

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**SUPPLEMENTAL REQUESTS FOR FY 2012-13  
TOBACCO SETTLEMENT FUNDED PROGRAMS**

**JBC Working Document - Subject to Change  
Staff Recommendation Does Not Represent Committee Decision**

**Prepared By:  
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**Non-prioritized Supplemental Request: Departments of Higher Education, Human Services, Public Health and Environment**

**STATEWIDE TOBACCO TRUE-UP**

	Request	Recommendation
<b>Total</b>	<b><u>\$493,413</u></b>	<b>Statutory Change</b>
FTE	0	
General Fund	0	
Cash Funds	493,413	
Federal Funds	0	

<p><b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b>                  [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]</p>	<b>YES</b>
<p>JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.</p>	

**OSPB Request:** The Office of State Planning and Budgeting has requested additional cash funds spending authority totaling \$493,413 in FY 2012-13 to reflect additional revenues available to Tobacco Settlement programs in the Departments of Higher Education, Human Services, and Public Health and Environment. The tobacco settlement receipts received in April 2012 were 1.7 percent higher than the projections used to set FY 2012-13 Long Bill appropriations. The request, which is summarized on the table below, provides an increase for those programs where funding would revert to the General Fund or Tobacco Litigation Settlement Cash Fund. (Other Tobacco Settlement-funded programs are either unaffected by the excess revenue based on current funding formulas or have cash funds that may be used to carry forward excess revenue into the next fiscal year.)

*JBC Staff Supplemental Recommendations: FY 2012-13  
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	FY 2012-13 Projected Tobacco Allocation	FY 2012-13 Final Tobacco Allocation	Supplemental Cash Funds Appropriation Requested (Difference)
<b>PUBLIC HEALTH AND ENVIRONMENT</b>			
Local, District and Regional Health Department Distributions	1,989,030	2,024,494	35,464
Immunizations	1,136,590	1,156,854	20,264
Tony Gramscas Youth Services Program	3,571,900	3,632,399	60,499
AIDS Drug Assistance Program (ADAP; Ryan White)	3,125,420	3,178,349	52,929
<b>SUBTOTAL - PUBLIC HEALTH AND ENVIRONMENT</b>			169,156
<b>HIGHER EDUCATION</b>			
University of Colorado Health Sciences Center	13,923,200	14,171,456	248,256
<b>HUMAN SERVICES</b>			
Treatment, Detoxification, and Prevention Contracts	852,440	867,640	15,200
Offender Mental Health Services	3,409,760	3,470,561	60,801
<b>SUBTOTAL - HUMAN SERVICES</b>			76,001
<b>TOTAL REQUESTED APPROPRIATION ADJUSTMENT</b>			
			\$ 493,413

**Staff Recommendation:** As discussed during the staff budget briefing on Tobacco Settlement Programs, staff recommends that the Committee introduce legislation that would enable the Tobacco Settlement-funded programs included in this request to expend up to 5.0 percent more than their Long Bill appropriations without an appropriation adjustment. **The Committee voted to have this legislation drafted. If it is adopted and includes a safety clause so that it applies to FY 2012-13, no appropriation changes would be required for these programs.**

**Staff Analysis:** As discussed during the staff budget briefing on Tobacco Settlement Programs, Tobacco Settlement program allocations are driven by statutory formulas, but most programs are unable to spend these funds without associated Long Bill appropriations. The Tobacco Settlement revenue that arrived in April 2012 and that drives funding levels for FY 2012-13 came in higher than the January 2012 Legislative Council Staff projection that was used to set FY 2012-13 Long Bill appropriations. The difference was \$1.5 million (1.7 percent) of initial allocations.

When actual receipts are higher than appropriation, where the excess dollars go depends on the specific statutory guidelines for the program. The chart below shows the impact by program. The programs that would be forced to revert funds and that are included in the Executive Supplemental Request are highlighted. The bottom of the table compares the impact on the General Fund and the Tobacco Settlement Fund if no action is taken (supplemental or statutory) versus if supplemental or statutory changes are adopted as recommended.

