

January 31, 2012

The Honorable Pat Colloton, Chairperson
House Committee on Corrections and Juvenile Justice
Statehouse, Room 167-W
Topeka, Kansas 66612

Dear Representative Colloton:

SUBJECT: Fiscal Note for HB 2498 by House Committee on Corrections and Juvenile Justice

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2498 is respectfully submitted to your committee.

HB 2498 would establish criteria for a mental health diversion program for certain offenders charged with a crime on or after July 1, 2012. Any county or district attorney could elect to establish a diversion program in coordination with the Community Mental Health Center (CMHC) in that county or the district attorney's jurisdiction. If a county elected to implement a mental health diversion program, it would become the responsibility of the Community Mental Health Center to administer, monitor and oversee a defendant's participation in the program. The court could assess fees, restitution or court costs to the defendant in order to participate in the program. The Secretary of the Department of Social and Rehabilitation Services (SRS) would be authorized to adopt rules and regulations to implement and administer the Act.

Estimated State Fiscal Effect				
	FY 2012 SGF	FY 2012 All Funds	FY 2013 SGF	FY 2013 All Funds
Revenue	--	--	--	--
Expenditure	--	--	\$2,239,875	\$2,239,875
FTE Pos.	--	--	--	--

SRS estimates that 75.0 percent of the participants eligible for the mental health diversion program would not be Medicaid eligible and are uninsured or underinsured and could not pay the full cost of the mental health treatment and supports that would be required to successfully complete the terms of the diversion agreement. The average CMHC treatment cost per Medicaid eligible person is \$3,300. In FY 2011, 1,810 of the 8,872 adults with severe and persistent

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mental illness receiving CMHC services self-reported contact with law enforcement. SRS estimates that 50.0 percent of these persons would participate in the diversion program. Based on this data, the additional costs for CMHCs would be \$2,239,875 per year. (905 people x \$3,300 cost per person x 75% uninsured.) This estimate of additional expenditures assumes that fees, restitution or court costs generated through the program would be maintained by the county or the court to fund the non-treatment costs of the program.

The Kansas Association of Counties states that an estimate of costs associated with passage of HB 2498 cannot be made. However, the Association states that the majority of the program costs would be for Community Mental Health Centers. If no additional CMHC funding was provided through SRS, counties would either raise the mill levies related to CMHCs or stop providing services for other uninsured patients.

The Office of Judicial Administration states that mental health diversions resulting from passage of HB 2498 could decrease cases filed in the district courts and therefore decrease court expenditures. The diversions could also result in a reduction of docket fees and criminal fines. It is not possible to predict the reduction in court cases and therefore, a precise fiscal effect cannot be determined.

The Kansas Sentencing Commission states that passage of the bill would not affect prison admissions or Commission workload. Any fiscal effect associated with HB 2498 is not reflected in *The FY 2013 Governor's Budget Report*.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Mary Rinehart, Judiciary
Jackie Aubert, SRS
Scott Schultz, Sentencing Commission
Linda Durand, KBI
Melissa Wangemann, Kansas Association of Counties
Jeremy Barclay, Corrections