



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2015 Biennium

Bill #	HB0622
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Title:	Establishing a pilot project to fund services for cancer clinical trial patients
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Primary Sponsor:	Bangerter, Liz
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Status:	As Introduced
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|---|--|---|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input checked="" type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2014</u> <u>Difference</u>	<u>FY 2015</u> <u>Difference</u>	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$155,047	\$247,366	\$248,456	\$249,131
Revenue:				
General Fund	(\$900,000)	\$0	\$0	\$0
State Special Revenue	\$900,000	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$900,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 622 establishes a pilot project to fund patient-care initiative services for individuals who are undergoing cancer clinical trials. The Department of Public Health and Human Services (DPHHS) is required to create a design plan that will define core goals and objectives of the pilot project and develop request for proposals for awarding contracts for the administration of the project. The pilot project is funded through a one-time cigarette tax distribution of \$900,000 and is statutorily appropriated to DPHHS.

FISCAL ANALYSIS

Assumptions:

1. HB 622 establishes a cancer clinical care pilot project account in the state special revenue account and statutorily appropriates the funding to the Department of Public Health and Human Services (DPHHS).
2. HB 622 directs \$900,000 of cigarette taxes distributed under the provisions of 16-11-119, MCA, and in accordance with the bill will be deposited into the cancer care pilot project special revenue account in FY 2014. This results in a \$900,000 reduction in revenue to the general fund.

3. DPHHS will contract with an educational facility to design and develop the patient-care initiative pilot project and develop a Request for Proposal (RFP) to recruit an administrator for the administration of the patient-care initiative services pilot project. It is estimated that this contract will cost \$85,000 in FY 2014.
4. This fiscal note assumes that a total of \$150,000 will be used for educational material, advertising, and outreach activities to educate Montanans and encourage greater participation, especially among populations underrepresented in cancer clinical trials. One-third, or \$50,000 per year will be expended in FY 2015, FY 2016, and FY 2017.
5. This fiscal note assumes that a total of \$390,583 will be distributed by the administrator to support patient care services not paid for as part of a cancer clinical trial. One-third, or approximately \$130,194 per year will be expended in FY 2015, FY 2016, and FY 2017.
6. Subsection (2) of Section 6, provides the department with discretion to set the terms of the contract consistent with appropriations for and the objectives of the pilot project. It will be necessary to closely manage these relationships through contract provisions, detailed reporting, and oversight so as to prevent expenditures beyond that which is appropriated.
7. A 1.00 FTE program manager will be hired to gather and monitor medical, contract, and financial information. Personal services costs total \$64,208 in FY 2014 and FY 2015, \$65,254 in FY 2016, and \$65,883 in FY 2017.
8. There will be an additional one-time cost of \$2,875 for a new employee office package in FY 2014.
9. The ongoing rent, computer networking/licensing, and telephone costs total \$2,964 in FY 2014 and FY 2015, \$3,008 in FY 2016, and \$3,053 in FY 2017.
10. 17-1-508, MCA requires analysis of the statutory appropriation relative to the guidance in 17-1-508(2), MCA, to be published in the fiscal note. In reviewing and establishing statutory appropriations, the legislature shall consider the following guidelines.

	<u>YES</u>	<u>NO</u>
a. The fund or use requires an appropriation.	X	
b. The money is not from a continuing, reliable, and estimable source.		X
c. The use of the appropriation or the expenditure occurrence is not predictable and reliable.		X
d. The authority does not exist elsewhere.	X	
e. An alternative appropriation method is not available, practical, or effective.		X
f. Other than for emergency purposes, it does not appropriate money from the state general fund.	X	
g. The money is dedicated for a specific use.	X	
h. The legislature wishes the activity to be funded on a continual basis.		X
i. When feasible, an expenditure cap and sunset date are included.	X	

	<u>FY 2014 Difference</u>	<u>FY 2015 Difference</u>	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>
<u>Fiscal Impact:</u>				
FTE	1.00	1.00	1.00	1.00
<u>Expenditures:</u>				
Personal Services	\$64,208	\$64,208	\$65,254	\$65,883
Operating Expenses	\$90,839	\$52,964	\$53,008	\$53,053
Benefits	\$0	\$130,194	\$130,194	\$130,195
TOTAL Expenditures	<u>\$155,047</u>	<u>\$247,366</u>	<u>\$248,456</u>	<u>\$249,131</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$155,047	\$247,366	\$248,456	\$249,131
TOTAL Funding of Exp.	<u>\$155,047</u>	<u>\$247,366</u>	<u>\$248,456</u>	<u>\$249,131</u>
<u>Revenues:</u>				
General Fund (01)	(\$900,000)	\$0	\$0	\$0
State Special Revenue (02)	\$900,000	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$900,000)	\$0	\$0	\$0
State Special Revenue (02)	\$744,953	(\$247,366)	(\$248,456)	(\$249,131)

Technical Notes:

1. Since this is a per capita stipend program that provides money for coverage without a cost basis, a cost effectiveness evaluation as required by Section 8(2), will be limited.

Sponsor's Initials

Date

Budget Director's Initials

Date

GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING**Dedication of Revenue 2015 Biennium****17-1-507-509, MCA.**

- a) **Are there persons or entities that benefit from this dedicated revenue that do not pay? (please explain)**
Yes. HB 622 establishes a pilot project to fund patient-care initiative services for individuals who are undergoing cancer clinical trials. The funding comes from cigarette taxes.
- b) **What special information or other advantages exist as a result of using a state special revenue fund that could not be obtained if the revenue were allocated to the general fund?**
This bill would provide dedicated funding to the aforementioned activities that would have to compete with general fund priorities otherwise.
- c) **Is the source of revenue relevant to current use of the funds and adequate to fund the program activity that is intended? Yes / No (if no, explain)**
Not applicable. This would be a new state special revenue account that would be dedicated to activities outside the scope of the purpose for which funds are currently appropriated.
- d) **Does the need for this state special revenue provision still exist? ___Yes ___No (Explain)**
Not applicable. See previous answer.
- e) **Does the dedicated revenue affect the legislature's ability to scrutinize budgets, control expenditures, or establish priorities for state spending? (Please Explain)**
No.
- f) **Does the dedicated revenue fulfill a continuing, legislatively recognized need? (Please Explain)**
Yes.
- g) **How does the dedicated revenue provision result in accounting/auditing efficiencies or inefficiencies in your agency? (Please Explain. Also, if the program/activity were general funded, could you adequately account for the program/activity?)**
Revenue provisions will be accounted for in similar ways as existing program and activities.