

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 7, 2007

TO: Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB654 by Hilderbran (Relating to a pilot project to develop and operate a crisis stabilization unit on Kerrville State Hospital grounds.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB654, As Engrossed: a negative impact of (\$1,927,660) through the biennium ending August 31, 2009.

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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	(\$963,830)
2009	(\$963,830)
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE FUND</i> 1
2008	(\$963,830)
2009	(\$963,830)
2010	\$0
2011	\$0
2012	\$0

Fiscal Analysis

The bill would require the Department of State Health Services (DSHS) to contract with a local mental health authority to operate a 16-bed crisis stabilization unit on the grounds of the Kerrville State Hospital. The local mental health authority would be required to contract with the Kerrville State Hospital for certain services. Pursuant to the bill, the crisis stabilization unit pilot project would end September 1, 2009.

Methodology

It is estimated the bill would have a net cost of \$963,830 in General Revenue per fiscal year.

DSHS provided a cost estimate of \$2,768,390 per fiscal year for the 16-bed crisis stabilization unit.

This estimate is based on a proposal provided to DSHS by the Hill Country Mental Health and Mental Retardation Center. This estimate includes approximately \$2.0 million for salaries and benefits, \$0.3 million for contracted and clinical services, which includes services through the Kerrville State Hospital, \$0.1 million for medications, and \$0.3 million for administrative costs.

The bill would require the local mental health authority to use for the purpose of operating the crisis stabilization unit money appropriated for 16 state hospital beds that is allocated to the contracting local mental health authority. DSHS estimates \$1.8 million per fiscal year would pay for 16 state hospital beds. **It is assumed that \$1,804,560 in General Revenue per fiscal year from the appropriation for mental health state hospitals would be redirected to help operate the crisis stabilization unit. Moreover, it is assumed that there would be no net increase in the total number of beds on the state hospital grounds; that is, DSHS would reduce the number of beds at the Kerrville State Hospital by 16, pursuant to the requirements of the bill.** The bill would require DSHS to ensure that the 16 beds in the crisis stabilization unit would be made available to other local mental health authorities.

The bill would authorize DSHS to allocate additional funding appropriated for state hospitals to the crisis stabilization unit pilot project. Allocating additional funding from the state hospital appropriation could result in additional costs to the state, if there is not a corresponding decrease in the number of state hospital beds.

Local Government Impact

The bill would have a fiscal impact on the local mental health authority selected to provide crisis stabilization services on the grounds of the Kerrville State Hospital.

Source Agencies: 537 State Health Services, Department of

LBB Staff: JOB, SD, CL, PP, SSt