

Department of Legislative Services  
Maryland General Assembly  
2000 Session

FISCAL NOTE

Senate Bill 833 (Senator Green)

Budget and Taxation

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**Juveniles - Substance Abuse and Mental Health Treatment Programs - Funding**

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This bill adds treatment programs for juvenile offenders in the juvenile justice system who suffer from mental or emotional disorders or substance abuse to those items that may be funded from the Cigarette Restitution Fund. The bill also requires the Governor to appropriate \$10 million in the fiscal 2001 budget from the Cigarette Restitution Fund to the Department of Juvenile Justice and other appropriate State agencies for the treatment of juvenile offenders in the juvenile justice system who suffer from mental or emotional disorders or substance abuse.

The bill provides that the Department of Health and Mental Hygiene (DHMH) shall administer the appropriated funds. The bill also provides that DHMH may award grants to providers of mental health and substance abuse treatment services and programs for juveniles in the juvenile justice system that do not exceed \$10 million.

The bill takes effect July 1, 2000.

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**Fiscal Summary**

**State Effect:** Special fund expenditure increase of \$10 million in FY 2001. Out-year expenditures for this purpose cannot be reliably estimated at this time because the bill does not mandate funding after FY 2001.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** See below.

**Background:** In response to the 1998 tobacco settlement agreement, Chapters 172 and 173 of 1999 created the Cigarette Restitution Fund for settlement payments. All payments received by the State which are related to the tobacco settlement are to be placed into this nonlapsing fund. Monies in the fund can be spent only through appropriations in the annual State budget, and a minimum of \$100 million, or 90% of the funds available, must be appropriated. In addition, 50% of the funds must be appropriated for the following specific purposes:

- reduction in tobacco use by youth;
- tobacco control programs in schools;
- smoking cessation programs;
- enforcement of tobacco sales restrictions;
- primary health care in rural areas;
- programs concerning cancer, heart disease, lung disease, and tobacco control;
- substance abuse treatment and prevention;
- Maryland Health Care Foundation; and
- crop conversion.

For each program receiving funds, statements of vision, mission, goals, and objectives, along with performance indicators, are to be included with the budget submission, and an annual report is required evaluating the effectiveness of the prior year's spending.

**State Fiscal Effect:** The bill adds another item to the list of spending priorities that may be funded through the Cigarette Restitution Fund.

The Cigarette Restitution Act of 1999 outlined nine legislative spending priorities (mentioned above) for the Cigarette Restitution Fund addressing health- and tobacco- related issues. While the statute mandates that at least 50% of the spending should be focused on the nine priority areas, the Governor has considerable latitude in constructing a budget proposal for the use of the funds. The Governor's proposed fiscal 2001 budget (including Supplemental Budget #1) meets the statutory requirements, with \$90.5 million, or 59% of the settlement funds, allocated to health- and tobacco-related programs. The total fiscal 2001 allowance for the Cigarette Restitution Fund is \$153.5 million.

In addition to adding another purpose to be funded from the Cigarette Restitution Fund, the bill requires the Governor to appropriate \$10 million in the fiscal 2001 budget from the Cigarette Restitution Fund to the Department of Juvenile Justice and other appropriate State agencies for the treatment of juvenile offenders in the juvenile justice system who suffer

from mental or emotional disorders or substance abuse.

As a result of the bill's requirements, special fund expenditures could increase by \$10 million in fiscal 2001 since funding is not currently provided in the proposed fiscal 2001 budget.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Comptroller of the Treasury (Alcohol and Tobacco Tax Division), Department of Health and Mental Hygiene, Department of Juvenile Justice, Department of Legislative Services

**Fiscal Note History:** First Reader - March 13, 2000  
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