

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING CONSOLIDATION OF DRUG TREATMENT FUNDING INTO THE CORRECTIONAL TREATMENT FUND.

Prime Sponsors: Senator Steadman
Representative DelGrosso

JBC Analyst: Carolyn Kampman
Phone: 303-866-2061
Date Prepared: April 20, 2012

Summary of Amendments Made to the Bill After the 04/11/12 Legislative Council Staff Revised Fiscal Note Was Prepared

None.

JBC Staff Concurrence with Legislative Council Staff Fiscal Note

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

Amendments/Appropriation Status

The bill requires but does not contain an appropriation clause. Staff has prepared amendment **J.001** (attached) to add a provision that adjusts appropriations for FY 2012-13 to reflect the consolidation of drug treatment funding and other provisions of the bill. The appropriation changes in J.001 are described conceptually below.

- *General Fund (increase of \$5,954,985)*: Replaces two General Fund appropriations that support for drug treatment services (totaling \$9,856,200) with a single appropriation of \$15,849,149 General Fund that will be credited to the newly created Correctional Treatment Cash Fund (CTCF)¹. Eliminates an appropriation of \$37,964 General Fund and 0.5 FTE to the Department of Public Safety for the preparation of an annual report required by H.B. 10-1352 (a requirement that the bill repeals).
- *Cash Funds (net change of \$0)*: Replaces multiple cash funds appropriations from the Drug Offender Surcharge Fund (which the bill repeals) with a single appropriation for the same amount from the CTCF.
- *Reappropriated Funds (increase of \$11,806,708)*: Replaces multiple appropriations that reflect the distribution and expenditure of moneys made available pursuant to S.B. 03-318

¹ Consistent with current practice, this General Fund appropriation is included in the Judicial Department budget rather than the Department of Public Safety as indicated on page three of the attached Legislative Council Staff Revised Fiscal Note.

and H.B. 10-1352 with similar appropriations to reflect the distribution and expenditures of moneys in the CTCF. The net increase in reappropriated funds is due to: (a) the increase in the General Fund appropriation to the CTCF; and (b) the implementation of a consistent appropriation format to reflect all General Fund and cash funds available for treatment in a single department (Judicial), and to reflect the allocation of these funds to other state agencies as reappropriated funds².

Bill Sponsor Amendments

Sponsor amendment **L.003** (attached) reduces the minimum required annual General Fund appropriations to the Correctional Treatment Cash Fund (CTCF) to the following amounts:

FY 2012-13: \$9,856,200; and
FY 2013-14 and subsequent fiscal years: \$11,700,000.

If L.003 is adopted the bill will increase/(reduce) state General Fund expenditures, compared to current law, as follows:

FY 2012-13: (\$37,962)
FY 2013-14: \$1,805,836
FY 2014-15: \$1,805,836

Staff has prepared amendment **J.002** (attached) to insert an appropriation clause into the bill that is consistent with L.003. This appropriation clause is the same as J.001, except that it only appropriates only \$9,856,200 General Fund to the CTCF (and it makes corresponding reductions in appropriations from reappropriated funds). Table 1, which begins on the next page, details the appropriation changes, by department, in J.002.

If the Committee adopts L.003, it should adopt J.002 in lieu of J.001.

² Please note that this amendment assumes that the Departments of Corrections, Human Services, and Public Safety will receive allocations that mirror those provided in the FY 2012-13 Long Bill. These Departments would need additional spending authority to receive and spend a portion of the \$5,992,949 additional General Fund that is required by the bill in its current form.

