

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 19, 2017

TO: Honorable Four Price, Chair, House Committee on Public Health

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB12 by Price (Relating to individuals who are or may be persons with a mental illness or an intellectual disability and who are or have been involved with the court system.),
Committee Report 1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB12, Committee Report 1st House, Substituted: a negative impact of (\$54,097,026) 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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	(\$27,048,513)
2019	(\$27,048,513)
2020	(\$27,048,513)
2021	(\$27,048,513)
2022	(\$27,048,513)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund	Change in Number of State Employees from FY 2017
	1	
2018	(\$27,048,513)	2.0
2019	(\$27,048,513)	2.0
2020	(\$27,048,513)	2.0
2021	(\$27,048,513)	2.0
2022	(\$27,048,513)	2.0

Fiscal Analysis

The bill would amend sections of the Code of Criminal Procedure and Health and Safety Code to address the screening and assessment of defendants for mental health and competency, establish procedures for written mental health assessments, and procedures for transportation of certain defendants between competency restoration settings.

The bill would authorize the Health and Human Services Commission (HHSC) to develop and implement a jail-based competency restoration program in any county in the State that chooses to participate, and would require the Executive Commissioner of HHSC to adopt and promulgate rules necessary to implement these programs. Under the provisions of the bill, the Health and Human Services Commission (HHSC) would be required to establish and administer a mental health jail diversion grant program. The bill would also require additional reporting responsibilities from the Office of Court Administration and the HHSC. The bill would take effect September 1, 2017.

Methodology

Under the provisions of the bill, HHSC would be authorized to coordinate with counties to establish a jail-based competency restoration programs. This analysis assumes that HHSC would establish a program consisting of 10 beds in each of the 10 counties with the highest level of need at a rate of \$478 per day. The cost associated with establishing jail-based competency restoration programs is estimated to be \$17,593,913 in fiscal year 2018 and each subsequent fiscal year. This cost includes assumptions that the provisions would require two additional full-time equivalent (FTE) positions, a Nurse V and a Program Specialist VI. The estimated costs of the two additional FTEs, including salary, technology costs, and other operating expenses would be \$146,913 with associated benefits of \$53,800 (or \$200,713) each fiscal year. This analysis assumes that the provisions of the bill would not significantly impact the need for outpatient competency restoration services, as the bill would only prohibit a court from committing a defendant charged with a Class B misdemeanor to a mental health or other facility in the event that there is available capacity in a jail-based or outpatient program.

This analysis assumes that the provisions of the bill related to jail-based competency restoration programs would allow the state hospitals to provide more timely services to individuals currently on the forensic waiting list, but that the demand for services would continue to exceed total capacity. To the extent that jail-based competency restoration programs established under the provisions of the bill would decrease the demand for services at the state hospitals below total capacity, there could be a savings of approximately \$477.

Under the provisions of the bill, HHSC would be required to establish a grant program to reduce recidivism, arrest, and incarceration among individuals with mental illness and to reduce wait time for forensic commitment. HHSC estimates that 39,170 individuals per fiscal year will be arrested and have prior mental health history in the ten most populous counties in Texas during the 2018-19 biennium. This analysis assumes the grant program would target serving 10 percent of those individuals and assumes an average cost per person of \$4,800, requiring total 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.

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

This analysis assumes the total estimated cost associated with implementing the provisions of the bill to be \$27,048,513 in fiscal year 2018 and each subsequent fiscal year. House Committee Substitute to Senate Bill 1, the General Appropriations Bill, includes \$25,000,000 in each year of the 2018-19 biennium as contingency for this legislation.

Based on the LBB's analysis of the Department of Public Safety and the Office of Court Administration, duties and responsibilities associated with implementing the remaining provisions of the bill could be accomplished by utilizing existing resources.

Technology

The technology cost would be \$44,403 in fiscal year 2018 and each subsequent fiscal year.

Local Government Impact

According to the Office of Court Administration, the fiscal impact to local courts is not anticipated to be significant.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 529 Health and Human Services Commission, 696 Department of Criminal Justice

LBB Staff: UP, KCA, EP, LM, MDI, JGA