

REVISED FISCAL IMPACT

(replaces fiscal note dated March 19, 2007)

Drafting Number: LLS 07-0133
Prime Sponsor(s): Sen. Renfroe
 Rep. Kefalas

Date: April 4, 2007
Bill Status: Senate Appropriations
Fiscal Analyst: Janis Baron (303-866-3523)

TITLE: CONCERNING THE CONTINUATION OF THE LICENSING OF ADDICTION TREATMENT PROGRAMS BY THE DEPARTMENT OF HUMAN SERVICES.

Fiscal Impact Summary	FY 2007-2008	FY 2008-2009
State Revenue		
Cash Funds — Controlled Substance Program Fund	\$700	\$700
State Expenditures		
Cash Funds — Controlled Substance Program Fund	\$700	\$700
FTE Position Change	0.0 FTE	0.0 FTE
Effective Date: July 1, 2007		
Appropriation Summary for FY 2007-2008: See State Appropriations section of fiscal note.		
Local Government Impact: None		

Summary of Legislation

As part of its 2006 sunset review, the Department of Regulatory Agencies made several recommendations regarding the licensing of addiction treatment programs under the Colorado Licensing of Controlled Substances Act. **As amended by the Senate Health and Human Services Committee, the bill includes the following provisions:**

- continues program licensing through June 30, 2014;
- requires the Department of Human Services to update existing rules or adopt new rules by September 1, 2007, and to make the rules available on its website; and
- repeals the \$25 annual licensing fee and replaces it with a \$75 annual licensing fee.

State Revenue

Background — Current Fees Collected. The Department of Human Services, Alcohol and Drug Abuse Division (ADAD), currently assesses two annual fees on addiction treatment programs: (1) a \$200 registration fee, and (2) a \$25 licensing fee. The \$200 registration fee is authorized under ADAD Rule 4.3 and the \$25 licensing fee is statutorily set in Section 12-22-305 (3) (a) (I), C.R.S.

There are 17 licensed controlled substance treatment sites. Of these, three are public entities exempt from the registration and license fees. In total, the ADAD collects \$3,150 annually.

Proposed Fee Under SB07-213. The bill repeals the \$25 annual license fee and replaces it with a \$75 annual license fee. New revenue for both FY 2007-08 and FY 2008-09 is estimated at \$700 as noted in the table below. The bill is silent on the \$200 registration fee. The fiscal note assumes that this fee will continue. Currently, all fees are deposited in the Controlled Substance Program Fund.

Table 1. Fee Impact on Individuals, Families or Business					
Type of Fee	Current Fee	Proposed Fee	Fee Change	Number Affected	Total Fee Impact
Annual License Fee	\$25	\$75	\$50	14	\$700

State Expenditures

Currently, licensing activities for the ADAD are \$36,274 and 0.6 FTE, and are funded accordingly:

\$ 36,274 Total
34,873 Federal Funds — Substance Abuse Prevention and Treatment Block Grant
1,401 Cash Funds — Controlled Substance Program Fund (includes both the \$25 fee and the \$200 fee)

For FY 2007-08 and FY 2008-09, the bill's expenditure impact for licensing activities is increased by \$700 cash funds, or \$2,101 total cash funds. There will be no reduction in the federal funds the state receives due to the increase in cash funds. The General Assembly can choose to redirect federal Substance Abuse Prevention and Treatment Block Grant moneys from the Administration - Personal Services line item to line items in either Community Programs or Prevention and Intervention for direct services.

State Appropriations

For FY 2007-08, the fiscal note indicates that the Department of Human Services, Alcohol and Drug Abuse Division, should receive a cash funds appropriation of \$700 from the Controlled Substance Program Fund. Line item adjustments regarding federal funds are at the discretion of the General Assembly.

Departments Contacted

Human Services Regulatory Agencies