

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 11-0101
Prime Sponsor(s): Sen. Nicholson
 Rep. Nikkel

Date: February 28, 2011
Bill Status: Senate Health and Human Services
Fiscal Analyst: Kerry White (303-866-3469)

TITLE: CONCERNING THE TEEN PREGNANCY AND DROPOUT PREVENTION PROGRAM, AND, IN CONNECTION THEREWITH, CONTINUING THE PROGRAM.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue		
Local Funds	\$51,555	\$79,961
State Expenditures	<u>\$569,020</u>	<u>\$852,726</u>
General Fund	26,735	26,556
Local Funds	51,555	79,961
Federal Funds	490,730	746,209
FTE Position Change	1.0 FTE	1.0 FTE
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2011-2012: See State Appropriations section.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

This sunset review bill extends the repeal date of the Teen Pregnancy and Dropout Prevention Program in the Department of Health Care Policy and Financing (DHCPF) from July 1, 2011, to September 1, 2016. It also implements the recommendations of the Department of Regulatory Agencies' 2010 sunset review report, which calls for an expansion in the program's scope, increased funding, and better collaboration between state agencies and other stakeholders. Under SB11-177, providers are directed to survey participants at specific intervals and report required data elements to the DHCPF. The bill also allows the General Fund moneys to be used for administrative costs.

Background

Under current law, the DCHPF may provide teen pregnancy and drop out prevention services to Medicaid recipients if sufficient local, private, and federal funds are available. As a result, the DHCPF does not currently receive appropriations or allocate staff to oversee the program, and services are only available in Mesa and Montrose counties. To become a provider, an organization must submit 10 percent of estimated program costs prior to start up. The remaining 90 percent of program costs are paid with federal Medicaid funds. Once the program starts, a provider must meet with each participant at least three times per month to bill the DHCPF for reimbursement.

State Revenue

Assuming local funds are available, the program will expand to include two new providers per fiscal year. Each new provider is anticipated to serve 150 participants and contribute 10 percent of program costs to the DHCPF in order to receive federal matching dollars. Based on known program costs, this analysis assumes state revenue will increase by \$51,555 in FY 2011-12 and \$79,961 in FY 2012-13. The source of these funds will vary by the community implementing the program.

State Expenditures

This bill will increase state expenditures by \$569,020 and 1.0 FTE in FY 2011-12 and \$852,726 and 1.0 FTE in FY 2012-13. The net cost to the state is \$26,735 in FY 2011-12 and \$26,556 in FY 2012-13 from the General Fund. Table 1 and the discussion that follows address the cost components if the bill.

Table 1. Expenditures Under SB11-177		
Cost Components	FY 2011-12	FY 2012-13
Personal Services	\$47,817	\$52,162
FTE	1.0	1.0
Operating Expenses and Capital Outlay	5,653	950
Program Costs	515,550	799,614
TOTAL	\$569,020	\$852,726
General Fund	26,735	26,556
Local Funds	51,555	79,961
Federal Funds	490,730	746,209

The Department of Health Care Policy and Financing requires 1.0 FTE to provide program oversight, collect provider data, and coordinate with state agencies and other stakeholders. Personal services and operating costs total \$53,470 in FY 2011-12 and \$53,112 in FY 2012-13. These costs are funded with equal amounts of General Fund and federal funds.

Program costs are based on the assumption that two new providers will join the program per year, and that each provider will serve 150 participants annually. Based on current expenditures, per participant costs are anticipated to be \$859.25 in FY 2011-12 and increase by 3.4 percent per year. A total of 600 participants will be served in FY 2011-12 for a cost of \$515,550, including \$51,555 local funds and \$463,995 federal funds. In FY 2012-13, 900 participants will be served at a cost of \$799,614, including \$79,961 local funds and \$719,653 federal funds.

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are summarized in Table 2.

Table 2. Expenditures Not Included Under SB11-177*		
Cost Components	FY 2011-12	FY 2012-13
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$7,100	\$7,100
Supplemental Employee Retirement Payments	2,360	2,781
TOTAL	\$9,460	\$9,881

**More information is available at: <http://colorado.gov/fiscalnotes>*

Local Government Impact

To the extent that local moneys are used to implement the program in a particular community, costs for local governments or school districts could increase. As each community will base its decision to fund new providers on available local and private resources, the potential increase in costs for these entities cannot be estimated.

State Appropriations

For FY 2011-12, the Department of Health Care Policy and Financing requires an appropriation of \$569,020, including \$26,735 General Fund, \$51,555 local funds, and \$490,730 federal funds and 1.0 FTE.

Departments Contacted

Education Health Care Policy and Financing Public Health and Environment