

JOINT BUDGET COMMITTEE BILL

SUMMARY OF H.B. 09-1223:
Tobacco Litigation Fund and Colorado Benefits Management System
House Health and Human Services Committee
Thursday, Feb. 12, 2009, 1:30 pm, LSB-A

Prime Sponsors: Representative Marostica and Senator Tapia

Bill Summary

This JBC-sponsored bill gives the General Assembly one additional year to make supplemental appropriations in support of the Colorado Benefits Management System (CBMS) from the Health Care Supplemental Appropriations and Overexpenditures Account of the Tobacco Litigation Settlement Cash Fund, which contains tobacco settlement moneys that were set aside for this purpose two years ago. Currently, CBMS appropriations can be made from this account until April 15, 2009; this bill extends the deadline until April 15, 2010. At that time any remaining money in the account will be transferred to the General Fund; however, the JBC anticipates that the entire balance of the fund will be appropriated by that time.

Fiscal Impact

This bill does not require an appropriation, but it will enable CBMS supplemental appropriations to be made for one additional year.

Background Information

H.B. 07-1359 (Buescher/Fitz-Gerald) *Accelerate the Use of Strategic Contribution Fund Moneys*, directed \$24.4 million of 2007 tobacco settlement payments into a new account called the Health Care Supplemental Appropriations and Overexpenditures Account that was created in the Tobacco Litigation Settlement Cash Fund, which is the main tobacco-settlement fund. The \$24.4 million was set aside to deal with expected funding shortfalls of the Children Basic Health Plan (CBHP) and CBMS, which would otherwise have required General Fund appropriations. Spending from the account has been slower than expected. The original bill set an April 15, 2008 deadline for appropriations. Last year, S.B. 08-127 *Extend CBMS Expenditures Deadline* (a JBC sponsored bill) extended the deadline by one year to April 15, 2009. This is the final extension; any balance in the account not

JOINT BUDGET COMMITTEE BILL

appropriated by April 15, 2010, will be transferred to the General Fund. However, the JBC expects all funds in the account to be appropriated by that time. The following table summarizes actual and expected appropriations from the account.

Reason for Expenditure	Expense	Balance
Initial Balance in Account		\$24,400,000
Appropriations Already Approved by the General Assembly		
H.B. 08-1285 (Supplemental for the Children's Basic Health Plan)	1,239,129	23,160,871
H.B. 08-1287 (Supplemental for CBMS)	1,172,530	21,988,341
CBMS Appropriations that the JBC Will Recommend to the General Assembly This Session	18,992,287	2,996,054

The JBC may recommend further appropriations during the 2009 session.