

## SPONSOR'S REBUTTAL TO FISCAL NOTE

Bill Number: SB 354Date Prepared: February 24, 2015**Short Title:** Create infrastructure funding program**Sponsor:** Senator Rick Ripley**Fiscal Note Version & Date:** SB0354.01; 2/23/2015

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**Generally, why do you disagree with the fiscal note?**

The fiscal note drastically overstates the fiscal impact to the state, especially prior to the 2017 Legislative Session.

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**Specifically, what in the fiscal note do you feel is flawed?**

*(Describe specific assumptions, calculations, technical issues, etc.)*

The fiscal note in general assumes impacts related to future interest earnings in the Permanent Coal Trust. It also assumes coal production will continue into the future.

1. This fiscal impact in the fiscal note is tied to a reduction in the amount of future interest income from the Permanent Coal Trust Fund, money which the State does not yet have. There is no fiscal impact to any accounts in the 2016-2017 biennium;
2. SB 354 is not effective until the referendum called for in SB 353 is approved by the electorate in November of 2016;
3. None of the revenue that would then go to the Build Montana Fund would even be available for infrastructure projects until appropriated, assuming the \$1 billion trigger (minus the amount in the coal severance bond account) is met, by the 2017 Legislature. Assuming SB 354 passes this session, the 2017 Legislature would also have the opportunity to alter the structure of the Build Montana Program.
4. There is no reduction to the amount of interest earnings in the Permanent Coal Trust Fund in the 2016-2017 biennium as a result of SB 354. The amount of coal trust interest earnings will continue as they are now, and will continue to grow as a result of the portion of the severance tax that will continue to flow into trust. In addition, HB 454 passed in 2013, sunsets the income stream into both the TSEP and TSEP Regional Water Accounts, beginning in 2016. As a result, any money that would have been allocated to grow those funds will stay within the Permanent Trust and generate interest earnings. As currently projected the interest earnings flowing to the general fund from the Permanent Trust is approximately \$22,000,000. In the first year of the Build Montana Program those same interest earnings flowing from the Trust to the General Fund is anticipated to be approximately \$22,500,000.
5. The intent of SB 354 is to have existing allocations within the trust continue on a percentage basis to go into the various accounts (TSEF, Big Sky Economic Development Fund, etc.) as established by

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current law. As noted above, the income stream to TSEP and TSEP regional water funds is set to sunset in 2016 as a result of legislation passed last session.

6. The fiscal note, in Assumption 17, indicates that there is an impact on the Public Employees' Retirement System due to a reduction in appropriations from the statutory appropriation for interest earnings from the Permanent Coal Trust Fund. However, the interest earnings, as discussed in No. 4, above, will not decrease. It is also important to note that 15-35-108, MCA, utilizes the phrase "up to" in establishing the cap for the PERS statutory appropriation. This indicates that such appropriation is intended to be fluid and subject to change, but PERS should be no worse off in the future under SB 354 than it is now. Currently, PERS is actuarially sound, even without the increase in interest earnings that were intended to occur as a result of capping TSEP and TSEP regional funds.

7. It is expected that most of the projects evaluated by the Department of Commerce for TSEP will also be passed on to the interim committee for additional funding or being outside of the Department's TSEP priority list; as a result the Department should not incur additional costs, or such costs should be minimal.

8. DNRC shouldn't have to change its application deadline; rather projects that come in that warrant going to the interim committee could proceed under existing DNRC programs, as well as the Build Montana Program. The Build Montana Program is intended to supplement existing programs, as well as fund new projects that warrant such funding.

9. As discussed in No. 3, above, an interim committee can propose and develop the technical aspects of the Build Montana Program, and the 2017 Legislature will have the opportunity to finalize those proposals prior to the appropriation of any funds.

