

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING HEALTH CARE PROFESSIONAL LOAN FORGIVENESS PROGRAMS ADMINISTERED BY THE PRIMARY CARE OFFICE IN THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT.

Prime Sponsors: Representative Joshi
Senator Boyd

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Summary of Amendments Made to the Bill After the 04/01/11 Legislative Council Staff Revised Fiscal Note Was Prepared

None.

JBC Staff Concurrence with Legislative Council Staff Fiscal Note

Concurs **Does Not Concur** **Updated Analysis**

Reason for the Non-Concurrence

The April 1, 2011 Legislative Council Staff Fiscal Note does not account for \$206,881 of cash fund appropriations that are required for this bill. As discussed in the fiscal note, the bill requires a \$43,119 appropriation to support the new activities that it assigns to the Primary Care Office within the Department of Public Health and Environment. However, the fiscal note does not discuss an additional \$206,881 appropriation that substitutes for and increases the continuously appropriated funding that the Office has been receiving since FY 2009-10.

Background: House Bill 09-1111 provided temporary funding for the Primary Care Office. It gave the Office \$183,670 of continuously appropriated funding in each of FY 2009-10 and FY 2010-11 from two sources: (1) a \$90,070 annual transfer from the Short-term Innovative Health Program Grant Fund, which the current bill (H.B. 11-1281) ends beginning in FY 2011-12; and (2) a one-time transfer of \$187,200 from the AIDS and HIV Prevention Fund, of which the Office expended half (\$93,600) in FY 2009-10 and half in FY 2010-11.

Section 10 of the current bill (H.B. 11-1281) replaces the temporary funding of H.B. 09-1111 with \$250,000 of permanent funding for the Primary Care Office from tobacco-settlement revenues. Subtracting the \$43,119 that supports the Office's new duties under the current bill, this translates into \$206,881 that is available for existing programs, an increase of \$23,211 over the \$183,670 temporary funding level supplied by H.B. 09-1111. Unlike the continuously appropriated temporary funding of H.B. 09-1111, the current bill requires that the transferred moneys be appropriated by the General Assembly.

Amendments/Appropriation Status

This bill requires but does not contain an appropriation clause. Staff has prepared amendment **J.001** (attached) to add a provision reducing the FY 2011-12 General Fund appropriation to the Nursing Teacher Loan Forgiveness program in the Department of Higher Education by \$161,600, which corresponds to the adjustment indicated in the April 1, 2011, Legislative Council Staff Revised Fiscal Note. The amendment also appropriates, for FY 2011-12, \$250,000 cash funds and 0.5 FTE to the Primary Care Office from the Colorado Health Services Corps Fund. As described above under "Reason for the Non-Concurrence," this appropriation is comprised of \$43,119 indicated in the fiscal note, \$187,200 that replaces existing funding, and \$23,211 of new funding for existing programs. Staff believes that a \$250,000 appropriation is consistent with the intent of the bill's \$250,000 transfer; it does not make sense to transfer \$250,000 to the program and not provide the spending authority necessary to expend it.

Bill Sponsor Amendments

This bill leaves \$227,000 in the Nursing Teacher Loan Forgiveness Fund (the "Forgiveness" Fund) to pay the Fund's obligations on behalf of those who are now enrolled in the loan forgiveness program. Some of this \$227,000 may remain after the last participant leaves the program, particularly if a participant drops out before completing the program's service requirement. Sponsor amendment **L.003** (attached) would sweep any remaining balance in the Forgiveness Fund to the General Fund after the last participant leaves. **This amendment does not alter the appropriation for the bill, amendment J.001 should be adopted if L.003 is adopted.**

Points to Consider

1. Spending by the Nursing Teacher Loan Forgiveness Pilot Program will wind down under this bill's provisions but there is no reduction to any FTE appropriation because CollegeInvest's FTE are not appropriated.
2. This bill creates a new "Tier 2" tobacco settlement program that receives \$250,000 of tobacco-settlement revenue. This will reduce by \$250,000 annually the amount that is allocated to the Short-term Innovative Health Program, which makes grants of no more than one fiscal year in duration to programs that improve the health of Coloradans. This represents approximately 15 percent of the "Innovative" Grant Program's funding. The "Innovative" Fund has made few grants in recent years because the General Assembly has transferred the fund balance to the General Fund to support General Fund revenues during the current economic downturn.