

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 25, 2013

TO: Honorable David Dewhurst, Lieutenant Governor, Senate
Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3793 by Coleman (Relating to powers, duties, and services of entities serving counties.), **Conference Committee Report**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3793, Conference Committee Report: a negative impact of (\$5,119,645) through the biennium ending August 31, 2015.

There are provisions in the bill, particularly in Sections 2 and 3, that could have a significant cost, but the amounts cannot be determined and are not reflected in the negative impact above.

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 |
|--------------------|---|
| 2014 | (\$2,363,204) |
| 2015 | (\$2,756,441) |
| 2016 | (\$2,756,441) |
| 2017 | (\$2,756,441) |
| 2018 | (\$2,756,441) |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Savings/(Cost) from General Revenue Fund |
|--------------------|--|
| 2014 | (\$2,363,204) |
| 2015 | (\$2,756,441) |
| 2016 | (\$2,756,441) |
| 2017 | (\$2,756,441) |
| 2018 | (\$2,756,441) |

Fiscal Analysis

The bill would amend the Education Code, the Health and Safety Code, and the Special District Local Laws Code relating to powers, duties, and services of entities serving counties.

Sections 1 and 4 would allow employees of the Local Mental Health Authorities (LMHA), which includes the local behavioral health authority for the NorthSTAR Behavioral Health Program, to be trained on mental health first aid and to serve as trainers for educators. Under the provisions of the bill, if funds are appropriated, the Department of State Health Services (DSHS) shall make grants to an LMHA and NorthSTAR in an amount equal to \$1,000 for each employee or contractor of the LMHA or NorthSTAR whose training as mental health first aid trainers will be paid with the grant. The bill allows LMHAs and NorthSTAR to collaborate together and share resources to provide training. Under the provisions of the bill, DSHS shall establish grants not to exceed the lesser of \$40,000 or three percent of the funds appropriated for this purpose to be provided to LMHAs and NorthSTAR at a rate of \$100 for each educator who successfully completes the training program. The bill requires the LMHAs and NorthSTAR to submit a plan to DSHS for mental health first aid training programs no later than October 1 of each fiscal year. The bill requires the LMHAs and NorthSTAR to provide annually a list of LMHA or NorthSTAR employees trained and a list of educators trained by the LMHA or NorthSTAR. The bill requires DSHS to provide this information in a report to the legislature. The bill requires the State Board of Educator Certification to adopt rules to allow an educator to fulfill up to twelve hours of continuing education by participating in the mental health training program created by the bill.

Section 2 would require local mental health authorities (LMHAs) to provide assessment services, crisis services, and intensive and comprehensive services using disease management practices for an expanded list of disorders and to ensure that adults and children could receive services and would require the Department of State Health Services (DSHS) to ensure that the LMHAs incorporate jail diversion strategies using disease management practices for an expanded list of disorders. The effective date would be January 1, 2014.

Section 3 would require DSHS to develop and implement a state hospital plan to plan separately for the allocation of beds for civil and forensic patients in the state hospitals. Additionally, the bill creates an advisory panel consisting of 15 persons from a designated list of organizations to assist with developing the plan and requires DSHS to meet with the panel at least monthly. The bill requires DSHS to update the plan biennially. The bill would require DSHS to begin implementing the plan no later than August 31, 2014. DSHS would be required to submit a report providing an update on the plan to the legislature and the governor by December 1, 2014. The bill would require that DSHS contract with and use a broad base of local community outpatient mental health services providers and inpatient mental health facilities to make available a sufficient and appropriately located amount of outpatient mental health services and a sufficient and appropriately located number of beds as specified in the plan developed by DSHS. Additionally, the bill would require that DSHS develop and implement a procedure through which a court that has the authority to commit patients in the hospital system is aware of all of the commitment options for the person, including jail diversion and community-based programs.

Section 5 would create a new hospital district in Hidalgo County.

Unless otherwise specified, the bill would take effect on September 1, 2013.

Methodology

The fiscal impact of Section 2 cannot be determined at this time due to the lack of information

regarding the demand for and cost of the expanded treatment services for the additional covered disorders; however, the cost is likely significant. Health and Safety Code Section 533.001 requires DSHS to provide services first to those persons who are in the priority population, defined in the DSHS strategic plan as adults with schizophrenia, bipolar disorder, or major depressive disorder who have a significant functional impairment. Due to the current prioritization of these groups, it is assumed that additional state costs would be incurred to ensure that the expanded population identified in the bill receives services. Due to a lack of information on the demand for treatment for disorders on the expanded list, this treatment cost is indeterminate but likely significant and a cost to the state.

Implementation of Section 3 may have a negative fiscal impact if the state hospital allocation plan requires additional beds or the plan requires additional outpatient mental health services. Whether the bill would result in a significant cost to the State cannot be determined since the plan has not yet been developed. For example, if the plan included guidelines to increase the current average number of psychiatric beds (11 per 100,000 state residents) to the national average (14 per 100,000 state residents), the estimated annual cost would be \$137.5 million in General Revenue.

It is assumed that the cost to implement Sections 1 and 4 to provide the grants for the mental health training would be \$30,000 per year for each of the 37 LMHAs and Northstar (38 in all). Additionally, it is assumed that DSHS would be required to provide \$100 per educator trained, to be limited at \$40,000 per year to each of the 37 LMHAs and NorthSTAR to provide training to the educators. It is assumed that the training of the educators will begin during the second quarter of fiscal year 2014. The cost of the grants would be \$2,280,000 in fiscal year 2014 and \$2,660,000 in fiscal year 2015 and each year thereafter. It is assumed for both training programs that there will be high turnover and a refresher requirement every two or three years, therefore the funding need would be level from fiscal year 2015 through fiscal year 2018. Should actual training costs be less, the cost of implementing the provisions of the bill would be less in each year. DSHS anticipates the agency cost to administer the grants would require one FTE at a total cost of \$83,204 in fiscal year 2014 and \$96,441 in fiscal year 2015. The agency can absorb the additional FTE authority within its existing FTE cap. The bill has no direct fiscal implications for the Foundation School Program (FSP) or the operations of the Texas Education Agency (TEA).

Local Government Impact

School districts could experience some administrative costs if educators took part in mental health first aid training during normal classroom time if the districts were required to hire substitute teachers. These costs would be dependent on when the training program was offered and the number of staff that participates in the training; however, no significant fiscal impact is anticipated with implementing the provisions of the last amendment.

The Texas Council of Community Centers was unable to estimate costs to units of local government associated with implementing the provisions.

According to the Texas Association of Counties, a survey of 75 counties showed estimated statewide savings of \$4.5 million per year associated with inmates with serious mental illnesses. This represents 90 inmates: 44 for maximum security and 46 for non-maximum-security. This survey, however, is not exhaustive and fiscal impact to counties (as for the state) would depend on how hospital beds would be allocated under the provisions of the bill.

The bill would also provide for outpatient mental health services that could further reduce the number of inmates with mental illnesses being housed in county jails.

Source Agencies: 529 Health and Human Services Commission, 537 State Health Services,
Department of

LBB Staff: UP, KKR, MB, CH, NB, TP