

Fiscal Estimate Narratives

DHS 11/27/2013

LRB Number	13-3646/1	Introduction Number	SB-409	Estimate Type	Original
Description Individual placement and support program for employment of individuals experiencing mental illness and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

This bill would require DHS to create five regional centers for individual placement and support (IPS) for employment of individuals with mental illness. DHS must ensure that all counties in the state are served by the five regional centers, and that each regional center has access to an IPS trainer or mentor as well as an IPS supervisor. The bill would require DHS to award grants to employment sites that are implementing IPS services or regional centers for certain activities.

Currently, DHS administers a grant from the Johnson and Johnson Foundation and Dartmouth University Community Mental Health Program to provide technical assistance to three counties implementing the IPS model of supportive employment. The four-year grant, which is in its final year, provides an average award of \$80,000 per year to each site.

The bill creates appropriation 20.435 (5) (br), which provides \$485,000 GPR in SFY 14 and \$485,000 GPR in SFY 15 to fund the program. The funds are to be used for the purposes outlined below over the 13-15 Biennium:

- \$225,000 for 3 IPS trainers or mentors;
- \$225,000 for 3 IPS supervisors;
- \$400,000 for infrastructure pilot grants; and
- \$120,000 for work incentive benefits counseling.

Assuming that each grantee would receive the full \$15,000 awarded under the formula described in the bill, the \$400,000 infrastructure pilot grants would fund 26 employment sites.

The bill would create workload for the Department. For example, it will need to establish an application process, review applications, make award decisions, distribute funds, and issue and oversee contracts to multiple entities, including regional centers and grantees. It is estimated that 2.0 FTE will be needed to implement the program: 1.0 FTE for a Human Services Program Coordinator at an annual cost of \$64,300 and one-time cost of \$2,500; and 1.0 FTE for a Contracts Specialist at an annual cost of \$51,900 and one-time cost of \$2,500. One-time costs for these positions total \$5,000 and annual costs total \$116,200.

In summary, including funding for grants and contracts appropriated in the bill, the total fiscal estimate is \$601,200 GPR in annual costs and \$5,000 GPR in one-time costs.

Long-Range Fiscal Implications

It is possible that the bill could lead to savings for the State over time, as studies have found that improved employment outcomes among individuals served by IPS are associated with reduced mental health treatment costs. However, it is not possible to estimate potential savings to the State as a result of this bill.

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 13-3646/1		Introduction Number SB-409	
Description Individual placement and support program for employment of individuals experiencing mental illness and making an appropriation			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): \$5,000 in one-time costs for office set-up			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$92,100	\$
(FTE Position Changes)		(2.0 FTE)	
State Operations - Other Costs		24,100	
Local Assistance			
Aids to Individuals or Organizations		485,000	
TOTAL State Costs by Category		\$601,200	\$
B. State Costs by Source of Funds			
GPR		601,200	
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$601,200	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
DHS/ Lara Rosen (608) 266-5655		Andy Forsaith (608) 266-7684	11/27/2013