

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

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**March 25, 2009**

**TO:** Honorable Lois W. Kolkhorst, Chair, House Committee on Public Health

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

**IN RE: HB1678** by Hilderbran (Relating to the Hill Country local mental health authority crisis stabilization unit.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1678, Committee Report 1st House, Substituted: a negative impact of (\$1,927,660) through the biennium ending August 31, 2011.

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

| <b>Fiscal Year</b> | <b>Probable Net Positive/(Negative)<br/>Impact to General Revenue Related<br/>Funds</b> |
|--------------------|---|
| 2010               | (\$963,830)   |
| 2011               | (\$963,830)   |
| 2012               | (\$963,830)   |
| 2013               | (\$963,830)   |
| 2014               | (\$963,830)   |

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

| <b>Fiscal Year</b> | <b>Probable Savings/(Cost) from<br/>General Revenue Fund<br/>1</b> |
|--------------------|--|
| 2010               | (\$963,830)  |
| 2011               | (\$963,830)  |
| 2012               | (\$963,830)  |
| 2013               | (\$963,830)  |
| 2014               | (\$963,830)  |

**Fiscal Analysis**

The bill provides for the continuation of a pilot project, established by HB 654, 80th Legislature, requiring 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. This act would take effect immediately if it receives two-thirds vote of all members of each house. If it does not receive the necessary votes it would take effect August 31, 2009.

**Methodology**

It is estimated that 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 the savings from the reduction of the 16 beds to be \$1,804,560 per fiscal year. It is assumed that the \$1.8 million 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.

### **Local Government Impact**

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

**Source Agencies:** 537 State Health Services, Department of

**LBB Staff:** JOB, CL, JF, LR