

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 15, 2017

TO: Honorable Charles Schwertner, Chair, Senate Committee on Health & Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB13 by Price (Relating to the creation of a matching grant program to support community mental health programs for individuals experiencing mental illness.),
Committee Report 2nd House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB13, Committee Report 2nd House, Substituted: a negative impact of (\$20,000,000) 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	(\$10,000,000)
2019	(\$10,000,000)
2020	(\$10,000,000)
2021	(\$10,000,000)
2022	(\$10,000,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund
	1
2018	(\$10,000,000)
2019	(\$10,000,000)
2020	(\$10,000,000)
2021	(\$10,000,000)
2022	(\$10,000,000)

Fiscal Analysis

The bill would require the Health and Human Services Commission (HHSC) to establish a matching grant program to support community mental health programs. The bill would require HHSC to develop criteria for evaluating applications and proposals and selecting grant recipients; approve grant requirements; and disperse grant funding. The bill would also require HHSC to submit an annual report to the governor, the lieutenant governor, and each member of the legislature evaluating the success of the program. The executive commissioner would be required to adopt rules necessary to implement provisions of the bill. The bill would take effect immediately upon receiving a two-thirds majority vote of both houses. Otherwise, the bill would take effect September 1, 2017.

Methodology

It is assumed that the grant program would provide grants totaling \$10.0 million each fiscal year, beginning in fiscal year 2018. The grant program would be limited to funds specifically appropriated to establish it; therefore, the cost could be more or less depending on the level of appropriations provided. The bill would require HHSC to make available remaining state funds after grant recipients are selected available on a competitive basis without regard to the size of the county. It is assumed any cost related to the grant program other than the funds disbursed through the program could be absorbed within the available resources of HHSC.

The bill requires a different level of matching local funds based on county size and allocates 40 percent of available funding for grants to counties with a population less than 250,000. The matching rate for a grant to a program established in more than one county would be equal to the matching rate required by the bill for the largest county in which the program is located. This analysis assumes that local entities would be able to provide matching local funds in an amount sufficient to draw down the full grant amount.

Local Government Impact

According to the Texas Municipal League, the fiscal impact to cities cannot be determined because it is unknown how much money would be available for grants.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: UP, KCA, EP, MDI, JGA, LR, JBi