

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**April 3, 2017**

**TO:** Honorable Four Price, Chair, House Committee on Public Health

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB12** by Price (Relating to individuals who are or may be persons with a mental illness or an intellectual disability and who are or have been involved with the court system and to the eligibility for medical assistance of certain mentally ill inmates.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB12, As Introduced: a negative impact of (\$59,985,048) through the biennium ending August 31, 2019.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2018	(\$29,704,523)
2019	(\$30,280,525)
2020	(\$30,280,525)
2021	(\$30,280,525)
2022	(\$30,280,525)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from General Revenue Fund</b>	<b>Change in Number of State Employees from FY 2017</b>
2018	(\$29,704,523)	2.0
2019	(\$30,280,525)	2.0
2020	(\$30,280,525)	2.0
2021	(\$30,280,525)	2.0
2022	(\$30,280,525)	2.0

## **Fiscal Analysis**

The bill would amend various codes as they relate to individuals who are or may be persons with a mental illness or an intellectual disability and who are or have been involved with the court system and to the eligibility for medical assistance of certain mentally ill inmates. Under the provisions of the bill, the Health and Human Services Commission (HHSC) would be required to establish and administer certain mental health jail diversion grant programs. The bill would also extend the pilot state-funded jail-based competency restoration program and add additional reporting responsibilities to the Office of Court Administration and the HHSC. The bill would take effect September 1, 2017.

## **Methodology**

Under the provisions of the bill, HHSC would be required to establish a grant program to reduce recidivism, arrest, and incarceration among individuals with mental illness and to reduce wait time for forensic commitment. HHSC assumes the jail-based competency restoration program would consist of 10 beds and be available in the 10 counties with the highest level of need at a rate of \$478 per day and that a 25 percent increase in outpatient competency restoration would occur at the local mental health authorities. The cost associated with establishing a competency restoration program is estimated to be \$20,103,010 in fiscal year 2018, \$20,679,012 in fiscal year 2019, and each subsequent fiscal year. This analysis assumes the provisions would require HHSC to add two additional full-time equivalent (FTE) positions, a Nurse V and a Program Specialist VI. The estimated costs of the two additional FTEs, including salary, benefits, technology costs, and other operating expenses would be \$200,713 in fiscal year 2018 and in each subsequent fiscal year. HHSC estimates that 39,170 individuals per fiscal year will be arrested and have prior mental health history in the ten most populous counties in Texas during the 2018-19 biennium. This analysis assumes the grant program would target serving 10 percent of those individuals and assumes an average cost per person of \$4,800, requiring total grant funding of \$18,801,600 per fiscal year. The bill would require HHSC to fund 50 percent of the grant, or \$9,400,800 per fiscal year, with the other 50 percent funded by matching local funds. The average cost per person is a yearly average cost for community mental health services per adult based on a performance measure that established \$400 as the target average monthly cost for community mental health services for adults. If the grant amount is different or if the cohort served is different, cost would vary. The grant program would be limited to funds appropriated for that purpose; therefore, the cost could be more or less depending on the level of appropriations provided. This analysis assumes local entities will be able to provide matching local funds in an amount at least equal to the awarded grant amount, and that HHSC would be able to fully develop and implement the grant program in fiscal year 2018. It is assumed any other costs, including administrative costs, related to the grant program could be absorbed within existing agency resources.

The bill would require HHSC to distribute grant funding by dividing the total appropriations for that purpose by an estimate of the number of cases of serious mental illness in low-income households located in each of the 10 most populous counties in the state. The per-case funding amount would be multiplied by an estimate of cases of serious mental illness in low-income households in that county to determine the grant allocation to each county. Grant funding to a county could be less than the amount indicated above, based on the availability of local matching funds. To the extent that appropriations remain after the distribution of these grants, the bill would require HHSC to issue a competitive request for proposal open to other counties in the state. The cost associated with establishing a grant program for the purpose of reducing recidivism, arrest, and incarceration of individuals with mental illness in certain counties is estimated to be \$9,400,800 in fiscal year 2018 and each subsequent fiscal year. This analysis assumes the total estimated cost associated with implementing the provisions of the bill to be \$29,704,523 in fiscal

year 2018, \$30,280,525 in fiscal year 2019 and each subsequent fiscal year.

House Committee Substitute to Senate Bill 1, the General Appropriations Bill, includes \$25,000,000 in each year of the 2018-19 biennium as contingency for this legislation.

**Technology**

The technology cost would be \$44,403 in fiscal year 2018 and each subsequent fiscal year.

**Local Government Impact**

According to the Office of Court Administration, the fiscal impact to local courts is not anticipated to be significant.

**Source Agencies:** 212 Office of Court Administration, Texas Judicial Council, 529 Health and Human Services Commission, 696 Department of Criminal Justice

**LBB Staff:** UP, KCA, EP, LM, MDI, JGA