



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #410

Youth Crisis Stabilization Facility and Peer-Run Respite Center for Veterans (Health Services -- Care and Treatment Services)

[LFB 2019-21 Budget Summary: Page 215, #10 and #11]

CURRENT LAW

The 2017-19 budget (2017 Act 59) created two grant programs to support local community-based mental health services, both funded with surplus revenue from the state mental health institutes program revenue account. The act defined a youth crisis stabilization facility as a program that is intended to support the start-up or operating costs of one or more facilities for youth experiencing a mental health crisis, while the peer-run respite center for veterans provides funds for the operation of a peer support center. The act defined a youth crisis stabilization facility as a treatment facility with a maximum of eight beds that admits a minor to prevent or de-escalate the minor's mental health crisis and avoid admission of the minor to a more restrictive setting.

Both grant programs were affected by a partial veto of the budget act. As passed by the Legislature, the bill would have created separate PR appropriations for both programs and would have provided PR budget authority using revenues collected for the state mental health institutes. The funding for the youth crisis stabilization facility was placed in the Joint Committee on Finance program supplements appropriation, pending approval of the Committee of the Department's plan to make a grant. Funding for the peer-run respite center was provided in a DHS appropriation. In both cases, the PR funding was provided for the 2017-19 biennium only, and DHS was directed to include a proposal in its 2019-21 budget request to fund the programs on an ongoing basis from the general fund.

The Governor's partial veto changed these provisions in several ways. First, it eliminated the Joint Committee on Finance review of the youth crisis stabilization facility, as well as the funding in the Committee's appropriation for the grant.

Second, the partial veto eliminated the separate appropriation for the youth crisis

stabilization facility grants and modified the appropriation for the peer-run respite center so that both grants could be made from that appropriation. As vetoed, the remaining appropriation is titled "center," and can be used "to make payments to an organization that establishes a center that provides services." The Department is authorized to transfer funding to the center appropriation from PR appropriation for the state mental health institutes. These transfers must be made from the amounts actually budgeted in the DHS PR appropriation for institutional operations, rather than from any revenues credited to the program revenue account.

Third, the partial veto eliminated the June 30, 2019, sunset date on the PR financing mechanism for the programs, which has the effect of leaving in place the Department's center appropriation on an ongoing basis.

GOVERNOR

Youth Crisis Stabilization Facility. Provide \$996,400 PR annually in the Department's center appropriation to fund youth crisis stabilization facility grants.

Peer-Run Respite Center for Veterans. Provide \$450,000 PR annually in the Department's center appropriation to fund a grant to a peer-run respite center for veterans.

DISCUSSION POINTS

1. When first proposed in the 2017-19 biennial budget, the youth crisis stabilization facility was promoted as a new community-based, residential treatment option for youth experiencing a mental health crisis. The use of this type of facility was envisioned as a way to avoid more costly hospitalization in a general or psychiatric hospital. The youth crisis stabilization facility would not be used for emergency detention (for involuntary treatment when an individual is determined to be a potential risk to themselves or others). Rather, they are intended to be used when treatment in a less restrictive setting is appropriate.

2. As introduced, the Governor's 2017-19 budget bill would have provided \$249,100 in 2017-18 and \$996,400 in 2018-19 for these grants, for a total of \$1,245,500 over the biennium. As passed by the Legislature, the bill would have provided \$1,245,500 in 2017-18 in the Committee's program supplements appropriation. Although the Governor's partial veto of the youth crisis stabilization grant program eliminated this funding set-aside, the Governor indicated in the veto message that DHS would be directed to make a grant of at least \$1,245,500 for such a facility, an amount equal to the total biennial funding initially proposed for the grant program.

3. In addition to establishing a grant program to support one or more youth crisis stabilization facilities, Act 59 required that such facilities be certified by the Department. DHS indicates that it is currently in the process of developing an administrative rule to specify the certification criteria for these facilities, a process that must be completed before awarding a grant.

4. The 2013-15 biennial budget (Act 20) established a GPR-funded grant program for peer-run respite centers. Peer-run respite centers provide a home-like atmosphere to individuals experiencing stress or symptoms associated with mental illness or addiction. Supportive services are

provided by staff who have successfully participated in mental health or substance abuse recovery or treatment programs. Under the grant program, DHS currently makes grants to three peer-run respite centers, totaling \$1.3 million annually.