*JBC Staff Supplemental Recommendations: FY 2012-13*  
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	<b>FY 2012-13 Projected Allocation</b>	<b>FY 2012-13 Final Allocation</b>	<b>Difference</b>	
<b>OVERSIGHT</b>				
Office of the State Auditor	\$ 89,000	\$89,000	\$0	Reverts to Tobacco Fund
<b>EDUCATION</b>				
Early Literacy Program	4,464,880	4,540,498	75,618	Stays in Program Fund
<b>HEALTH CARE POLICY AND FINANCING</b>				
Children's Basic Health Plan Trust	28,230,480	28,712,284	481,804	Stays in Program Fund
Children with Autism	1,000,000	1,000,000	0	Stays in Program Fund
<b>SUBTOTAL - HEALTH CARE POLICY AND FINANCING</b>	<b>29,230,480</b>	<b>29,712,284</b>	<b>481,804</b>	
<b>MILITARY AND VETERANS AFFAIRS</b>				
State Veterans Trust	892,980	908,100	15,120	Stays in Program Fund
<b>PUBLIC HEALTH AND ENVIRONMENT</b>				
Local, District and Regional Health Department Distributions	1,989,030	2,024,494	35,464	Reverts to General Fund
Immunizations	1,136,590	1,156,854	20,264	Reverts to General Fund
AIDS and HIV Prevention Grants (CHAPP)	1,785,950	1,816,199	30,249	Stays in Program Fund
Health Services Corps Fund (Provider Loan Repayment)	250,000	250,000	0	Stays in Program Fund
Dental Loan Repayment Program	200,000	200,000	0	Stays in Program Fund
Nurse Home Visitor Program	12,737,350	12,737,350	0	Reverts to Tobacco Fund
Tony Gramscas Youth Services Program	3,571,900	3,632,399	60,499	Reverts to Tobacco Fund
AIDS Drug Assistance Program (ADAP; Ryan White)	3,125,420	3,178,349	52,929	Reverts to Tobacco Fund
<b>SUBTOTAL - PUBLIC HEALTH AND ENVIRONMENT</b>	<b>24,796,240</b>	<b>24,995,645</b>	<b>199,405</b>	
<b>HIGHER EDUCATION</b>				
University of Colorado Health Sciences Center	13,923,200	14,171,456	248,256	Reverts to General Fund
<b>HUMAN SERVICES</b>				
Residential Mental Health Treatment for Youth	300,000	300,000	0	Reverts to Tobacco Fund
Treatment, Detoxification, and Prevention Contracts	852,440	867,640	15,200	Reverts to General Fund
Offender Mental Health Services	3,409,760	3,470,561	60,801	Reverts to General Fund
<b>SUBTOTAL - HUMAN SERVICES</b>	<b>4,562,200</b>	<b>4,638,201</b>	<b>76,001</b>	

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	FY 2012-13 Projected Allocation	FY 2012-13 Final Allocation	Difference	
<b>PERSONNEL AND ADMINISTRATION</b>				
Supplemental State Contribution Fund	1,278,660	1,301,460	22,800	Stays in Program Fund
<b>CAPITAL CONSTRUCTION</b>				
Fitzsimons Lease Purchase Payments	7,143,810	7,264,797	120,987	Stays in Program Fund
<b>OTHER</b>				
Amount Diverted from Nurse Home Visitor to General Fund	1,550,270	1,792,244	241,974	Goes to General Fund
Retained in Tobacco Fund	1,365,880	1,396,279	30,399	Goes to Tobacco Fund
<b>TOTAL TOBACCO ALLOCATIONS</b>	89,297,600	90,809,964	1,512,364	
<b>Use of Excess if <i>no</i> Statutory/Appropriation Changes are Adopted</b>				
Stays in Program Fund			\$746,578	
Goes to Tobacco Fund			143,827	
Goes to General Fund			<u>621,959</u>	
<b>Total</b>			<b>\$1,512,364</b>	
<b>Use of Excess with Statutory Change or OSPB-requested Supplementals Adopted</b>				
Program spending authority increase			\$493,413	
Stays in Program Fund			746,578	
Goes to Tobacco Fund			30,399	
Goes to General Fund			<u>241,974</u>	
<b>Total</b>			<b>\$1,512,364</b>	

Staff believes that a statutory change or the requested supplemental changes are consistent with legislative intent as reflected in Tobacco Settlement statutory funding formulas. The alternative-allowing funds to revert for selected programs—is both inconsistent with current formulas and treats tobacco programs inconsistently depending upon whether they have program cash funds.