TABLE 1 FY 2012-13 Appropriations and Long Bill Adjustments (with J.002)		
Department/ Line item/ Purpose	Amount	Fund Source
Department of Corrections		
<i>Inmate Programs, Drug and Alcohol Treatment Subprogram</i>		
Drug Offender Surcharge Program	(\$995,127)	Cash Funds (CF) - Drug Offender Surcharge Fund (DOSF)
Contract Services	(250,000)	CF - DOSF
<i>Community Services, Parole Subprogram</i>		
Contract Services	(1,757,100)	Reappropriated Funds (RF) - Transfer from Judicial (from DOSF per H.B. 10-1352)
Services and activities authorized by Sections 18-19-103 (5) (c) and (d), C.R.S. [S.B. 12-104]	<u>3,002,227</u>	RF - Transfer from Judicial (from Correctional Treatment Cash Fund or CTCF)
Total - Corrections	0	
Department of Human Services		
<i>Mental Health and Alcohol and Drug Abuse Services, Alcohol and Drug Abuse Division, Treatment Services</i>		
Treatment and Detoxification Contracts	(887,300)	CF - DOSF
Short-term Intensive Residential Remediation and Treatment (STIRRT)	(383,316)	CF - DOSF
<i>Mental Health and Alcohol and Drug Abuse Services, Co-occurring Behavioral Health Services</i>		
Substance Use Disorder Offender Services (H.B. 10-1352)	(1,819,900)	RF - Transfer from Judicial (from DOSF per H.B. 10-1352)
Services and activities authorized by Sections 18-19-103 (5) (c) and (d), C.R.S.	<u>3,090,516</u>	RF - Transfer from Judicial (from CTCF)
Total - Human Services	0	

TABLE 1 FY 2012-13 Appropriations and Long Bill Adjustments (with J.002)		
Department/ Line item/ Purpose	Amount	Fund Source
Judicial Department		
<i>Courts Administration, Central Appropriations</i>		
Various centrally appropriated line items	(81,998)	CF - DOSF
<i>Probation and Related Services</i>		
Probation Programs	(702,114)	CF - DOSF
Offender Treatment and Services	(1,010,006)	CF - DOSF
Offender Treatment and Services	(7,656,200)	RF - DOSF (GF credited to fund)
S.B. 03-318 Community Treatment Funding	(2,200,000)	General Fund (GF)
H.B. 10-1352 Appropriation to Drug Offender Surcharge Fund	(7,656,200)	GF
Appropriation to Correctional Treatment Cash Fund	9,856,200	GF
Services and activities authorized by Sections 18-19-103 (5) (c) and (d), C.R.S.	5,407,877	CF - CTCF (fee revenue)
Services and activities authorized by Sections 18-19-103 (5) (c) and (d), C.R.S.	<u>9,856,200</u>	RF - CTCF (GF credited to Fund)
Total - Judicial	5,813,759	
Department of Public Safety		
<i>Executive Director's Office, Administration</i>		
Various centrally appropriated line items	(10,793)	CF - DOSF

TABLE 1 FY 2012-13 Appropriations and Long Bill Adjustments (with J.002)		
Department/ Line item/ Purpose	Amount	Fund Source
<i>Division of Criminal Justice, Administration</i>		
DCJ Administrative Services	(84,803)	CF - DOSF
DCJ Administrative Services - Expenses related to preparation of annual report required by H.B. 10-1352	(37,964)	GF
	(0.5 FTE)	
Indirect Cost Assessment	(8,401)	CF - DOSF
<i>Division of Criminal Justice, Community Corrections</i>		
Community Corrections Placement	(994,019)	CF - DOSF
Treatment for Substance Abuse and Co-occurring Disorders	(1,568,750)	RF - Transfer from Judicial (from DOSF per H.B. 10-1352)
Services and activities authorized by Sections 18-19-103 (5) (c) and (d), C.R.S.	<u>2,666,766</u>	RF - Transfer from Judicial (from CTCF)
Total - Public Safety	(37,964)	GF
Totals	<u>\$5,775,795</u>	Total Funds
	(37,964)	General Fund
	0	Cash Funds
	5,813,759	Reappropriated Funds
	(0.5 FTE)	

Points to Consider

The Joint Budget Committee has introduced a balanced budget package for FY 2012-13 based on the March 2012 Office of State Planning and Budgeting forecast. The budget package appropriates all but approximately \$200,000 of General Fund revenues projected to be available, less a statutorily required four percent General Fund reserve. This bill requires a General Fund appropriation of \$5,954,985 for FY 2012-13. If this bill is enacted, other General Fund appropriations for existing programs will need to be reduced by \$5,954,985 in order to maintain the statutorily required General Fund reserve. [Please note that sponsor amendment L.002 eliminates the General Fund impact of this bill for FY 2012-13 and substantially reduces it for subsequent fiscal years.]