5. Act 59 provided \$450,000 PR in 2018-19 with the intent to establish an additional peer-run respite center, specifically for veterans. Although not required by the act, the Department indicated that the peer-run respite center would be located in the Milwaukee area. Although the partial veto altered the appropriation for making this grant, it did not affect the amount of funding that the Legislature had approved for that purpose. In March, 2019, DHS awarded a start-up grant of \$307,700 to Mental Health America of Wisconsin to establish the peer-run respite center for veterans. This funding is available through June, 2019, with annual renewals of \$450,000, if funding is provided through the state budget.

6. Although the partial veto of Act 59 eliminated the sunset date on the PR funding mechanisms for the youth crisis stabilization and peer-run respite center grants, it did not eliminate the requirement that DHS include proposals in its 2019-21 budget request to fund these programs with GPR appropriations. The Department's budget request included \$996,400 GPR annually for youth crisis stabilization facility grants and \$450,000 GPR annually for peer-run respite center grants. These amounts are equivalent to the annualized funding originally proposed for each program in the 2017-19 budget bill.

7. Although the bill reflects the funding in the center appropriation for both grants, the bill would not provide additional expenditure authority in the PR appropriation for the MHIs to make the funding transfers. Consequently, any funding for making these grants would have to be transferred to the center appropriation from amounts budgeted for the institutional operations of the MHIs. DOA indicates that the intent was to provide budget authority in the mental health institutes PR appropriation for making this transfer, a modification that could be made if the Governor's recommendations are approved (Alternative 1a and 1b).

8. The Governor's bill would provide funding for the two grant programs through a PR transfer from the Department's institutional operations appropriation. The use of program revenues collected for the mental health institutes would continue the practice, established by Act 59, of funding both community-based treatment grants with revenues collected from counties for a different purpose, which is the care of individuals placed at the mental health institutes under emergency detention or ongoing civil commitment. Act 59 provided funding from this source only for the 2017-19 biennium, anticipating that a decision could be made in the 2019-21 budget as to whether to continue funding these programs from the general fund.

9. The funding for the Department's other community-based mental health and substance abuse programs, including the existing peer-run respite center program, is provided from the general fund. If the Committee determines that the youth crisis stabilization facility grant program or the peer-run respite center for veterans grant program should be treated similarly, or that it would be inappropriate to continue to divert funding collected from counties for institutional services to fund community-based programs, the bill could be amended to instead provide GPR funding for one or both of the grant programs. This funding could be provided in the current GPR appropriation for grants for community programs (Alternative 2a and 2b).

10. DHS sets daily rates for the mental health institutes based on an assessment of the costs specific to the institutions, as well as a consideration of the rates charged for other hospitalization alternatives. Because the mental health institutes typically operate at or near full capacity, the program revenue account has sufficient revenues to fund the two grant programs, as well as several other budget items related to one or both of the facilities. Based on current revenue projections, it appears that there are sufficient revenues in the PR account to support these programs as well as the other budget initiatives. However, the balance in the PR appropriation would decline from an estimated \$19.5 million at the start of the biennium to \$8.6 million at the close, suggesting that total PR expenditures are projected to exceed annual revenues, thus drawing down the balance. Going forward, the Department would likely need to increase fees for services in order to maintain a positive PR appropriation balance.

11. Both of the grant programs are intended to address mental health or substance abuse crisis situations at a stage before more restrictive treatment means are needed. If they work as intended, these crisis initiatives may reduce the need for emergency detention or ongoing civil commitment. Because of this relationship between the purpose of the programs and the funding source, the Committee could determine that it is appropriate to continue funding the programs with revenue collected for the mental health institutes.

12. The partial veto of Act 59 created the center appropriation with a vague and overly-broad purpose. In the interest of maintaining proper legislative control over appropriations, the Committee could repeal the center appropriation and instead establish sum-certain PR appropriations for the youth crisis stabilization facility grants and peer-run respite center grants. Instead of providing the funding through a transfer from the mental health institutes appropriation, amounts for the grants could be appropriated directly from revenues collected in for the mental health institutes, thus avoiding double-counting the amounts for these programs in the appropriation schedule. The repeal of the center appropriation is also included the GPR-funded alternatives.

