



**HOUSE COMMITTEE ON APPROPRIATIONS**  
2009-10 Legislative Session

**FISCAL NOTE**

**HOUSE BILL:** 1186      **PRINTER'S NO:** 3130      **PRIME SPONSOR:** DiGirolamo

<b>FISCAL IMPACT SUMMARY</b>		<b>FY 2009/10</b>	<b>FY 2010/11</b>
<b>Expenditure Increase/(Decrease):</b>			
General Fund		\$0	\$0

**OVERVIEW:**

House Bill 1186 amends the Administrative Code to create a new Department of Drug and Alcohol Programs. The bill also makes technical amendments to update the names of the departments of Community and Economic Development, Environmental Protection and Conservation and Natural Resources.

The new department would have three bureaus: the Bureau of Prevention and Intervention; the Bureau of Treatment; and Bureau of Administration. The bill outlines numerous powers and duties of the department, including, but not limited to: developing a comprehensive state plan relating to drug and alcohol programs; gathering and publishing statistics pertaining to drug and alcohol abuse and dependence; and establishing an information center.

The bill outlines items to be addressed in the state plan, including, but not limited to: encouraging coordination amongst state, local and community agencies while giving priority to developing community-based treatment services; developing model drug and alcohol abuse control plans; fostering cooperation with organized medicine, including coordination of research and studies relating to drug and alcohol abuse and dependencies; establishing educational courses and training programs including developing model curriculum and preparing materials; providing for treatment and rehabilitation services for persons charged with, convicted of or serving a criminal sentence; establishing a system of emergency medical services for those seeking treatment voluntarily or under law; providing standards for private and public treatment and rehabilitative facilities; providing for grants and contracts with available funds for prevention, intervention and treatment of drug and alcohol dependence; and the review and evaluation of the programs.

Section 10 of the bill dictates that all personnel, allocations, appropriations, equipment, files, records, contracts, agreements, obligations and other material which are currently housed within the Department of Health (DOH) concerning drug and alcohol abuse are transferred to the new Department of Drug and Alcohol Programs. In addition, under Section 12, all orders, permits, regulations, decisions and other actions of DOH or other entity whose functions have been transferred shall remain in full force until otherwise changed by the actions of the new department. Also, the Pennsylvania Advisory Council on Drug and Alcohol Abuse shall be the advisory council to the Department of Drug and Alcohol Programs.

The act shall take effect July 1, 2011.

Currently, drug and alcohol treatment services are provided through the counties for Pennsylvanians who do not have insurance or resources to pay for treatment. Single County Authorities (SCAs) prepare department-approved prevention, intervention and treatment plans tailored to the needs of their respective geographic areas. The appropriation funding this program area is Assistance to Drug and Alcohol Programs housed within the Department of Health (DOH).

In addition, treatment services are provided within the Department of Public Welfare (DPW) through the Behavioral Health Services appropriation. This line item provides grants to counties so they can provide mental health services and drug and alcohol treatment services to individuals who are not eligible for Medical Assistance. Treatment services additionally are provided under the Intermediate Punishment Drug and Alcohol appropriation through the PA Commission on Crime and Delinquency (PCCD).

#### **ANALYSIS:**

For 2009/10, the enacted budget included \$41.75 million in General Funds and \$60.4 million in federal funds under the Assistance to Drug and Alcohol Programs appropriation in the Department of Health (DOH). Funds within this state appropriation go toward treatment services. In addition, Section 1408(a.1) of Act 1 of 2010 (relating to gaming) annually transfers \$3 million to the DOH to be used to provide drug and alcohol addiction treatment services, including treatment related to compulsive and problem gambling.

Currently, staffing (76 positions) for DOH drug and alcohol related activities is paid for through federal and other funds under the General Government Operations appropriation and costs approximately \$5.584 million annually (\$5.3 million in federal Substance Abuse Block Grant; \$96,000 in federal Substance Abuse Block Grant-Special Projects; and \$188,000 from the Compulsive Gambling fund), based on 2009/10 appropriations and staffing levels.

Section 10 of House Bill 1186 dictates that all personnel, allocations, appropriations, equipment, files, records, contracts, agreements, obligations and other material which are currently housed within the Department of Health (DOH) concerning drug and alcohol abuse will be transferred to the new Department of Drug and Alcohol Programs.

Please note that House Bill 1186 does not include language to automatically transfer appropriations relating to drug and alcohol treatment housed in departments other than DOH to the new Department of Drug and Alcohol Programs (i.e. DPW and PCCD). However, this legislation refers to coordination and cooperation amongst agencies providing services under the subsections relating to development of a state plan.

In order to comply with the provisions of this act, additional staffing positions as well as office space and equipment will be necessary. At a minimum, additional positions necessary would include a department secretary and deputies for the statutorily created bureaus, as well as necessary human resources and information technology support. This fiscal analysis is based on current staffing and operating costs, assuming bare minimum operations and complement to meet current budget constraints. With those assumptions, this fiscal analysis assumes that additional costs could be approximately \$2.1 million annually for additional staffing and operations. Please note that as the requirements set forth in this act (in particular relating to the state plan process) are implemented, additional staff and/or operating costs may be necessary.

New revenue of \$3 million for drug and alcohol treatment services was included in Act 1 of 2010. This fiscal note assumes that these additional revenues may help defray any additional costs associated with this legislation.

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**DATE:** May 24, 2010

**General Note and Disclaimer:** *This Fiscal Note was prepared pursuant to House Rule 19(a), and the elements considered and reported above are required by Section 5 of the rule. Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*