

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1702-02  
Bill No.: SB 465  
Subject: Requires the Department of Mental Health to assess persons referred to them and provide residential treatment if needed.  
Type: Original  
Date: February 26, 2001

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on <u>All</u> State Funds *</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

\* Could exceed \$100,000 in a fiscal year.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Federal Funds	Unknown	Unknown	Unknown
Federal Funds	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Revenues and expenditures unknown but net to \$0.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 3 pages.

**FISCAL ANALYSIS**

ASSUMPTION

Official from the **Office of State Courts Administrator** and **Department of Social Services** stated the proposed legislation would not fiscally impact their organizations.

Officials from the **Department of Mental Health (DMH)** stated the DMH is unable to determine the number of referrals that could be made as a result of this legislation, and therefore, is unable to determine the fiscal impact. However, since the proposed legislation appears to be an entitlement for persons affected by any type of mental condition, developmental disability, or alcohol or drug abuse problem, the cost to provide residential treatment services could be very significant. Residential services would range in cost by division and targeted population. Using the scenario of 100 referrals at a per diem cost, below are examples of the DMH's costs to provide residential services (does not include the 60% FFP):

Division of MRDD

100 individuals x \$60 per day x 365 days = \$2,190,000

Division of ADA

100 individuals x \$17 per day x 365 days = \$620,500

Division of CPS

100 individuals x \$23 per day (for adults) x 365 = \$839,500

The Department of Mental Health currently pays for and provides residential services for court committed forensic clients.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<b>GENERAL REVENUE FUND *</b>	<u>(Unknown)</u> <u>Could exceed</u> <u>\$100,000</u>	<u>(Unknown)</u> <u>Could exceed</u> <u>\$100,000</u>	<u>(Unknown)</u> <u>Could exceed</u> <u>\$100,000</u>
<b>FEDERAL FUNDS</b>			
<u>Income - Department of Mental Health</u>	Unknown	Unknown	Unknown
<u>Expenses - Department of Mental Health</u>	(Unknown)	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS *</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2002  
(10 Mo.)

FY 2003

FY 2004

\$0

\$0

\$0

FISCAL IMPACT - Small Business

The proposed legislation could result in the DMH going to private providers for additional bed capacity, thereby having an unknown, positive, impact on small businesses.

DESCRIPTION

The proposed legislation provides that the Department of Social Services or the Courts may refer persons to the Department of Mental Health for assessment. If this assessment indicates that the person is affected by a mental disorder, mental illness, mental retardation, developmental disability, or alcohol or drug abuse, the Department of Mental Health cannot refuse to provide residential treatment services to the person.

This legislation is not federally mandated, would not duplicate any other program and would require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of State Courts Administrator  
Department of Mental Health  
Department of Social Services



Jeanne Jarrett, CPA  
Director

February 26, 2001