

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

May 27, 2023

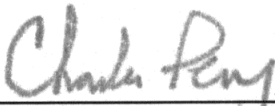
Date

Honorable Dan Patrick
President of the Senate


Honorable Dade Phelan
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on Senate Bill 1677 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.



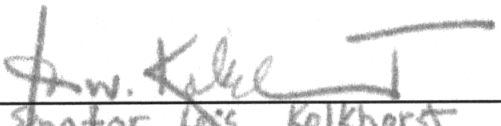
Senator Charles Perry



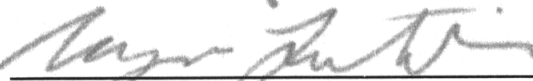
Senator Bob Hall



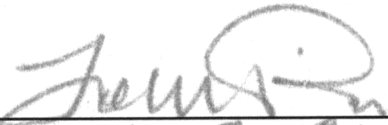
Senator Kelly Hancock



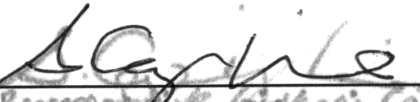
Senator Lois Kolkhorst



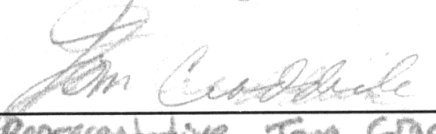
On the part of the Senate
Senator Morgan LaMontia



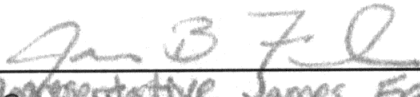
Representative Four Price



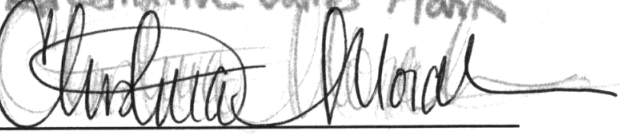
Representative Giovanni Capriglione



Representative Tom Craddock



Representative James Frank



On the part of the House
Representative Christina Morales

Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

CONFERENCE COMMITTEE REPORT

3rd Printing

S.B. No. 1677

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the establishment and administration of Health and
3 Human Services Commission programs providing mental health
4 services to certain individuals in this state.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 531.0991, Government Code, is amended by
7 adding Subsection (e-1) to read as follows:

8 (e-1) If the commission is appropriated money to implement
9 this section for a state fiscal year in an amount that exceeds the
10 total amount of grants awarded under this section in the previous
11 state fiscal year, the commission, in selecting grant recipients
12 for the excess amount, must accept applications or proposals from
13 applicants that were not selected as grant recipients under this
14 section in the previous state fiscal year or applicants that were
15 selected as grant recipients but require additional funding for the
16 recipient's community mental health program for purposes of this
17 section.

18 SECTION 2. Section 531.0993, Government Code, is amended by
19 adding Subsections (d-1) and (d-2) to read as follows:

20 (d-1) The commission shall establish procedures to assist a
21 community collaborative that includes a county with a population of
22 less than 250,000 with submission of a petition under Subsection
23 (d).

24 (d-2) If the commission is appropriated money to implement

1 this section for a state fiscal year in an amount that exceeds the
2 total amount of grants awarded under this section in the previous
3 state fiscal year, the commission, in selecting grant recipients
4 for the excess amount, must accept petitions from community
5 collaboratives that were not selected as grant recipients under
6 this section in the previous state fiscal year or collaboratives
7 that were selected as grant recipients in the previous state fiscal
8 year but require additional funding for the recipient's
9 collaborative for purposes of this section.

10 SECTION 3. Subchapter B, Chapter 531, Government Code, is
11 amended by adding Section 531.09936 to read as follows:

12 Sec. 531.09936. ESTABLISHMENT OR EXPANSION OF REGIONAL
13 BEHAVIORAL HEALTH CENTERS OR JAIL DIVERSION CENTERS. (a) In this
14 section:

15 (1) "Governmental entity" means this state, a
16 political subdivision of this state, or an agency of this state or a
17 political subdivision of this state.

