

Department of Legislative Services
 Maryland General Assembly
 2000 Session

FISCAL NOTE

House Bill 1424 (Delegate Swain. *et al.*)

Environmental Matters

Cigarette Restitution Fund - Adult and Adolescent Substance Abuse Treatment and Services for Minority Populations Program

This bill establishes the Adult and Adolescent Substance Abuse Treatment and Services for Minority Populations Program within the Department of Health and Mental Hygiene (DHMH).

Fiscal Summary

State Effect: General and/or special fund expenditure increase of \$4.0 million annually beginning in FY 2001. No effect on revenues.

| (in millions) | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 |
|--------------------|---------|---------|---------|---------|---------|
| GF Revenues | \$0 | \$0 | \$0 | \$0 | \$0 |
| GF/SF Expenditures | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| Net Effect | (\$4.0) | (\$4.0) | (\$4.0) | (\$4.0) | (\$4.0) |

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Local governments could benefit from additional funds being provided to local health departments for specified programs.

Small Business Effect: None.

Analysis

Bill Summary: The stated purposes of the program are to: (1) provide adult and adolescent substance abuse treatment services for minority populations in Baltimore City, Baltimore County, Prince George's County, and the Eastern Shore; (2) create or expand existing

treatment capacity and other services on a demonstrated need basis; (3) create or expand treatment and early intervention services for youth with problems due to addiction, and youths diagnosed with mental illness and involved in incidents of violence; and (4) create or expand collaborative links among various agencies and institutions.

DHMH must distribute funds to each local health department based on a funding formula established by regulation. The funding formula developed by DHMH must include factors for: (1) population; (2) minority population; (3) rates of need for substance abuse treatment and services; (4) treatment and services currently available; and (5) any other factors DHMH deems necessary. Before distributing any funds, DHMH must provide for an independent survey of the formula factors, and the survey must be repeated after the program has been in effect for five years.

A local health department must submit a written application to DHMH, before June 1 of each year, which includes: (1) a community needs assessment; (2) a plan to address the needs; and (3) a budget that contains specific funding for each initiative. The local health department must also submit an annual report to DHMH on the program activities during the prior fiscal year.

If the local health department is unwilling to participate in the program, lacks sufficient staff or resources for the program, or has been unsuccessful in implementing substance abuse treatment services, DHMH can: (1) choose another person through a request for proposals process; or (2) coordinate the program within DHMH.

DHMH must develop performance standards to determine the effectiveness of the initiatives and report to the Governor and the General Assembly by September 1 of each year. The report must include a list of the initiatives and an analysis of the effectiveness of the initiatives.

The Governor must include \$4 million in the State budget each year, beginning in fiscal 2001, to fund the program, and the funding may be provided through the Cigarette Restitution Fund.

Current Law: None applicable.

State Fiscal Effect: Increase in general and/or special fund expenditures of \$4 million each year beginning in fiscal 2001. The Governor must include \$4 million in the annual budget each year for the program, but can use either general funds or Cigarette Restitution Funds, or a combination of both.

Total expenditures of \$4 million a year include the administrative expenses associated with

the program. The expenses for the first year include the cost of an independent survey of the formula factors. DHMH estimates the cost of the independent survey at \$1.5 million. The Department of Legislative Services advises that because the data for the factors are available from State and local agencies, the cost of the independent survey should be significantly less than \$1.5 million.

Additional Information

Prior Introductions: None

Cross File: SB 901 (Senator Kelley, *et al.*) - Economic and Environmental Affairs and Budget and Taxation.

Information Source(s): Department of Legislative Services

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