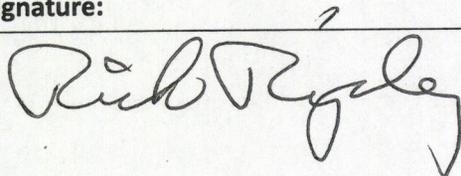
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**What is your estimate of the fiscal impact?**

While I do not have an exact number, the fiscal impact of SB 354 is negligible until after the referendum in SB 353 is approved by the electorate, there are funds available to appropriate, and the 2017 Legislature acts to appropriate funds pursuant to this bill. The fiscal impact is solely related to potential interest earned on the monies that would have otherwise been deposited in the Permanent Trust. Further, when the 2017 Legislature considers the Build Montana Program, fiscal impacts to other accounts can be mitigated if necessary at that time.

**Sponsor Signature:**

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SB354



**Sponsor's Fiscal Note 2017 Biennium**

<b>Bill #</b>	SB0336	<b>Title</b>	Require CHIP coverage of autism spectrum disorder
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<b>Primary Sponsor:</b>	Caferro, Mary	<b>Status</b>	As Introduced
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|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

**FISCAL SUMMARY**

	<b>FY 2016 Difference</b>	<b>FY 2017 Difference</b>	<b>FY 2018 Difference</b>	<b>FY2019 Difference</b>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$2,974	\$10,313	\$18,346	\$24,541
Federal Special Revenue	\$240,777	\$835,015	\$1,212,924	\$1,622,477
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$240,777	\$835,015	\$1,212,924	\$1,622,477
<b>Net Impact-General Fund Balance:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Description of fiscal impact:** SB 366 allows children with autism to receive applied behavior analysis through the Children's Health Insurance Program.

Sponsor:  
 Senator Mary M. Caferro ~ 2-25-15

**FISCAL ANALYSIS**  
**SB 366 Require CHIP to cover**  
**autism 2-25-15 Senator Caferro**

**Assumptions:**

1. Health Resources Division

- a) Average cost of applied behavior analysis services per individual is \$16,640 in FY 2016 with a 2% increase per year.  
Cost per individual is based on an average of one hour per week of behavior therapy from a board certified behavior analyst, at \$120 per hour and increasing by 2% per year.  
Cost per individual is based on an average of five hours per week of autism training at \$40 per hour and increasing by 2% per year.
- b) There will be a reduction of \$6,240 in FY 2016 and increasing by 2% per year due to reduced speech therapy, occupational therapy, and mental health therapy as individuals with autism receive behavior therapy instead.
- c) There will be a reduction of services delivered and costs by 22% per individual per quarter due to the benefits of the medically necessary behavior therapy.
- d) CHIP enrollments have been decreasing for the last several quarters. The last quarter had enrollments of 19,211. These projections assume enrollment of 19,211 in FY 2016 and increases by 2% per year.
- e) These projections assume that one in every 88 children are diagnosed with autism spectrum disorder.
- f) Due to the timeframe to establish the program and to identify, recruit, and make available behavior therapy, 15% of total annual amount will be a cost in FY2016, 50% in FY 2017, 70% in FY 2018, and 90% in FY 2019.
- g) The Enhanced Federal Medicaid Assistance Percentage (FMAP) is estimated at 98.78% in FY 2016 and FY 2017, and 98.51% in FY 2018 and FY 2019.

Cost for ABA per Individual  
 Reductions of other therapies  
 Benefit of proper treatment  
 CHIP enrollment at 2% growth  
 Anticipated kids with ASD on CHIP  
 receiving ABA services  
 Annual Total Anticipated Costs

	FY 2016	FY 2017	FY 2018	FY 2019
	\$16,640	\$16,973	\$17,312	\$17,659
	(\$6,240)	(\$6,365)	(\$6,492)	(\$6,622)
	(\$2,956)	(\$3,015)	(\$3,076)	(\$3,137)
	19,211	19,595	19,987	20,387
	33	111	159	209
	\$243,751	\$845,328	\$1,231,270	\$1,647,018

State Special  
 Revenue  
 Federal Funds  
 Total Funds

	\$2,974	\$10,313	\$18,346	\$24,541
	\$240,777	\$835,015	\$1,212,924	\$1,622,477
	\$243,751	\$845,328	\$1,231,270	\$1,647,018