

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

February 20, 2007

TO: Honorable Dianne White Delisi, Chair, House Committee on Public Health

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

IN RE: HB654 by Hilderbran (Relating to the Department of State Health Services contracting for a community psychiatric hospital to be located on Kerrville State Hospital grounds.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB654, As Introduced: a negative impact of (\$6,332,618) 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	(\$3,288,959)
2009	(\$3,043,659)
2010	(\$3,043,659)
2011	(\$3,043,659)
2012	(\$3,043,659)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE FUND</i> 1
2008	(\$3,288,959)
2009	(\$3,043,659)
2010	(\$3,043,659)
2011	(\$3,043,659)
2012	(\$3,043,659)

Fiscal Analysis

The bill would require the Department of State Health Services (DSHS) to contract with a community mental health center for a community inpatient psychiatric hospital on the grounds of the Kerrville State Hospital. The community mental health center would be required to contract with the Kerrville State Hospital for certain services.

Methodology

DSHS provided a cost estimate of \$3,043,659 in General Revenue per fiscal year for a 16-bed crisis stabilization unit on the grounds of the Kerrville State Hospital. In fiscal year 2008, there would be additional start-up costs of \$245,300 in General Revenue. According to DSHS, this estimate is based

on a proposal submitted to DSHS by the Hill Country Mental Health and Mental Retardation Center in fiscal year 2006. This estimate includes \$1,966,370 for salaries and benefits for 38 full-time-equivalent positions, approximately \$0.3 million for contracted services, which includes the Kerrville State Hospital, and approximately \$0.2 million for medications.

Local Government Impact

The bill would have a fiscal impact on the community mental health center selected to provide psychiatric services on the grounds of the Kerrville State Hospital.

Source Agencies: 537 State Health Services, Department of

LBB Staff: JOB, CL, PP, SSt