



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL NOTE

Drafting Number:	LLS 18-0255	Date:	March 12, 2018
Prime Sponsors:	Rep. Pettersen Sen. Priola; Jahn	Bill Status:	House Public Health Care and Human Services
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Bill Topic: OPIOID MISUSE PREVENTION

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue (<i>increase</i>)	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill continues the Opioid and Other Substance Use Disorders Interim Study Committee for two years and allocates marijuana revenue to various substance use prevention efforts. It will increase state expenditures in the first year and decrease net expenditures in future years, and will cause a one-time increase in fee revenue (see Technical Note section on page 5).

Appropriation Summary: For FY 2018-19, the bill requires appropriations of \$1.4 million to multiple state agencies.

Fiscal Note Status: The fiscal note reflects the introduced bill, which was recommended by the Opioid and Other Substance Use Disorders Interim Study Committee.

**Table 1
State Fiscal Impacts Under HB 18-1003**

		FY 2018-19	FY 2019-20
Revenue		-	-
Expenditures	General Fund	\$40,702	\$119,794
	Cash Funds	\$1,385,569	(\$250,000)
	Centrally Appropriated	\$20,618	\$20,618
	Total	\$1,446,889	(\$109,588)
	Total FTE	1.4 FTE	1.4 FTE
Transfers		-	-

Summary of Legislation

This bill implements several policies related to the prevention of opioid and substance misuse, including:

- establishing the Opioid and Other Substance Use Disorders Study Committee as an ongoing year-round study committee through July 1, 2020, with the committee authorized to meet up to six times per year and to refer up to six bills per year;
- clarifying that school-based health centers that apply for grants from the grant program from the Department of Public Health and Environment (CDPHE) can use this funding for education, intervention, and prevention for opioid, alcohol, marijuana, and other substance use disorders; and requiring that \$750,000 from the Marijuana Cash Fund be appropriated in FY 2018-19 for school-based behavioral health services (see technical Note section).
- directing the Department of Health Care Policy and Financing (HCPF) to award grants to organizations to operate a screening, brief intervention, and referral to treatment (SBIRT) program that meet certain requirements starting on July 1, 2018; and requiring that \$500,000 from the Marijuana Cash Fund be appropriated in FY 2018-19 for these grants (see Technical Note section);
- requiring HCPF to design and develop an online interactive patient education module for women of childbearing age to learn about the risks of alcohol-exposed pregnancies, requiring HCPF to provide 1.0 FTE for in-person training on alcohol-exposed pregnancies; and requiring that \$150,000 from the Marijuana Cash Fund be appropriated for these purposes in FY 2018-19 (see Technical Note section); and
- directing the Center for Research into Substance Use Disorder Prevention, Treatment, and Recovery Support Strategies at the University of Colorado Health Sciences Center to develop and implement continuing medical education activities to help prescribers of pain medication to safely and effectively manage patients with chronic pain, and prescribe opioids when appropriate, requiring the center to develop education and training for law enforcement officers and first responders concerning the use of opioid antagonists, and requiring that \$750,000 from the Marijuana Cash Fund be appropriated for these purposes in FY 2018-19 (see Technical Note section).

State Revenue and TABOR Refund

As described in the Technical Note section, using funds from the Marijuana Cash Fund will decrease available revenue for the Marijuana Enforcement Division in the Department of Revenue. This will require fees on marijuana related businesses to be increased to cover the increased spending from the fund. The exact increase has not been estimated at this time. Correspondingly, to the extent fees are increased, the bill will increase state revenue subject to TABOR in FY 2018-19 and in FY 2019-20. State revenue is not currently expected to exceed the TABOR limit in either year and no refund is required. Therefore, the bill is not expected to impact TABOR refunds in these years. However, refunds in future years when the state next collects a TABOR surplus will be increased.

State Expenditures

On net, this bill increases state expenditures by \$1,446,889 in FY 2018-19 and reduces expenditures by \$109,588 in FY 2019-20 and future years. Staffing is increased by 1.4 FTE in both years. These costs are paid primarily from the Marijuana Cash Fund (see Technical Note section), but with Legislative Department costs and second-year costs in HCPF paid from the General Fund. These costs are summarized in Table 2 and discussed below.

