

Department of Public Health and Environment
 Summary of Additional Budget Balancing Proposals
 FY 2010-11
 August 23, 2010

Number	Yes or No	Enter One	Division	Title	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE	List
	Corresponding FY 2011-12 Impact -- Yes or No?	One Time or Base/Ongoing?									Other Department(s) Affected
1	No	One Time	Department of Public Health and Environment	1% Across the Board Personal Services Reduction	(\$117,428)	(\$80,557)	\$0	(\$36,871)	\$0	0.0	DPA
2	No	One Time	Department of Public Health and Environment	Cash Fund Transfer from the Medical Marijuana Cash Fund**	\$9,000,000	\$0	\$9,000,000	\$0	\$0	0.0	N/A
3	No	One Time	Department of Public Health and Environment	HCPF FMAP	(\$839)	\$0	(\$839)	\$0	\$0	0.0	HCPF



DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

*FY 2010-11 Budget Reduction Proposal
August 23, 2010*

Martha E. Rudolph
Executive Director

Office of State Planning and Budgeting
Todd Saliman

Medical Marijuana Cash Fund Transfer

Proposal: Transfer funds from the Medical Marijuana Fund to the General Fund

Name of Fund: 14V-Medical Marijuana Program Cash Fund

Purpose of Fund: Amendment 20 authorizes the use of medical marijuana to alleviate certain debilitating medical conditions. The Medical Marijuana Program Cash Fund is used to maintain the medical marijuana registry, accept and evaluate applications for medical marijuana use and for the issuance of identification cards.

Projected End-of-Year Balance:

	FY 10-11
Current Balance YTD FY 2009-10	\$5,000,690
July 1 Projected Balance Out Years	
Projected Revenues	\$13,500,000
Less Projected Mandatory Expenditures	(\$8,479,415)
Equals Proposed Projected End of Year Balance	\$10,021,275
Recommended Transfer	\$9,000,000
Balance After Transfer	\$1,021,275

Summary of Request: Transfer \$9,000,000 from the Medical Marijuana Program Cash Fund to the General Fund in FY 2010-11.

Impact of Recommended Reduction:

In total, there is sufficient revenue to cover the cost of operating the program. Utilizing or redirecting the fund balance will not have a direct effect on the medical marijuana program.

Assumptions:

The revenue for this fund comes from the \$90 application fee paid by patients seeking a medical marijuana identification card. The anticipated revenue for this fund is higher than the projected expenditures as the anticipated number of applications for FY 2010-11 is 150,000. Utilizing this fund balance is not anticipated to impact program operations. Estimated FY 2010-11 expenditures are as follows:

- The program costs for FY 2010-11 are \$3,886,082 which includes personal services, operating expenses and indirect cost assessment. The figures for FY 2010-11 include funding authorized via the S-1 1331 supplemental approved by the Joint Budget Committee in June 2010.
- The Legislature also passed three special bills during the 2010 session that require transfers of funds to other state agencies.
 - HB 10-1284 allows the Department of Revenue to borrow up to \$1,000,000. These funds are shown as expenditures, however to be conservative, the repayment of the funds is not included in these calculations.
 - HB 10-1388 included a \$3,000,000 transfer to the General Fund for FY 2010-11.
 - SB 10-109 transfers \$593,333 to the Department of Regulatory Agencies to investigate physicians.

Based on these expenditures, for FY 2010-11, the Program anticipates spending approximately \$8,479,415 total - which is significantly less than the anticipated \$13,500,000 in revenue that will be generated along with the projected starting fund balance of \$5,000,096.

Current Statutory Authority or Needed Statutory Change:

The Medical Marijuana Program is established in the State Constitution, Section 14 of Article XVIII. The Program is required via the constitution, and is placed at the Department of Public Health and Environment via Colorado State Statute. According to the State Constitution, section 14, Article XVIII, (i) the state health agency may determine and levy reasonable fees to pay for any direct or indirect administrative costs associated with its role in this program. Redirecting the cash fund balance from these fees would not immediately have an effect on the program.

Statutory change will be needed to utilize the balance of the cash funds. According to statute, C.R.S., 25-1.5-106 (3) (a) (2010), all remaining funds not expended during the fiscal year shall remain in the fund and shall not be credited or transferred to the General Fund.

Schedule 13
Change Request for FY 2011-12 Budget Request Cycle

Decision Item FY 2011-12 Base Reduction Item FY 2011-12 Supplemental FY 2010-11 Budget Amendment FY 2011-12

Request Title: HCPF FMAP
 Department: Public Health and Environment
 Priority Number: NP - 4
 Dept. Approval by: *[Signature]*
 OSPB Approval: *[Signature]*
 Date: 8/18/10
 Date: 8/18/10

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision/ Base Reduction FY 2011-12	November 1 Request FY 2011-12	Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13
Total of All Line Items	Total	928,088	1,215,340	(839)	1,214,501	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	928,088	1,215,340	(839)	1,214,501	0	0	0	0	0	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(9) Prevention Services Division, (A) Prevention Programs, (3) Chronic Disease and Cancer Prevention Grants	Total	928,088	1,215,340	(839)	1,214,501	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	928,088	1,215,340	(839)	1,214,501	0	0	0	0	0	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Non-Line Item Request: Nons
 Letternote Revised Text for FY 2010-11: None
 Letternote Text Requested for FY 2011-12: None
 Cash or Federal Fund Name and COFRS Fund Number: Fund 18N, Prevention, Early Detection and Treatment Fund
 Reappropriated Funds Source, by Department and Line Item Name:
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments: Health Care Policy and Financing