

Department of Legislative Services

Maryland General Assembly

2002 Session

FISCAL NOTE

House Bill 797

(Delegates Rosenberg and Taylor)

Environmental Matters

Pilot Program for Tobacco Cessation Services for Individuals with Mental Disorders

This bill creates a pilot program to help individuals with mental disorders stop using tobacco products. The bill sunsets September 30, 2005.

Fiscal Summary

State Effect: Special fund expenditures would increase by \$211,500 in FY 2003 to fund the program. Revenues would not be affected. Future years reflect annualization, inflation, and the program ending September 30, 2005.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	211,500	276,100	277,300	69,600	0
Net Effect	(\$211,500)	(\$276,100)	(\$277,300)	(\$69,600)	\$0

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The Department of Health and Mental Hygiene (DHMH) must administer the statewide pilot program through the Tobacco Use Prevention and Cessation Program. The program must: (1) provide targeted and comprehensive tobacco addiction treatment services to individuals with mental disorders; (2) accept individuals

with mental disorders currently receiving treatment at State hospitals, community health centers, and State correctional facilities; and (3) collect data or other information required by DHMH.

DHMH must contract with a private entity to conduct the program and must distribute a \$250,000 grant each year to that entity.

By December 1 of each year, DHMH must report on the program's status and performance to the Governor and the General Assembly.

Current Law: A mental disorder means a behavioral or emotional illness that results from a psychiatric or neurological disorder. It includes a mental illness that so substantially impairs the mental or emotional functioning of an individual as to make care or treatment necessary or advisable for the welfare of the individual or for the safety of the person or property of another. This definition does not include mental retardation.

Chapters 172 and 173 of 1999 created the Cigarette Restitution Fund. All payments received by the State related to the settlement with tobacco manufacturers are to be placed into this nonlapsing fund. Monies in the fund can only be spent through appropriations in the annual State budget, and a minimum of \$100 million, or 90% of the State funds available, must be appropriated. In addition, 50% of the funds must be appropriated for certain purposes, one of which is the Tobacco Use Prevention and Cessation Program. However, not every purpose has to be funded every year.

Background: Under the Master Settlement Agreement signed in 1998 between state governments and the tobacco manufacturers, the manufacturers must make annual payments to all of the signing states for as long as tobacco products are shipped domestically. The Cigarette Restitution Fund was established by statute in 1999 to accept annual payments. The Tobacco Use Prevention and Cessation Program, which may receive a portion of the cigarette restitution funds collected, aims to lower tobacco use among the general population, with particular focus on youth and minorities.

State Expenditures: Special fund expenditures could increase by an estimated \$211,505 in fiscal 2003, which accounts for the bill's October 1, 2002 effective date. This estimate reflects the cost of hiring one part-time coordinator of special programs to provide logistical support, issue a request for proposals to select the entity that will conduct the program, and monitor the program. The estimate also reflects \$187,500 to conduct the program. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses. The estimate assumes that the \$250,000 required annual grant would be prorated in fiscal 2003 (3/4 of a year) and fiscal 2006 (1/4 of a year).

Salary and Fringe Benefits	\$18,030
Program Grant	187,500
Other Operating Expenses	<u>5,975</u>
Total FY 2003 State Expenditures	\$211,505

Future year expenditures reflect: (1) full salary with 3.5% annual increases and 3% employee turnover; (2) 1% annual increases in ongoing operating expenses; and (3) the program ending September 30, 2005.

The Governor's proposed fiscal 2003 budget includes an allowance of \$58.9 million for the Cigarette Restitution Fund.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene, Department of Legislative Services

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