

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING EFFORTS TO PROMOTE CLINICAL STABILIZATION FOR YOUTH INVOLVED IN THE BEHAVIORAL HEALTH SYSTEM.

Prime Sponsors: Representative Michaelson Jenet
Sens. Bridges and Gardner

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Appropriation Items of Note

Appropriation Required, Amendments in Packet

General Fund Impact

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/17/23.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

As noted in the Revised Fiscal Note, as amended by the House Public & Behavioral Health & Human Services Committee Report (04/11/23), the bill references retaining unspent General Fund appropriations for specific child welfare line items from FY 2023-24 and FY 2024-25 in the High-acuity Treatment and Services Cash Fund. However, based on the timing of the transfers in the bill (June 30, 2023, and June 30, 2024), Legislative Council Staff and JBC Staff assume that the intent of the bill is to transfer unspent funds from FY 2022-23 and FY 2023-24 and make those funds available for expenditure in FY 2023-24 and FY 2024-25.

In addition, the Revised Fiscal Note does not anticipate a need for an appropriation from the High-acuity Treatment and Services Cash Fund for FY 2023-24. However, the JBC Staff analysis assumes that making money available from that cash fund for FY 2023-24 requires an appropriation from the cash fund. Based on the language adopted in the committee report, this analysis also assumes that the intent of the bill is to make that appropriation available for expenditure through FY 2024-25. Legislative Council Staff concurs with this analysis.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment
L.004/J.002	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001 Staff has prepared amendment **J.001** (attached) to add a provision appropriating a total of \$6,000,000 total funds to the Department of Human Services for FY 2023-24, including: (1) \$100,000 General Fund to the Behavioral Health Administration and (2) \$5,900,000 cash funds from the High-acuity Treatment and Services Cash Fund to the Division of Child Welfare. This provision also makes the appropriation from the High-acuity Treatment and Services Cash Fund available through FY 2024-25.

L.004/J.002

Bill Sponsor amendment **L.004** (attached) makes a number of technical changes to the bill. Relative to the fiscal impact, the amendment: (1) makes a correction to clarify that the potential diversions of unspent General Fund appropriations to the High-acuity Treatment and Services Cash Fund anticipated in the House Public & Behavioral Health & Human Services Committee Report will be from FY 2022-23 and FY 2023-24 appropriations (with those amounts then made available for expenditure in FY 2023-24 and FY 2024-25); and (2) adjusts the requirements of the working group under the bill. Legislative Council Staff and JBC Staff agree that amendment L.004 eliminates the need for the appropriation of \$100,000 General Fund to the Behavioral Health Administration for FY 2023-24 but that the bill still requires an appropriation of \$5.9 million from the High-acuity Treatment and Services Cash Fund to the Division of Child Welfare.

Staff has prepared amendment **J.002** (attached) to add a provision appropriating \$5,900,000 cash funds from the High-acuity Treatment and Services Cash Fund to the Department of Human Services for FY 2023-24 and making those funds available to the Department through FY 2024-25.

If the Committee adopts amendment L.004 then it should adopt amendment J.002 and should NOT adopt amendment J.001.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2023-24 based on the March 2023 Office of State Planning and Budgeting (OSPB) revenue forecast. The budget package includes two set-asides for legislation outside of the package: (1) \$30.0 million General Fund for bills that create ongoing obligations; and (2) \$469.0 million for bills that create one-time obligations for FY 2023-24 (see table below).

General Fund Appropriation Placeholders for Other 2023 Legislation	
Description	FY 2023-24
Legislation with Ongoing Fiscal Impacts	\$30,000,000
Legislation with One-time Fiscal Impacts	
Workforce-related legislation, including free credentials, math scholarships, adult education, and concurrent enrollment	103,000,000
Housing-related legislation, including property tax relief, land use, and public-private partnerships	221,000,000
Legislation related to topics other than workforce and housing, including rural opportunity, line of duty loss, and Proposition 122 implementation	145,000,000
Subtotal	\$469,000,000
TOTAL Placeholders for Other 2023 Legislation	\$499,000,000

The budget package accounts for the 15.0 percent reserve associated with the above placeholders (a total of \$74.9 million).

As amended by the House Public & Behavioral Health & Human Services Committee Report, the bill creates a one-time obligation and requires a General Fund appropriation of \$100,000 for FY 2023-24, reducing the \$469.0 million set aside by that amount. Adoption of amendment **L.004** would eliminate that impact.

Revenue Source

As amended by the Public & Behavioral Health & Human Services Committee Report and amendment **L.002**, the bill would allow the Department to retain unspent General Fund appropriated to specific line items associated with child welfare for FY 2022-23 and FY 2023-24 in the newly created High-acuity Treatment and Services Cash Fund and to expend those funds in FY 2023-24 and FY 2024-25. The Revised Fiscal Note and the appropriations amendments in this packet assume that this provision will result in a deposit of \$5.9 million to that cash fund in each of those fiscal years. However, that amount is uncertain. Is the General Assembly confident that those revenues will be available for the intended purpose?