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FISCAL IMPACT REPORT

ORIGINAL DATE 1/25/09

SPONSOR Wirth LAST UPDATED _____ HB _____

SHORT TITLE Mental Health Court Funding SB 125

ANALYST C. Sanchez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
\$0	\$532.2	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non- Rec	Fund Affected
Total	Indeterminate	Indeterminate	Indeterminate	Indeterminate	NA	NA

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Administrative Office of the Courts (AOC)

Public Defender (PD)

Department of Corrections (DOC)

SUMMARY

Synopsis of Bill

Senate Bill 125 appropriates \$532,200 to the Administrative Office of the Courts for expenditure in FY10 for three existing Mental Health Court programs: \$178,800 to replace lapsing federal grant funds for the First Judicial District's program in Santa Fe; \$60,000 to expand and enhance the Eleventh Judicial District's program in Aztec; \$80,000 to replace lapsing funds for the Thirteenth Judicial District's program in the town of Bernalillo, along with an additional \$213,400 to expand and enhance that same program. Any unexpended or unencumbered balance remaining at the end of FY10 shall revert to the general fund.

FISCAL IMPLICATIONS

According to the AOC, there are several direct cost savings gained through operation of mental health court programs, as well as several indirect costs that should be realized. The cost of incarcerating mentally ill offenders in jail will be reduced substantially due to their earlier release from jail and effective use of existing resources in the community. The costs of treatment while inmates are incarcerated will be avoided which, while not effecting the individual court’s budget, will be a cost avoidance for their respective counties, since Medicare/Medicaid benefits stop while people are incarcerated. Mental Health Court programs drastically reduce the number of days that mentally ill offenders spend in the hospital receiving psychiatric treatment, which in turn reduces the cost for the counties since the majority of participants are indigent. Mental Health Court reduces the number of referrals to the State Psychiatric Hospital, which in turn results in cost savings for the Department of Health. Mental Health Court programs also reduce the amount of time that law enforcement spends interacting with mentally ill offenders since only a small percentage reoffend while participating in Mental Health Court programs.

It is likely that some of the individuals who would be adjudicated under this program would be Medicaid-eligible recipients. If this were the case, any monies used to provide mental health services that are part of the NM Medicaid State plan (by a provider licensed to provide such services, and who is credentialed as Medicaid provider of that service as part of the statewide-entity-contracted provider network) would be eligible for Federal match. The number of eligible clients and the amount of this impact cannot be readily determined.

According to the Department of Corrections, if the bill enables certain residents in the districts to have their criminal charges resolved through mental health court without being sent to prison or placed on probation or parole, it could reduce or help maintain DOC’s prison population or probation/parole caseloads.

The following table presents a breakdown of the entire appropriation:

FY10 Mental Health (or "Treatment") Court Funding Requests

<u>Program</u>	<u>Replacement</u>	<u>Expansion</u>	<u>New Program</u>
1st -- Santa Fe	\$178,800		
11th -- Aztec		\$60,000	
13th -- Sandoval Co.	\$80,000		
13th -- Sandoval Co.		\$213,400	
Subtotals	\$258,800	\$273,400	\$0
		Grand Total	\$532,200

SIGNIFICANT ISSUES

Nationally, estimates are that between 6% and 15% of people that are in jail have serious mental illnesses. This bill funds mental health programs that reduce the incidents of arrest and incarceration of repeat offenders with mental illness using the Court to mandate appropriate treatment rather than incarceration. Mental Health courts are part of the growing national trend towards therapeutic justice programs, or problem-solving courts, which are modeled on the nationally successful drug court programs. Like drug courts, mental health courts combine

treatment with the coercive power of the judiciary and close supervision to ensure participants adhere to the treatment plan and other program requirements.

As with drug courts, mental health courts require close collaboration between the courts, the public defender's and district attorney's offices. Because of the time demands of such programs, mental health court budgets often include funds for all three agencies. Such programs also require treatment staff, in the form of psychologists or psychiatrists, family counselors, as well as court staff to administer and run the program who are trained for mental health diversion or supervised release services.

This appropriation would allow the First Judicial District Court program to replace lapsing federal grant funds that are essential to maintain operations at their current 25 participant capacity. The First's is the oldest of these three programs and has graduated 16 participants, with only one reoffending since graduation. The program in the Thirteenth Judicial District took in its first participant in August 2008 and needs to replace \$80,000 in non-recurring funds provided to help start the program by the behavioral health statewide entity, Value Options. The Thirteenth as well as the Eleventh are also ready to build on what they have started by expanding their services and capacity through the expansion funding requests.

PERFORMANCE IMPLICATIONS

FY 10 is the sixth year that the courts are participating in performance based budgeting. This bill may have an impact on the measures of the district courts in the following areas:

- cases disposed as a percentage of cases filed
- percent change in case filings by case types
- clearance rate

The success of the program will be measured by tracking the success of treatment and medication compliance and continued checking of court records for recidivism.

ADMINISTRATIVE IMPLICATIONS

There is an immediate administrative impact on the court resulting from added judicial and staff time needed to dispose of these types of cases in keeping with the dictates of the mental health court program.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The First and Thirteenth Judicial Districts will lose a significant portion of their program funding, leading to a severe reduction in capacity. The programs at the Eleventh and Thirteenth will be unable to expand their programs to meet local need.

In addition, mentally ill offenders will remain in jail longer than required due to insufficient staff to arrange for aftercare. Untreated or inadequately treated mentally ill offenders will likely re-offend. The program will reduce the number of mentally ill offenders who are jailed repeatedly.