

**JBC STAFF FISCAL ANALYSIS  
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING THE DISTRIBUTION OF MONEY RECEIVED UNDER THE FEDERAL "AMERICAN RESCUE PLAN ACT OF 2021" FOR HOME- AND COMMUNITY-BASED SERVICES, AND, IN CONNECTION THEREWITH, MAKING AND REDUCING AN APPROPRIATION.

Prime Sponsors: Sens. Moreno and Rankin  
Reps. Herod and McCluskie

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Date Prepared: May 25, 2021

**Appropriation Items of Note**

**Appropriation Already Added to Bill, Amendment in Packet**

**General Fund Impact**

**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 05/25/21.

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

**Amendments in This Packet for Consideration by Appropriations Committee**

<b>Amendment</b>	<b>Description</b>
L.001	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation

**Current Appropriations Clause in Bill**

The bill includes an appropriation clause that provides \$865,312 total funds, including \$432,656 General Fund and \$432,656 federal funds, and 4.6 FTE to the Department of Health Care Policy and Financing for FY 2021-22 for administration. In addition, the bill modifies FY 2020-21 appropriations to reduce the General Fund by \$8,286,959, reduce the cash funds from the Healthcare Affordability and Sustainability (HAS) Fee Cash Fund by \$4,493,954, and increase the federal funds by \$12,780,913. Finally, the bill modifies FY 2021-22 appropriations to reduce the General Fund by \$26,708,125, reduce the cash funds from the HAS Fee by \$15,336,964, and increase the federal funds by \$42,045,089.

**Description of Amendments in This Packet**

**L.001** Bill Sponsor amendment **L.001** (attached) makes changes to the bill to: (1) account for federal guidance allowing an enhanced federal match for behavioral health rehabilitative services; and (2) correct technical issues.

The enhanced federal match for rehabilitative services increases the estimated state savings from the American Rescue Plan Act (ARPA) by \$54,826,002, including \$34,995,084 General Fund and \$19,830,918 cash funds from the Healthcare Affordability and Sustainability (HAS) Fee. The sponsor amendment increases the General Fund transfer to the Home- and Community-Based Services Improvement Fund accordingly and makes a transfer from the HAS Fee to a newly created ARPA Home- and Community-Based Services Account within the HAS Fee. The structure of the ARPA Home- and Community-Based Services Account, including the way the money must be used to supplement home- and community-based services, mirrors the structure of the Home- and Community-Based Services Improvement Fund.

The sponsor amendment directs interest from the Home- and Community-Based Services Improvement Fund to the General Fund and interest from the ARPA Home- and Community-Based Services Account to the HAS Fee.

The sponsor amendment makes technical changes to the appropriations for administration to remove funding for centralized appropriations, divide appropriations between personal services and operating expenses, and change the source of funds for administration from the General Fund to cash funds from the Home- and Community-Based Services Improvement Fund.

With sponsor amendment L.001 the appropriations for administration are summarized below:

APPROPRIATIONS FOR ADMINISTRATION IN S.B. 21-286				
	TOTAL FUNDS	CASH FUNDS	FEDERAL FUNDS	FTE
Personal Services	\$345,536	\$172,768	\$172,768	4.6
Operating Expenses	37,750	18,875	18,875	0.0
General Professional Services	374,400	187,200	187,200	0.0
<b>Subtotal - Administration</b>	<b>\$757,686</b>	<b>\$378,843</b>	<b>\$378,843</b>	<b>4.6</b>

The total fiscal impact of the enhanced federal match through ARPA is summarized in the table below, including the changes to appropriations that were contained in the Long Bill and the additional changes to appropriations in S.B. 21-286 to account for the impact on behavioral health rehabilitative services.

ARPA ENHANCED FEDERAL MATCH				
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS <sup>1</sup>	FEDERAL FUNDS
<b>FY 2020-21</b>				
Medical Services Premiums (adjustment in Long Bill)	\$0	(\$52,987,936)	\$0	\$52,987,936
Behavioral Health (adjustment in S.B. 21-286)	0	(8,286,959)	(4,493,954)	12,780,913
<b>Total - FY 2020-21</b>	<b>\$0</b>	<b>(\$61,274,895)</b>	<b>(\$4,493,954)</b>	<b>\$65,768,849</b>
<b>FY 2021-22</b>				
Medical Services Premiums (adjustment in Long Bill)	\$0	(\$172,747,079)	\$0	\$172,747,079
Behavioral Health (adjustment in S.B. 21-286)	0	(26,708,125)	(15,336,964)	42,045,089
<b>Total - FY 2021-22</b>	<b>\$0</b>	<b>(\$199,455,204)</b>	<b>(\$15,336,964)</b>	<b>\$214,792,168</b>
<b>2-Year Total</b>	<b>\$0</b>	<b>(\$260,730,099)</b>	<b>(\$19,830,918)</b>	<b>\$280,561,017</b>

<sup>1</sup> Healthcare Affordability and Sustainability (HAS) Fee Cash Fund

The table below summarizes the revenue impacts of S.B. 21-286 with the sponsor amendment. The transfers from the General Fund and the HAS Fee are equal to the estimated savings to those funds due to the ARPA enhanced federal match.

Revenue Impact of S.B. 21-286	
	FY 2020-21
General Fund	(\$260,730,099)
HCBS Improvement Fund	\$260,730,099
HAS Fee	(\$19,830,918)
ARPA HCBS Account	\$19,830,918

**Points to Consider**

*General Fund Impact*

The Joint Budget Committee (JBC) has proposed a budget package for FY 2021-22 based on the March 2021 Legislative Council Staff revenue forecast. The JBC has included as part of its FY 2021-22 budget package both the \$260.7 million General Fund savings due to the enhanced federal match available through ARPA and the transfer of that savings to the Home- and Community-Based Services Improvement Fund in this bill.