

REVISED FISCAL IMPACT

(replaces fiscal note dated February 15, 2013)

Drafting Number: LLS 13-0706

Date: March 19, 2013

Prime Sponsor(s): Rep. Gerou
Sen. Steadman

Bill Status: Senate Appropriations

Fiscal Analyst: Kerry White (303-866-3469)

TITLE: CONCERNING THE ALLOCATION OF TOBACCO LITIGATION SETTLEMENT MONIES THAT WERE ORIGINALLY TO BE ALLOCATED TO THE NURSE HOME VISITOR PROGRAM BUT ARE CURRENTLY SCHEDULED TO BE TRANSFERRED TO THE GENERAL FUND, AND, IN CONNECTION THEREWITH, REQUIRING SUCH MONIES TO BE ALLOCATED TO THE NURSE HOME VISITOR PROGRAM AND THE TOBACCO SETTLEMENT DEFENSE ACCOUNT OF THE TOBACCO LITIGATION SETTLEMENT CASH FUND AND MAKING AN APPROPRIATION.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014	FY 2014-2015
State Revenue			
State Transfers and Diversions Transfer from the General Fund to the Tobacco Litigation Settlement Cash Fund	(\$1,792,244)	(\$1,000,000)	(\$1,000,000)
Transfer from the General Fund to Nursing Home Visitor Program Fund		(\$803,330)	(\$820,072)
State Expenditures	No net change - see State Expenditures section.		
FTE Position Change			
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.			
Appropriation Summary for FY 2012-13 and FY 2013-2014: See State Appropriations section.			
Local Government Impact: None.			

Summary of Legislation

Recommended by the Joint Budget Committee, this *reengrossed* bill restores the distribution of tobacco master settlement agreement (MSA) moneys to the Nurse Home Visitor (NHV) Program, less amounts that are redirected to the Defense Account of the Tobacco Litigation Settlement Cash Fund.

Under Senate Bill 11-224, statutorily-driven increases in this program's allocation of MSA moneys were temporarily suspended to increase transfers to the General Fund for FY 2011-12 through FY 2016-17. This bill will nullify those increased transfers beginning in FY 2012-13. For FY 2012-13, the entire \$1.8 million that would have been transferred to the General Fund will instead be directed to the Defense Account of the Tobacco Litigation Settlement Cash Fund. In

addition, for FY 2013-14 and FY 2014-15, \$1 million per year will be diverted to the Defense Account of the Tobacco Litigation Settlement Cash Fund, and transfer amounts to the NHV program will increase between FY 2013-14 and FY 2016-17.

Finally, the bill makes technical amendments to clarify the Nurse Home Visitor Program's share of MSA moneys.

State Transfers

If HB13-1180 is adopted, it will require several transfers. For the current FY 2012-13, it will eliminate the statutorily-required transfer of \$1,792,244 from the Tobacco Litigation Settlement Cash Fund to the General Fund. However, House Bill 12-1338 transfers any General Fund surplus in FY 2012-13 to the State Education Fund. By allowing funds that would have otherwise been transferred to the General Fund to instead be transferred to the Defense Account of the Tobacco Litigation Settlement Cash Fund, this bill decreases the amount to be transferred to the State Education Fund by approximately \$1,792,244 in FY 2013-14. Table 1 shows the changes in transfers under HB13-1180.

Table 1. Tobacco MSA Allocation Changes Under HB13-1180						
Allocation Under Current Law				Allocation Under HB13-1180		
Fiscal Year	NHV (Percent)	Transfer to General Fund (Percent)	Transfer to General Fund (Amount)	NHV (Percent)	Increase to NHV (Amount)	Transfer to Defense Account (Amount)
FY 2012-13	\$12,737,350	16% less NHV allocation	\$1,792,244	\$12,737,350	\$0	\$1,792,244
FY 2013-14	15%	2%	\$1,803,330	17% less \$1 million	\$803,330	\$1,000,000
FY 2014-15	16%	2%	\$1,820,072	18% less \$1 million	\$820,072	\$1,000,000
FY 2015-16	17%	2%	\$1,802,274	19%	\$1,802,274	\$0
FY 2016-17	18%	1%	\$909,221	19%	\$909,221	\$0
FY 2017-18	19%	0%	\$0	19%	0	\$0

State Expenditures

This bill does not result in a net change in the level of state expenditures, although it changes which departments may use MSA moneys. For FY 2012-13, it reduces the amount of General Fund available for appropriation by \$1,792,244 and instead allows this money to be expended by the Department of Law for required legal work related to the MSA. For FY 2013-14 and FY 2014-15, an additional \$1 million per year will be transferred to the Tobacco Litigation Settlement Cash Fund for use by the Department of Law. Finally, between FY 2013-14 through FY 2016-17, the amount of moneys available to the NHV will increase, as shown in Table 1 above.

State Appropriations

No adjustments in appropriations are required for the current FY 2012-13. For FY 2013-14, the bill appropriates \$803,330 Nursing Home Visitor Program Fund moneys to the Department of Public Health and Environment.

Departments Contacted

Joint Budget Committee Staff