**Table 2
 Expenditures Under HB 18-1003**

	FY 2018-19	FY 2019-20
Dept. of Health Care Policy and Financing		
Personal Services	\$78,142	\$78,142
Operating Expenses and Capital Outlay Costs	\$5,653	\$950
Training Module	\$51,774	-
SBIRT Grants	(\$250,000)	(\$250,000)
Centrally Appropriated Costs*	\$14,431	\$14,431
FTE – Personal Services	1.0 FTE	1.0 FTE
HCPF Subtotal	(\$100,000)	(\$156,477)
Legislative Department		
Personal Services	\$27,592	\$27,592
Operating Expenses and Capital Outlay Costs	\$13,110	\$13,110
Centrally Appropriated Costs*	\$6,187	\$6,187
FTE – Personal Services	0.4 FTE	0.4 FTE
Legislative Subtotal	\$46,889	\$46,889
Other Grants		
School-Based Health Clinic Grants (CDPHE)	\$750,000	-
Research Grants (CDHE)	\$750,000	-
Other Grants Subtotal	\$1,500,000	-
Total Cost	\$1,446,889	(\$109,588)
Total FTE	1.4 FTE	1.4 FTE

* Centrally appropriated costs are not included in the bill's appropriation.

Department of Health Care Policy and Financing. On net, the bill reduces spending in HCPF by \$100,000 in FY 2018-19 and \$104,703 in FY 2019-20 and future years. Under current law, HCPF has the authority to provide grants for SBIRT programs, subject to available appropriations. Based on HCPF's 2018-19 budget request, it is expected that \$750,000 will be appropriated for these grants under current law. This bill requires that \$500,000 be appropriated for the grant program, and adds additional requirements to the grant program. Therefore, it is expected that spending on SBIRT grants from the Marijuana Cash Fund will be reduced by \$250,000.

Concerning education on alcohol-exposed pregnancies, HCPF will have costs of \$51,774 to develop the online training module and \$78,142 for personal services for the 1.0 FTE specified in the bill. Costs for operating expenses and capital outlay costs for this staff are shown in Table 2 above. In the first year, all costs and savings for HCPF are from the Marijuana Cash Fund; in the second year, costs for staff (\$93,523) are from the General Fund and savings from lower SBIRT spending (\$250,000) are from the Marijuana Cash Fund.

Legislative Department. By extending the opioid study committee for two years, Legislative Council Staff and the Office of Legislative Legal Services will have increased costs for staffing, and per diem and expense payments to legislators. These costs, which continue for two fiscal years, are shown in Table 2 and are based on the committee meeting six times per calendar year, with the 10 legislators receiving \$218.50 per meeting. It is assumed that the committee will start meeting on July 1, 2018.

Other grants. For FY 2018-19 only, the bill requires that \$750,000 be appropriated for grants to school-based health clinics in the CDPHE and that \$750,000 be appropriated for a research institution at the University of Colorado to develop and provide continuing medical education activities and law enforcement training. It is assumed that the research center will continue to provide education and training within existing appropriations and revenue streams in future years once the initial \$750,000 has been spent.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$20,618 per year in FY 2018-19 and FY 2019-20.

Local Government

The bill clarifies the scope of behavioral health treatment in school-based health clinics and provides grant funding through the CDPHE. To the extent school-based health clinics operated by school districts or other local entities choose to seek grant funding and provide additional services, local revenue and costs will increase.

Technical Note

The bill requires that appropriations be provided for various purposes from the "Marijuana Cash Fund." This fund, which is made up of licensing fees paid by marijuana businesses, is used to pay for the licensing and enforcement activities of the Marijuana Enforcement Division in the Department of Revenue. As described in the State Revenue section, spending this money on behavioral health services and grants will divert money from the fund and result in higher fees on marijuana businesses. The spending in this bill should instead come from the "Marijuana Tax Cash Fund," which is made up of marijuana special sales and excise taxes and is used for a variety of health and substance use related purposes.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2018-19, the bill requires the following appropriations from the Marijuana Cash Fund (See Technical Note above):

- \$750,000 to the CDPHE for school-based health clinic grants;
- \$750,000 to the University of Colorado System in the Department of Higher Education;
- \$135,569 and an allocation of 1.0 FTE to HCPF for personal services and operating expenses; and
- a reduction of \$250,000 to HCPF for SBIRT grants.

In addition, the bill requires an appropriation of \$40,702 to the Legislative Department as follows:

- \$18,414 and 0.3 FTE to Legislative Council Staff;
- \$9,178 and 0.1 FTE to the Office of Legislative Legal Services; and
- \$13,100 to the General Assembly for member reimbursement and per diem.

State and Local Government Contacts

Education
Higher Education
Information Technology
Public Health and Environment
School Districts

Health Care Policy and Financing
Human Services
Legislature
Regulatory Agencies