

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 11, 2023

TO: Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1677 by Perry (Relating to the establishment or expansion of behavioral health centers or jail diversion centers in certain local mental health authority service areas.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1677, As Introduced : a negative impact of (\$696,019) through the biennium ending August 31, 2025.

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>
2024	(\$354,509)
2025	(\$341,510)
2026	(\$341,777)
2027	(\$342,047)
2028	(\$342,320)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund</i>	<i>Change in Number of State Employees from FY 2023</i>
2024	(\$354,509)	3.0
2025	(\$341,510)	3.0
2026	(\$341,777)	3.0
2027	(\$342,047)	3.0
2028	(\$342,320)	3.0

Fiscal Analysis

The bill would require the Health and Human Services Commission (HHSC), to the extent money is appropriated for that purpose, to cooperate with local mental health authorities (LMHAs) located primarily in rural areas of the state to contract with nonprofit organizations to establish or expand behavioral health centers or jail diversion centers in the authorities' local service areas.

Methodology

The analysis assumes HHSC would require 3.0 additional full-time equivalents (FTEs), including a Program Specialist V, a Program Specialist VI, and a Contract Specialist V to coordinate with LMHAs and administer the contracts with nonprofits. Costs for FTEs, including salary, benefits, technology, furniture, and supplies would total \$0.4 million in fiscal year 2024 and \$0.3 million in subsequent fiscal years.

The cost estimate includes only the cost to administer the program and does not include funding required to provide contracts to nonprofit organizations. HHSC would require appropriations beyond the administrative costs to actually implement the contracts, but the cost for the program would depend on the preferred scale including the number of behavioral health centers or jail diversions centers that would be supported. Community mental health grant programs at HHSC received appropriations ranging from \$5.0 million to \$25.0 million for grants each fiscal year of the 2022-23 biennium. According to HHSC, the Mental Health Grant Program for Justice-Involved Individuals, which supports similar though not identical services as those outlined in the bill, provides about \$0.9 million on average per grantee each fiscal year.

Technology

FTE-related technology costs would be less than \$0.1 million each fiscal year.

Local Government Impact

LMHAs located primarily in rural areas of the state could experience a fiscal impact due to the required cooperation with HHSC.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: JMc, NPe, ER, NDA