

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING SUPPORTS FOR PERSONS RECOVERING FROM SUBSTANCE USE DISORDERS, AND, IN CONNECTION THEREWITH, EXPANDING A PROGRAM IN THE DEPARTMENT OF LOCAL AFFAIRS THAT PROVIDES VOUCHERS FOR HOUSING ASSISTANCE TO CERTAIN INDIVIDUALS, CREATING STANDARDS FOR RECOVERY RESIDENCES FOR PURPOSES OF REFERRALS AND TITLE PROTECTION, AND CREATING THE OPIOID CRISIS RECOVERY FUNDS ADVISORY COMMITTEE.

Prime Sponsors: Reps. Kennedy and Singer
Sens. Priola and Pettersen

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Date Prepared: April 25, 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 03/22/19.

	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>
	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 Revised Fiscal Note includes \$852 for the Department of Local Affairs to purchase legal services in FY 2019-20 (approximately eight hours). The Joint Budget Committee has established a policy that a bill will only include an appropriation for the purchase of legal services if an agency requires 100 or more hours of legal services. As this bill requires the General Assembly to appropriate at least \$4,300,000 General Fund to the Department for FY 2019-20, this \$852 will instead be appropriated to the Department for housing vouchers. Legislative Council staff agrees with this fiscal impact update.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment
J.002	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation

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 a total of \$4,300,000 to the Department of Local Affairs (DOLA) for FY 2019-20. This provision also states that the appropriation is based on the assumption that DOLA will require an additional 0.9 FTE to implement the act. This provision also appropriates \$2,620 reappropriated funds (transferred from DOLA) to the Governor's Office of Information Technology for FY 2019-20.

J.002

Bill Sponsor amendment J.002 (attached) makes the following statutory changes to the bill (as amended by the Public Health Care and Human Services Committee Report):

- requires the General Assembly to annually appropriate *\$1,000,000 from the Marijuana Tax Cash Fund* for FY 2019-20 and for each of the subsequent four fiscal years, to the Division of Housing for the voucher program referenced in Section 24-32-721 (4)(b), C.R.S. [the bill currently requires an annual appropriation of at least \$4,300,000 General Fund for this purpose];
- makes changes to the provision concerning the certification of recovery residences and the requirements for such facilities to operate starting January 1, 2020, including requiring the Office of Behavioral Health to approve the certifying body; and
- creates the Recovery Residence Certification Grant Program to be administered by the Office of Behavioral Health to provide grants to recovery residences for the purpose of gaining certification.

Amendment **J.002** also adds a provision appropriating the following amounts for FY 2019-20:

- \$1,000,000 cash funds from the Marijuana Tax Cash Fund to DOLA for the voucher program (including associated administrative expenses);
- \$2,620 reappropriated funds to the Governor's Office of Information Technology; and
- \$50,000 General Fund to the Department of Human Services for the Recovery Residence Certification Grant Program.

This provision also states that the appropriation to DOLA is based on the assumption that the Department will require an additional 0.9 FTE to implement the act.

The Committee should adopt J.001 or J.002, but not both.

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 General Fund appropriation of \$4,300,000 for FY 2019-20, reducing the excess General Fund reserve by \$4,611,750. [If Sponsor amendment J.002 is adopted, the excess General Fund reserve would be reduced by \$53,625.]

Revenue Source/ Related Budget Information

A total of \$158.9 million is projected to be available in the Marijuana Tax Cash Fund for appropriation in FY 2019-20, based on the March 2019 Legislative Council Staff revenue forecast. As detailed below, the FY 2019-20 budget package introduced by the Joint Budget Committee, as amended by General Assembly action on the Long Bill, leaves \$28.1 million available.

Total funds projected to be available for FY 2019-20	\$ 158,948,672
Less: Long Bill (S.B. 19-207) appropriations	(130,043,950)
Less: Transfers in/(out) under current law and S.B. 19-213	<u>(803,348)</u>
Funds remaining available	\$ 28,101,374