13. If the Committee approves of the use of mental health institutes revenues for one or both of the grant programs, but also would like to establish greater legislative control over the appropriation, it could delete the center appropriation and establish new sum-certain PR appropriations for the grant programs. Instead of funding these appropriations through transfers from amounts budgeted for the state mental health institutes, the revenue for the grant appropriations could be credited from unappropriated revenue (Alternatives 3a and 3b).

14. The Committee could determine that it does not wish to continue to fund these programs. In this case, the center appropriation and the authority to transfer amounts to that appropriation could be deleted (Alternative 4).

15. If the Committee takes no action, the Department could fund either initiative through transfers from the appropriation for the mental health institutes to the center appropriation. However, no funding would be provided in the institutional operations appropriation for this purpose, meaning that any funding transfers would have to be made from amounts budgeted for the mental health institutes (Alternative 5).

ALTERNATIVES

1. Approve the Governor's request to provide funding in the center appropriation by adopting one or both of the following:

a. Provide \$996,400 PR annually for youth crisis stabilization facility grants. Modify the Governor's recommendation in accordance with the administration's intent for this proposal, to provide \$996,400 PR annually in the mental health institutes PR appropriation to provide budget authority for making a transfer to the center appropriation. [With the modification, the funding for the youth crisis stabilization facility grants would be effectively double-counted--once to make the transfer and once to make the grants. This change does not represent a doubling of funding for the initiative.]

ALT 1a	Change to	
	Base	Bill
PR	\$3,985,600	\$1,992,800

b. Provide \$450,000 PR annually for peer-run respite center for veterans grants. Modify the Governor's recommendation in accordance with the administration's intent for this proposal, to provide \$450,000 PR annually in the mental health institutes PR appropriation to provide budget authority for making a transfer to the center appropriation. [With the modification, the funding for the peer-run respite center grant would be effectively double-counted--once to make the transfer and once to make the grant. This change does not represent a doubling of funding for the initiative.]

ALT 1b	Change to	
	Base	Bill
PR	\$1,800,000	\$900,000

2. Change the funding source of the of grants by adopting one or more of the following:

a. Provide \$996,400 GPR annually for youth crisis stabilization facility grants in the grants for community programs appropriation. Repeal the center appropriation and delete the PR funding in the bill for these grants.

ALT 2a	Change to	
	Base	Bill
GPR	\$1,992,800	\$1,992,800
PR	<u>0</u>	<u>- 1,992,800</u>
Total	\$1,992,800	\$0

b. Provide \$450,000 GPR annually for a grant for a peer-run respite center for veterans in the grants for community programs appropriation. Repeal the center appropriation and delete the PR funding in the bill for this grant.

ALT 2b	Change to	
	Base	Bill
GPR	\$900,000	\$1,992,800
PR	<u>0</u>	<u>-1,992,800</u>
Total	\$900,000	\$0

3. Delete the center appropriation and instead provide funding for the grants programs with sum-certain PR appropriations with revenue credited from unappropriated amounts in the Department's institutional operations appropriation account, as follows:

- a. Provide \$996,400 PR annually for youth crisis stabilization facility grants.

ALT 3a	Change to	
	Base	Bill
PR	\$1,992,800	\$0

- b. Provide \$450,000 PR annually for peer-run respite center for veterans.

ALT 3b	Change to	
	Base	Bill
PR	\$900,000	\$0

4. Delete \$1,446,400 PR annually to reflect the elimination of funding transferred from the state mental health institutes appropriation for the youth crisis stabilization facility and peer-run respite center grants. Repeal the center appropriation and the Department's authority to transfer funding to that appropriation from the institutional operations appropriation for the mental health institutes.

ALT 4	Change to	
	Base	Bill
PR	\$0	-\$2,892,800

5. Take no action. This alternative would leave the center appropriation in place, which DHS could use to fund grants using transfers from PR amounts budgeted for the state mental health institutes.

ALT 5	Change to	
	Base	Bill
PR	\$0	-\$2,892,800

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