

Department of Planning and Budget 2020 Fiscal Impact Statement

1. Bill Number: HB 589

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Guzman

3. Committee: Health, Welfare, and Institutions

4. Title: Community services boards; funding formula; population and need.

5. Summary: Adds the total population of the area served by each community services board and the level of need for services provided by a community services board among the population of the area served to the list of criteria the Department of Behavioral Health and Developmental Services must consider when allocating state-controlled funds to community services boards.

6. Budget Amendment Necessary: See Item 8.

7. Fiscal Impact Estimates: Indeterminate. See Item 8.

8. Fiscal Implications: This bill amends and reenacts § 37.2-509 of the Code of Virginia to include the consideration of the total population served and level of services needed by each community services board when determining allocation of state-controlled funds.

Current factors considered for allocations of state-controlled funds to community services boards (CSBs) include:

1. The total amounts of state-controlled funds appropriated for this purpose;
2. Previous allocations of state-controlled funds to each community services board;
3. Requirements or conditions attached to appropriations of state-controlled funds by the General Assembly, the Governor, or federal granting authorities;
4. Community services board input about the uses of and methodologies for allocating existing and new state-controlled funds; and
5. Other relevant and appropriate considerations.

There are 39 CSBs and one Behavioral Health Authority (BHA). The CSBs/BHA provide a variety of services for the treatment of mental illness, intellectual/developmental disabilities, and substance use disorders. Services include Discharge Assistance Planning, Emergency Services, Early Intervention, Case Management, Outpatient Therapies, Psychosocial Programs, and Primary Care Screenings.

DBHDS distributes the majority of funding to CSBs based on historical allocations. Applying a funding distribution model that takes into account current population and need

each year will result in funding level changes at many of the CSBs. Those CSBs whose allocations experience a downward adjustment once the new formula is applied may not be able to maintain current program levels. While the bill does not require that CSBs who would lose state funding under the new distribution criteria be held harmless, if the intent of the bill is to increase funding where the new criteria indicate it is appropriate without decreasing services elsewhere, such a hold harmless provision would have a fiscal impact, which at this time is indeterminate.

To meet the requirements of this legislation, DBHDS has stated it would need an indeterminate amount of funding to retain a consultant and purchase software to expand data capabilities. DBHDS also estimates the need for one FTE to conduct the annual review of changes to the allocation and service needs of the population, at a cost of \$122,164 per year.

Additionally, the Appropriations Act would need to be amended to adjust language which would contradict the change in Code.

9. Specific Agency or Political Subdivisions Affected Department of Behavioral Health and Developmental Services

10. Technical Amendment Necessary: No

11. Other Comments: None