

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

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

**April 9, 2017**

**TO:** Honorable Charles Schwertner, Chair, Senate Committee on Health & Human Services

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

**IN RE:** SB292 by Huffman (Relating to the creation of a grant program to reduce recidivism, arrest, and incarceration of individuals with mental illness.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB292, Committee Report 1st House, Substituted: a negative impact of (\$18,801,600) 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	(\$9,400,800)
2019	(\$9,400,800)
2020	(\$9,400,800)
2021	(\$9,400,800)
2022	(\$9,400,800)

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

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from General Revenue Fund</b>
	<b>1</b>
2018	(\$9,400,800)
2019	(\$9,400,800)
2020	(\$9,400,800)
2021	(\$9,400,800)
2022	(\$9,400,800)

## **Fiscal Analysis**

The bill would amend the Human Resources Code to require the Health and Human Services Commission (HHSC) to create a grant program for the purpose of reducing recidivism, arrest, and incarceration of individuals with mental illness in certain counties. The bill would take effect September 1, 2017.

## **Methodology**

This analysis assumes that the grant program established by the bill would target serving a number of individuals equal to 10 percent of the 39,170 individuals per fiscal year that HHSC estimates will be arrested and have prior mental health history in the ten most populous counties in Texas during the 2018-19 biennium. Grant funding would be distributed to the 20 most populous counties in the manner required by the bill. This analysis assumes an average cost per person of \$4,800 and total required 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. The bill would require HHSC to make grant funding available to the most populous county in the state in an amount equal to amounts appropriated to the most populous county in the state for a mental health jail diversion pilot program. The most populous county in the state is currently Harris County. HHSC was appropriated \$5,000,000 per fiscal year in the 2016-17 biennium for a jail diversion pilot program in Harris County.

The bill would require HHSC to distribute remaining available grant funding to the 19 most populous counties other than the most populous county in the state by calculating a grant amount available per-person by dividing grant funding for Harris County by the estimated total number of persons with serious mental illness in low-income households in Harris County. The per-person funding amount would be multiplied by an estimate of cases of serious mental illness in low-income households in that county to determine grant funding available 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.

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 that local entities would 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 that any other costs, including administrative costs, related to the grant program could be absorbed within existing agency resources.

## **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 529 Health and Human Services Commission, 696 Department of Criminal Justice

**LBB Staff:** UP, KCA, EP, MDI, TBo