18 (2) "Local mental health authority" has the meaning
19 assigned by Section 531.002, Health and Safety Code.

20 (3) "Nonprofit organization" means an organization
21 that is exempt from federal income taxation under Section 501(a),
22 Internal Revenue Code of 1986, by being listed as an exempt entity
23 under Section 501(c)(3) of that code.

24 (b) To the extent money is appropriated to the commission
25 for that purpose, the commission, in cooperation with local mental
26 health authorities located primarily in rural areas of this state,
27 shall contract with nonprofit organizations or governmental

1 entities to establish or expand behavioral health centers or jail
2 diversion centers in the authorities' local service areas to:

3 (1) provide additional forensic hospital beds and
4 competency restoration services;

5 (2) provide inpatient and outpatient mental health
6 services to adults and children; and

7 (3) provide services to reduce recidivism and the
8 frequency of arrest, incarceration, and emergency detentions among
9 persons with mental illness in the service areas.

10 (c) The executive commissioner shall develop criteria for
11 the evaluation of applications or proposals submitted by a
12 nonprofit organization or governmental entity seeking to contract
13 with the commission under this section.

14 (d) This section may not be construed to affect a grant
15 program established by the commission under this code.

16 SECTION 4. (a) The state auditor's office shall conduct an
17 audit of the inmates in county jails who are waiting for a forensic
18 hospital bed for the provision of competency restoration services.
19 The audit must identify any issues and inefficiencies in the
20 commitment process.

21 (b) Not later than December 1, 2024, the state auditor shall
22 prepare a report of the audit conducted under Subsection (a) of this
23 section and publish the report on the state auditor's Internet
24 website. The report must include:

25 (1) a review of the history and status of the waitlist
26 beginning September 2018 through the most current year for which
27 information is available;

1 (2) any disparities in treatment in the forensic
2 commitment process based on race, gender, ethnicity, or age; and

3 (3) any other analysis the state auditor determines
4 appropriate.

5 (c) This section expires September 1, 2025.

6 SECTION 5. As soon as practicable after the effective date
7 of this Act, the executive commissioner of the Health and Human
8 Services Commission shall adopt rules necessary to implement
9 Sections 531.0993(d-1) and 531.09936, Government Code, as added by
10 this Act.

11 SECTION 6. This Act takes effect September 1, 2023.

Senate Bill 1677
Conference Committee Report
Section-by-Section Analysis

SENATE VERSION

SECTION 1. Section 531.0991, Government Code, is amended by adding Subsection (e-1).

SECTION 2. Section 531.0993, Government Code, is amended by adding Subsections (d-1) and (d-2).

SECTION 3. Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.09936 to read as follows:

Sec. 531.09936. ESTABLISHMENT OR EXPANSION OF REGIONAL BEHAVIORAL HEALTH CENTERS OR JAIL DIVERSION CENTERS. (a) In this section:

(1) "Local mental health authority" has the meaning assigned by Section 531.002, Health and Safety Code.

(2) "Nonprofit organization" means an organization that is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, by being listed as an exempt entity under Section 501(c)(3) of that code.

(b) To the extent money is appropriated to the commission for that purpose, the commission, in cooperation with local mental health authorities located primarily in rural areas of this state, shall contract with nonprofit organizations to establish or expand behavioral health centers or jail diversion centers in the authorities' local service areas to:

(1) provide additional forensic hospital beds and competency restoration services;

(2) provide inpatient and outpatient mental health services to adults and children; and

HOUSE VERSION (IE)

SECTION 1. Same as Senate version.

SECTION 2. Same as Senate version.

SECTION 3. Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.09936 to read as follows:

Sec. 531.09936. ESTABLISHMENT OR EXPANSION OF REGIONAL BEHAVIORAL HEALTH CENTERS OR JAIL DIVERSION CENTERS. (a) In this section:

() "Governmental entity" means this state, a political subdivision of this state, or an agency of this state or a political subdivision of this state. [FA1(1)]

(1) "Local mental health authority" has the meaning assigned by Section 531.002, Health and Safety Code.

