



Colorado General Assembly  
Joint Budget Committee

# Joint Budget Committee Staff

## FY 2016-17 Budget Briefing Summary

### Department of Public Health and Environment

The Department of Public Health and Environment is responsible for responsible for protecting and improving the health of the people of Colorado and ensuring the quality of Colorado's environment. The Department's FY 2015-16 appropriation represents 2.0 percent of statewide operating appropriations and 0.5 percent of statewide General Fund appropriations.

## FY 2015-16 Appropriation and FY 2016-17 Request

Department of Public Health and Environment						
	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2015-16 Appropriation</b>						
HB 15-234 (Long Bill)	\$532,213,807	\$44,363,169	\$156,136,752	\$37,560,004	\$294,153,882	1,287.1
Other legislation	<u>2,134,415</u>	<u>152,118</u>	<u>2,007,297</u>	<u>(25,000)</u>	<u>0</u>	<u>2.2</u>
<b>TOTAL</b>	<b>\$534,348,222</b>	<b>\$44,515,287</b>	<b>\$158,144,049</b>	<b>\$37,535,004</b>	<b>\$294,153,882</b>	<b>1,289.3</b>
<b>FY 2016-17 Requested Appropriation</b>						
FY 2015-16 Appropriation	\$534,348,222	\$44,515,287	\$158,144,049	\$37,535,004	\$294,153,882	1,289.3
R1 Family planning	2,511,135	2,511,135	0	0	0	0.0
R2 General Fund for clean water sectors	1,208,007	1,208,007	0	0	0	0.0
R3 EMTS grants program	1,750,000	0	1,750,000	0	0	0.0
R4 Cervical cancer eligibility expansion	0	0	0	0	0	0.0
R5 Long bill adjustments	0	0	0	0	0	0.0
R6 Compliance and reporting accountant	85,323	0	0	85,323	0	1.1
R7 Lab building maintenance and repair	419,957	0	0	419,957	0	0.0
R8 Leave payouts increase	257,199	0	0	257,199	0	0.0
R9 Cubicle replacement	371,818	0	0	371,818	0	0.0
RM1 Health survey data collection	238,000	0	238,000	0	0	0.0
RM2 Poison center enhanced marijuana data collection	346,612	0	346,612	0	0	0.0
Non-prioritized requested changes	444,509	189,556	29,476	225,477	0	0.0
Centrally appropriated line items	6,461,767	236,023	708,768	(1,125,353)	6,642,329	0.0
Annualize prior year legislation	1,885,846	(68,374)	1,954,220	0	0	4.8
Annualize prior year budget actions	(1,922,919)	(1,393,154)	(245,774)	(189,449)	(94,542)	(0.7)
Amendment 35 revenue adjustment	(289,716)	148,831	(7,929)	(430,618)	0	0.0
<u>Request from the Commission on Affordable Health Care</u>						
COACHI Request for FY 2016-17 funding	<u>424,000</u>	<u>424,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>

<b>Department of Public Health and Environment</b>						
	<b>Total Funds</b>	<b>General Fund/1</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>TOTAL</b>	<b>\$548,539,760</b>	<b>\$47,771,311</b>	<b>\$162,917,422</b>	<b>\$37,149,358</b>	<b>\$300,701,669</b>	<b>1,294.5</b>
<b>Increase/(Decrease)</b>	\$14,191,538	\$3,256,024	\$4,773,373	(\$385,646)	\$6,547,787	5.2
Percentage Change	2.7%	7.3%	3.0%	(1.0%)	2.2%	0.4%

## Summary of Issues Presented to the Joint Budget Committee

**Electronic Cigarettes:** The U.S. Food and Drug Administration (FDA) has submitted to the Office of Management and Budget, for final approval a rule change to include electronic cigarettes, dissolvable products, and other tobacco free nicotine products within the regulations of the Tobacco Control Act. There is the possibility the final rule will, at least temporary stall the electronic cigarette industry because of a requirement for a premarket tobacco product application for any product that was added to the market after February 15, 2007. The FDA estimated the premarket tobacco product application would cost manufacturers 5,000 staff hours and \$333,554 per product. In Colorado electronic cigarettes and dissolvables are only subject to the sales taxes and not cigarette taxes because of the statutory definition of cigarette. Regardless of the outcome of rule, there won't be any changes to the application of state cigarette taxes because the state definition of what is subject to the cigarette tax is not tied to federal regulations.

**Clean Water Treatment:** The Water Quality Control Fund is insolvent, and the Department is requesting General Fund dollars without an associated statutory fix, for at least the next two fiscal years to backfill the revenue shortfall. The FY 2016-17 request of \$1.2 million General Fund, combined with the unsuccessful opportunities provided to the Division and stakeholders to work out a solution independent of the General Assembly, has not yielded a comprehensive solution. The time has come for the General Assembly to resolve this issue. The recommendation would eliminate the need for future discussion regarding statutory changes to Clean Water fees and would allow stakeholders to provide input on the appropriate General Fund/cash fund ratio for each sector. The recommendation would increase cash fund revenue subject to TABOR over a period of one to five years and requires legislative change.

**Commission on Affordable Health Care:** The Commission on Affordable Health Care was created by legislation during the 2014 Session and received \$400,000 General Fund in FY 2014-15 to complete the statutory charges of the Commission. The Commission has submitted a request for \$424,000 General Fund for FY 2016-17 to enable the Commission to complete the outstanding statutory objectives. The Commission is repealed on July 1, 2017.

**Uncommitted Cash Funds:** The Department has forty six cash funds, seventeen of which are out of compliance with Section 24-75-402 (3) (c), C.R.S., which sets the limitation on cash fund uncommitted reserves. Cash funds can maintain an uncommitted reserve equal to 16.5 percent of cash fund expenditures. Fourteen of the seventeen funds out of compliance with the reserve requirement receive revenue from fees outside of the Department's control. The total excess uncommitted reserve for the seventeen funds is \$22.0 million.

## For More Information

**JBC Staff Analyst:** Megan Davisson  
(303) 866-2062  
[megan.davisson@state.co.us](mailto:megan.davisson@state.co.us)

**To read the entire briefing:** [http://www.tornado.state.co.us/gov\\_dir/leg\\_dir/jbc/2015-16/PUBHEAbrf.pdf](http://www.tornado.state.co.us/gov_dir/leg_dir/jbc/2015-16/PUBHEAbrf.pdf)