

Department of Legislative Services
 Maryland General Assembly
 2004 Session

FISCAL AND POLICY NOTE

House Bill 1073 (Delegates Rosenberg and Hubbard)
 Health and Government Operations and Appropriations

Community-Based Mental Health Services - Funding

This bill requires the Governor, beginning in fiscal 2006 and in each fiscal year thereafter, to include in the annual State budget bill a general fund appropriation of at least \$10 million to provide community-based mental health services in the State.

Fiscal Summary

State Effect: Department of Health and Mental Hygiene (DHMH) general fund expenditures increase by \$10 million annually beginning in FY 2006. No effect on revenues.

(\$ in millions)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	10	10	10	10
Net Effect	\$0	(\$10)	(\$10)	(\$10)	(\$10)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: Potential meaningful. Small businesses that provide community-based mental health services could gain new clients as people transition to the community.

Analysis

Bill Summary: The required funding may not supplant resources for existing community services and must be used to provide: (1) community mental health services designed to promote recovery and community integration, including development of the

Maryland Mental Health Crisis Response System; and (2) affordable housing and employment opportunities for individuals with mental illness.

Current Law: The Mental Hygiene Administration (MHA) must develop a comprehensive plan that identifies the needs of all individuals who have a serious mental disorder and who are targeted for services in the “Comprehensive Mental Health Services Plan” submitted by the State to the federal government under Section 1925 of the federal Public Health Services Act. MHA must, to the extent resources are available, implement the plan in concert with local core service agencies to provide community-based services.

Chapter 371 of 2002 established the Maryland Mental Health Crisis Response System, which, subject to the receipt of federal funding or funding from any other private or public source, operates a statewide network using existing resources and coordinating interjurisdictional services to develop efficient and effective crisis response systems to serve all individuals in the State, 24 hours a day and seven days a week. The State may not spend more than \$250,000 in general funds each fiscal year to implement the response system. The system has not been fully implemented.

Background: The MHA fiscal 2005 budget allowance includes \$270.1 million for community mental health; however, fiscal 2005 expenditures are projected to be \$277 million. In addition, the MHA budget allowance includes a \$54 million federal fund deficiency to offset a community mental health deficit from fiscal 2004.

State Fiscal Effect: DHMH general fund expenditures increase by \$10 million annually beginning in fiscal 2006 to fund community-based mental health services. MHA would work in conjunction with the local core service agencies to provide community-based services.

Additional Information

Prior Introductions: None.

Cross File: SB 574 (Senator Kelley, *et al.*) – Budget and Taxation.

Information Source(s): Department of Health and Mental Hygiene, Department of Legislative Services

Fiscal Note History: First Reader - March 8, 2004
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Analysis by: Susan D. John

Direct Inquiries to:
(410) 946-5510
(301) 970-5510

