

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

March 30, 2021

TO: Honorable Andrew S. Murr, Chair, House Committee on Corrections

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3621 by Cortez (Relating to the creation of a mental health jail diversion pilot program in Bexar County.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3621, As Introduced : a negative impact of (\$10,441,208) through the biennium ending August 31, 2023.

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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	(\$5,231,632)
2023	(\$5,209,576)
2024	\$0
2025	\$0
2026	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable (Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$5,231,632)	2.0
2023	(\$5,209,576)	2.0
2024	\$0	0.0
2025	\$0	0.0
2026	\$0	0.0

Fiscal Analysis

The bill would add a chapter to the Health and Safety Code to require the Health and Human Services Commission (HHSC), in cooperation with the local mental health authority (LMHA) that serves Bexar County, to establish a pilot program in Bexar County to reduce recidivism and frequency of arrests and incarceration

among individuals with mental illness. The bill would require HHSC to ensure the program can provide mental health and substance use disorder treatment for incarceration diversion services for not fewer than 10 inpatient beds and for a treatment period of 60 to 90 days. The bill would require HHSC and the LMHA to jointly establish criteria for identifying the target population to be served by the program. The bill would require HHSC to pay a case rate at the rate at which services are funded for the pilot program. The bill would allow HHSC to inspect the operation and provision of services. The bill would require the executive commissioner to submit a report on the program. The section of the bill establishing the program expires September 1, 2023.

Methodology

According to HHSC, it is assumed that program implementation would cost \$5,000,000 per fiscal year for the LMHA to provide psychiatric and substance use disorder services based on other, similar program models. The costs noted in the table above assume HHSC would provide funding to the LMHA to assist with program creation.

To implement the provisions of the bill, it is assumed HHSC would need to hire 1.0 Program Specialist VI to assist with program oversight and coordination. It is also assumed HHSC would need to hire 1.0 Contract Specialist V to assist with contract-related activities. This analysis assumes the cost of the additional FTEs, including salary and benefits, would be \$231,632 in fiscal year 2022 and \$209,576 in fiscal year 2023.

This analysis assumes associated costs with the pilot program would discontinue on September 1, 2023. This analysis also assumes the provisions of the bill would not result in a significant impact on state correctional populations or on the demand for state correctional resources.

Technology

Technology costs are expected to be \$704 per fiscal year for data center costs.

Local Government Impact

The county impacted by the bill's provisions may experience a cost savings, but the extent of that savings cannot be determined at this time.

According to HHSC, the LMHA impacted by the bill will need additional full-time equivalents to assist with implementation. These costs are assumed and stated above.

Source Agencies: 529 Hlth & Human Svcs Comm

LBB Staff: JMc, DKN, JLI, SB