

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 28, 2017

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

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 Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB292, As Introduced: 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 in certain counties. A nonprofit or other private entity would serve as administrator of the program. The bill would take effect September 1, 2017.

Methodology

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

The bill would require HHSC to distribute grant funding by dividing the total appropriations for that purpose by an estimate of the number of cases of serious mental illness in low-income households located in each of the 10 most populous counties in the state. The per-case funding amount would be multiplied by an estimate of cases of serious mental illness in low-income households in that county to determine the grant allocation to each county. Grant funding to a county could be less than the amount indicated above, based on the availability of local matching funds. To the extent that appropriations remain after the distribution of these grants, the bill would require HHSC to issue a competitive request for proposal open to other counties in the state.

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

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