

SUBJECT: Creating a grant program to support community mental health services

COMMITTEE: Public Health — favorable, without amendment

VOTE: 7 ayes — Price, Sheffield, Burkett, Cortez, Guerra, Oliverson, Zedler

0 nays

4 absent — Arévalo, Coleman, Collier, Klick

WITNESSES: For — Andy Keller, Meadows Mental Health Policy Institute; Lee Johnson, Texas Council of Community Centers; Kimber Falkinburg; (*Registered, but did not testify*: Cynthia Humphrey, Association of Substance Abuse Programs; Dennis Borel, Coalition of Texans with Disabilities; Reginald Smith, Communities for Recovery; Eric Woomer, Federation of Texas Psychiatry; Latosha Taylor, Grassroots Leadership; Mindy Ellmer, Haven for Hope; Bill Gravell, Bobby Gutierrez, Carlos Lopez, and Jama Pantel, Justices of the Peace and Constables Association of Texas; Barbara Frandsen, League of Women Voters of Texas; Bill Kelly, Mayor's Office, City of Houston; Gyl Switzer, Mental Health America of Texas; Christine Yanas, Methodist Healthcare Ministries; Greg Hansch, National Alliance on Mental Illness (NAMI) Texas; Will Francis, National Association of Social Workers - Texas Chapter; Micah Harmon, Sheriffs' Association of Texas; Mark Mendez, Tarrant County; Josette Saxton, Texans Care for Children; Tim Schauer, Texas Association of Community Health Plans; Laura Nicholes, Texas Association of Counties; Michael Barba, Texas Catholic Conference of Bishops; Donald Lee, Texas Conference of Urban Counties; Sara Gonzalez, Texas Hospital Association; Michelle Romero, Texas Medical Association; James Thurston, United Ways of Texas; Chris Frandsen; Thomas Parkinson; Andrea Schiele)

Against — None

On — (*Registered, but did not testify*: Sonja Gaines, Health and Human Services Commission)

DIGEST: HB 13 would require the Health and Human Services Commission (HHSC), subject to appropriations, to establish a matching grant program to support community mental health programs. HHSC would enter into an agreement with a qualified nonprofit or other private entity to serve as the administrator of the matching grant program.

Role of HHSC. HHSC would select grant recipients based on applications or proposals by nonprofit and governmental entities using criteria developed by the executive commissioner. The criteria would have to evaluate and score project effectiveness and cost, address the possibility of making multiple awards, and include other factors the executive commissioner deemed pertinent.

The bill would require HHSC to notify the local mental health authority (LMHA) that encompassed a community mental health program of the proposed mental health services that would be funded by a grant before awarding it. The LMHA could submit written input to HHSC on whether the proposed services would weaken or strengthen mental health services available in the community. HHSC and the administrator would have to consider the LMHA's input before awarding a grant.

The HHSC executive commissioner would adopt rules to implement the bill's provisions.

Role of administrator. The nonprofit or other entity serving as the grant program administrator would assist HHSC with its responsibilities. The administrator could advise HHSC on the development and management of the program, the criteria for local community collaboration and the services eligible for grants, responsibilities of grant recipients, reporting requirements, and other aspects of the program.

The administrator would ensure that each grant recipient obtained or secured contributions to match awarded grant money as determined by county populations. Before HHSC awarded a grant under the matching grant program, the administrator would have to receive HHSC's approval

of the eligibility requirements for grant recipients, the types of services eligible for grants, and the reporting requirements.

Disbursement of funds. A grant awarded under the program and the matching amounts could be used only to support community programs that provided mental health care services and treatment to individuals and that coordinated those services with other transition support services. The match secured by the recipient could include cash or in-kind contributions from any person but could not include state or federal funds.

HB 13 would require a community that received a grant under the program to leverage local funds in an amount equal to:

- 100 percent of the grant amount if the community mental health program was in a county with a population of less than 125,000;
- 115 percent of the grant amount if the program was in a county with a population between 125,000 and 250,000;
- 125 percent of the grant amount if the program was in a county with a population between 250,000 and 500,000;
- 150 percent of the grant amount if the program was in a county with a population between 500,000 and 1 million; and
- 167 percent of the grant amount if the program was in a county with a population of more than 1 million.

From money appropriated to establish the grant program, HHSC would reserve 25 percent to be awarded as grants to a community mental health program in a county with a population of no more than 250,000 and 5 percent for a program in a county with a population of no more than 125,000.

Money appropriated to or obtained by HHSC for the matching grant program would be disbursed directly to grant recipients by the commission. Money or other consideration obtained by the administrator would be disbursed directly to grant recipients by the administrator, private contributors, or local governments, as authorized by the executive commissioner.

Report. The HHSC executive commissioner would have to submit a report evaluating the success of the matching grant program to the governor, lieutenant governor, and members of the Legislature by December 1 each year.

Effective date. This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2017.

**SUPPORTERS
SAY:**

HB 13 would create a statutory framework to encourage local communities to address complex mental health needs across the state. Establishing a grant program would position them to focus on outcomes and collaborate on behalf of individuals requiring cross-system collaboration. Local stakeholders, such as intensive services providers, child protective services, juvenile justice agencies, schools, foster care providers, and nonprofits could combine resources and work on early intervention. Requiring local participation to help solve the unmet mental health needs of Texans would promote greater mental health care ingenuity, address local needs, and improve sustainability of the community mental health programs. At the same time, the state has a role to play through this type of program because behavioral health challenges affect Texans in schools, work places, and the criminal justice system.

Some reports estimate that local governments spend more than \$2 billion annually on mental health needs. Matching state funds with local monies based on a county's size would ensure behavioral health challenges were addressed in a more cost-effective way.

**OPPONENTS
SAY:**

HB 13 would not be proper management of taxpayer money because community program development is not a legitimate role of state government.

NOTES:

According to the Legislative Budget Board (LBB) fiscal note, HB 13 would have a negative impact of \$20 million in general revenue related funds in fiscal 2018-19 and would cost \$10 million each year thereafter.

The grant program would be limited to funds specifically appropriated to establish it and could cost more or less than \$10 million each fiscal year depending on the level of appropriations provided, according to LBB.