vendors from February 1, 2020, to upon federal approval and prohibits the Department of Health Care Policy and Financing from spending any money to implement the program until the Department receives federal approval. This delays the expected implementation timeline and pushes projected vendor and information technology costs and a portion of the legal services costs into FY 2020-21.

Fiscal Impact of S.B. 19-005 with L.024				
	FY 2019-20		FY 2020-21	
	Dollars	FTE	Dollars	FTE
Personal Services	\$399,293	4.1	\$479,152	5.0
Operating Expenses	27,790		4,750	
Fund Source Adjustment	0		0	
Consulting Services	410,000		0	
Vendor Costs	0		1,000,000	
Information Technology Systems	0		296,160	
Legal Services	134,719	0.7	145,082	0.8
Public Hearings and Travel	0		31,820	
TOTAL	\$971,802	4.8	\$1,956,964	5.8
General Fund	1,041,802		2,026,964	
Federal Funds	(70,000)		(70,000)	

The JBC staff has prepared amendment **J.004** (attached) to provide appropriations consistent with the fiscal impact of L.024. The amendment provides \$1,041,802 General Fund to the Department of Health Care Policy and Financing for FY 2019-20. The provision also states that the appropriation is based on the assumption that the Department will require an additional 4.1 FTE and the Department will receive \$70,000 less federal funds to implement the act. Of the money appropriated to the Department of Health Care Policy and Financing, \$134,719 is reappropriated to the Department of Law for legal services and based on the assumption that the Department of Law will require 0.7 FTE.

If L.024 is adopted, then J.004 should be adopted instead of J.003.

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. As amended by the Health and Insurance Committee this bill requires a General Fund appropriation of at least \$1,479,777 for FY 2019-20, reducing the excess General Fund reserve by \$1,587,061. If sponsor amendment L.024 is adopted, the bill requires \$1,041,802 General Fund for FY 2019-20, reducing the excess General Fund reserve by \$1,117,333.

Future Fiscal Impact

In addition to the FY 2019-20 General Fund impact, this bill is projected to require General Fund appropriations of at least \$1,677,169 in FY 2020-21 as amended by the Health and Insurance Committee or at least \$2,026,964 if L.024 is adopted. Costs could be higher based on actual vendor costs.