(2) "Nonprofit organization" means an organization that is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, by being listed as an exempt entity under Section 501(c)(3) of that code.

(b) To the extent money is appropriated to the commission for that purpose, the commission, in cooperation with local mental health authorities located primarily in rural areas of this state, shall contract with nonprofit organizations *or governmental entities* to establish or expand behavioral health centers or jail diversion centers in the authorities' local service areas to: [FA1(2)]

(1) provide additional forensic hospital beds and competency restoration services;

(2) provide inpatient and outpatient mental health services to adults and children; and

CONFERENCE

SECTION 1. Same as Senate version.

SECTION 2. Same as Senate version.

SECTION 3. Same as House version.

Senate Bill 1677
Conference Committee Report
Section-by-Section Analysis

SENATE VERSION

(3) provide services to reduce recidivism and the frequency of arrest, incarceration, and emergency detentions among persons with mental illness in the service areas.

(c) The executive commissioner shall develop criteria for the evaluation of applications or proposals submitted by a nonprofit organization seeking to contract with the commission under this section.

(d) This section may not be construed to affect a grant program established by the commission under this code.

No equivalent provision.

No equivalent provision.

SECTION 4. (a) Providing for an audit conducted by the state auditor's office of the inmates in county jails who are waiting for a forensic hospital bed for the provision of competency restoration services.

(b) Providing for the preparation, publication, and content of the report.

(c) Providing for the expiration of provisions relating to the report.

SECTION 5. Transition provision.

HOUSE VERSION (IE)

(3) provide services to reduce recidivism and the frequency of arrest, incarceration, and emergency detentions among persons with mental illness in the service areas.

(c) The executive commissioner shall develop criteria for the evaluation of applications or proposals submitted by a nonprofit organization **or governmental entity** seeking to contract with the commission under this section. [FA1(3)]

(d) This section may not be construed to affect a grant program established by the commission under this code.

SECTION __. Section 533.00255(a), Government Code, is amended. [FA2]

SECTION __. If before implementing any provision of this Act a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted. [FA2]

SECTION 4. Same as Senate version.

SECTION 5. Same as Senate version.

CONFERENCE

Same as Senate version.

Same as Senate version.

SECTION 4. Same as Senate version.

SECTION 5. Same as Senate version.

Senate Bill 1677
Conference Committee Report
Section-by-Section Analysis

SENATE VERSION

SECTION 6. Effective date.

HOUSE VERSION (IE)

SECTION 6. Same as Senate version.

CONFERENCE

SECTION 6. Same as Senate version.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 27, 2023

TO: Honorable Dan Patrick, Lieutenant Governor, Senate
Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1677 by Perry (relating to the establishment and administration of Health and Human Services Commission programs providing mental health services to certain individuals in this state.),
Conference Committee Report

Estimated Two-year Net Impact to General Revenue Related Funds for SB1677, Conference Committee Report : 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 amend requirements for how the Health and Human Services Commission (HHSC) distributes funding for certain community mental health grant programs.

The bill would require 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 or governmental entities to establish or expand behavioral health centers or jail diversion centers in the authorities' local service areas.

The bill would require the State Auditor's Office (SAO) to conduct an audit of the inmates in county jails who are waiting for a forensic hospital bed for the provision of competency restoration service and submit a report on the audit by December 1, 2024.

Methodology

It is assumed that any costs related to the amended requirements for certain community mental health grant programs could be absorbed using existing resources.

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 and governmental entities. 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 or governmental entities. 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.

It is assumed that any costs relates to the required audit by SAO could be absorbed using existing resources.

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: 308 State Auditor's Office, 529 Health and Human Services Commission

LBB Staff: JMc, AF, NPe, ER, NDA