

Department of Legislative Services
 Maryland General Assembly
 2017 Session

FISCAL AND POLICY NOTE
 Third Reader - Revised

Senate Bill 1194

(Senator Klausmeier, *et al.*)

Finance

Health and Government Operations

Public Health - Substance Abuse Treatment Outcome Partnership Fund

This bill expands the scope of the Substance Abuse Treatment Outcome Partnership (S.T.O.P.) Fund in the Department of Health and Mental Hygiene (DHMH) to include awareness campaigns and recovery support systems, including peer recovery coaches, as “eligible functions” that may be funded under S.T.O.P. The bill also adds individuals in recovery to the “eligible population” who are authorized to receive S.T.O.P. funding. The bill requires the Governor to include an annual general fund appropriation of \$8.4 million for the fund in the State budget, beginning in fiscal 2019 and subject to the limitations of the State budget.

Fiscal Summary

State Effect: General fund expenditures for DHMH increase by \$2.0 million annually beginning in FY 2019, assuming budget limitations do not prevent the annual appropriation. This estimate assumes that historical funding of \$6.4 million annually would have been provided in the absence of the bill. Revenues are not affected.

(\$ in millions)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	2.0	2.0	2.0	2.0
Net Effect	\$0.0	(\$2.0)	(\$2.0)	(\$2.0)	(\$2.0)

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

Local Effect: Potential meaningful increase in revenues from S.T.O.P. grants to the extent that counties have *existing* programs that become eligible for supplemental funding under the bill’s provisions. Otherwise, to receive S.T.O.P. funding, counties must expend additional funds to meet the required match.

Small Business Effect: Minimal.

Analysis

Current Law/Background: Chapter 778 of 1998 established the Task Force to Study Increasing Availability of Substance Abuse Programs to develop a comprehensive strategy for increasing the funding and availability of substance abuse services. The Committee on Availability and the Committee on Effectiveness within the task force found that capacity was insufficient in Maryland and there were multiple funding streams. The committees concluded that Maryland should establish a statewide treatment system with coordinated care, efficient funding streams, improved access for the uninsured, and systemic accountability.

Accordingly, Chapter 675 of 2000 created the S.T.O.P. Fund within DHMH. The S.T.O.P. Fund is used to issue grants to counties that submit proposals for substance abuse treatment services. The governing body of one or more counties (including Baltimore City) must submit a request for S.T.O.P. funding to DHMH in order to receive grant funding.

The populations that are eligible for funding are defined in statute, and there are guidelines for evaluating a funding proposal. A county receiving a S.T.O.P. grant must provide a 50% match. However, DHMH is authorized to waive the 50% match requirement after considering (1) the financial hardship of the participating county; (2) prior contributions of funds for substance abuse treatment programs made by the participating county; or (3) other relevant considerations deemed appropriate by DHMH.

Chapter 45 of 2015 expanded the scope of the fund to include the following “eligible functions” that may be funded under S.T.O.P.: transportation to and from treatment services; treatment, prevention, or coordination staff; data sharing services among counties and other appropriate treatment providers; education or outreach programs and materials; in-community emergency behavioral health services or crisis stabilization units; and behavioral health programs in schools. Chapter 45 also added drug offenders under the supervision of problem solving courts to the “eligible population” who are authorized to receive S.T.O.P. funding.

Chapter 45 specified that, when applying for S.T.O.P. funding for an eligible function, an applicant must include in the request any eligible functions that are funded under the proposal. In addition, a request for funding must include a statement of any in-kind contributions that the applicant is committing in the application. Further, if a participating county began spending county, or other non-State, funds on eligible functions after October 1, 2010, the participating county may use S.T.O.P. funding to continue or expand funding for eligible functions.

Finally, Chapter 45 also expressed the intent of the General Assembly that the Governor appropriate funds to the S.T.O.P. Fund in each State budget and that such funds be in addition to, and not replace, other State budget appropriations for substance abuse treatment.

The fiscal 2017 budget for the S.T.O.P. Fund is \$6.4 million with grant funding to 22 of Maryland's 24 counties (including Baltimore City); funding ranges from \$33,986 to \$671,420, depending on the jurisdiction. The fiscal 2018 operating budget also provides \$6.4 million for the S.T.O.P. Fund.

State Expenditures: The bill requires the Governor to include an annual general fund appropriation of \$8.4 million in the State budget, beginning in fiscal 2019 and subject to the limitations of the State budget. Accordingly, general fund expenditures for DHMH increase by \$1,966,282 annually beginning in fiscal 2019. This analysis assumes that, based on historical appropriations (dating back to at least fiscal 2004), the Governor would otherwise continue to include at least \$6,433,718 in general funds annually in the State budget for the fund. It also assumes that budget limitations do not prevent the annual general fund appropriation.

Local Fiscal Effect: The bill does not require additional spending by local governments. However, S.T.O.P. Fund grants are 50/50 matching grants, meaning counties must expend monies in order to receive grant revenue from the State. If a participating county began spending county, or other non-State, funds on eligible *functions* after October 1, 2010, the participating county may be eligible for S.T.O.P. funding for these newly eligible functions. For any such county, revenue from S.T.O.P. Fund grants may increase significantly without the county expending any more local or other non-State funds than it has been. Further, a county that chooses to expend *additional* county, or other non-State, funds to access S.T.O.P. Fund matching grants for newly eligible functions or the newly eligible population may realize increased revenue. Such a county must increase expenditures to receive the additional grant revenue.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Association of County Health Officers; Montgomery County; Department of Budget and Management; Department of Health and Mental Hygiene; Department of Legislative Services

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md/ljm

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