

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 24, 2017

TO: Honorable Dan Patrick, Lieutenant Governor, Senate

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB292 by Huffman (Relating to the creation of a grant program to reduce recidivism, arrest, and incarceration of individuals with mental illness.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for SB292, As Passed 2nd House: a negative impact of (\$18,801,600) 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	(\$9,400,800)
2019	(\$9,400,800)
2020	(\$9,400,800)
2021	(\$9,400,800)
2022	(\$9,400,800)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund
	1
2018	(\$9,400,800)
2019	(\$9,400,800)
2020	(\$9,400,800)
2021	(\$9,400,800)
2022	(\$9,400,800)

Fiscal Analysis

The bill would amend the Human Resources Code to require the Health and Human Services Commission (HHSC) to create a grant program for the purpose of reducing recidivism, arrest, and incarceration of individuals with mental illness. The bill would take effect September 1, 2017.

Methodology

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, and to provide a grant to a county-based community collaborative in the most populous county in the state for the same purpose. 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, and would establish several requirements for the allocation of grant funding. 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. The bill would also authorize HHSC to make inspections of the operation and provision of mental health services funded through the grant program.

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.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission, 696 Department of Criminal Justice

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