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Fiscal Note

2021-2022 Legislative Session

SF933 - 3A - Children's Mental Health Grant Eligibility

Chief Author: **Carla Nelson**
 Committee: **Human Services Reform Finance and Policy**
 Date Completed: **3/27/2021 8:15:56 AM**
 Agency: **Human Services Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	40,617	10,755	346	346	
Total	-	40,617	10,755	346	346	
Biennial Total			51,372			692

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	8	8	2	2
Total	-	8	8	2	2

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Carlos Guereca **Date:** 3/27/2021 8:15:56 AM
Phone: 651-2846541 **Email:** carlos.guereca@lbo.leg.mn

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025	
General Fund	-	40,617	10,755	346	346	
Total	-	40,617	10,755	346	346	346
Biennial Total			51,372			692
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	40,617	10,755	346	346	
Total	-	40,617	10,755	346	346	346
Biennial Total			51,372			692
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

This bill, under Section 1, would authorize DHS to make grants from available appropriations to assist with evidence-informed interventions for youth and young adults who are at risk of developing mood disorder or are experiencing an emerging mood disorder including major depression and bipolar disorders, and a public awareness campaign on the signs and symptoms of mood disorders in youth and young adults.

Under Section 2, this bill appropriates grant money for the **first episode of psychosis grant program** to be used to:

- Provide intensive treatment and support for adolescents and adults experiencing or at risk of experiencing a first episode of psychosis. Intensive treatment and support includes medication management, psychoeducation for an individual and an individual's family, case management, employment support, education support, cognitive behavioral approaches, social skills training, peer support, crisis planning, and stress management. Projects must use all available funding streams.
- Conduct outreach and provide training and guidance to mental health and health care professionals, including postsecondary health clinics, on early psychosis symptoms, screening tools, and best practices.
- Ensure access for individuals to first episode of psychosis under this section, including ensuring access to first psychotic episode services for individuals who live in rural areas.
- Grant money may also be used to pay for housing or travel expenses or to address other barriers preventing individuals and their families from participating in first episode of psychosis services.

Under Section 3, this bill appropriates grant money for the **emerging mood disorder grant program** to be used to:

- Provide intensive treatment and support to adolescents and young adults experiencing or at risk of experiencing an emerging mood disorder. Intensive treatment and support includes medication management, psychoeducation for the individual and the individual's family, case management, employment support, education support, cognitive behavioral approaches, social skills training, peer support, crisis planning, and stress management. Grant recipients must use all available funding streams.
- Conduct outreach and provide training and guidance to mental health and health care professionals, including postsecondary health clinics, on early symptoms of mood disorders, screening tools, and best practices.
- Ensure access for individuals to an emerging mood disorder services under this section, including ensuring access to services for individuals who live in rural areas.
- Grant money funds may be used by the grantee to evaluate the efficacy for providing intensive services and

supports to people with emerging mood disorders.

Under Section 4, \$40 million in FY 2022 and \$10 million in FY 2023 will be appropriated to DHS for **school-linked mental health grants** under Minnesota Statutes, section 245.4901. This appropriation is available only if federal funding from the American Rescue Plan Act of 2021, for which the appropriation is an eligible expenditure, is received before this section is implemented by MN. Minnesota Statutes, section 4.07, subdivision 3 does not apply to the 2021 American Rescue Plan Act. Therefore the general fund appropriation in this section is an eligible expenditure. With the federal funds from the American Rescue Plan Act of 2021, DHS must cancel the general fund appropriation in this section in the amount up to, but not greater than, the appropriated amount. DHS may designate a portion of an appropriation for cancellation if the federal funds are not sufficient to replace the entire general fund appropriation. Each amount canceled is appropriated from the federal fund for the original purposes of the general fund appropriation. The appropriation may be used for expenses retroactive to the effective date of this act. This is a one-time appropriation.

Assumptions

This fiscal note assumes the following:

1. For the first episode of psychosis grant program, existing state and federal funding sources can support the grant program and proposed activities. Activities include:

- a. Providing intensive treatment and support for adolescents and adults experiencing or at risk of experiencing first episode of psychosis.
- b. Conducting outreach and providing training and guidance to mental health and health care professionals.
- c. Ensuring access for individuals to first episode of psychosis services.
- d. Grant money may also be used to pay housing or travel expenses or to address other barriers preventing individuals and their families from participating in first episode of psychosis services.

2. The emerging mood disorder grant program should be modeled after the first episode of psychosis grant program. \$300,000/year will be needed to support the grant program. Grants will be issued to providers to conduct the following activities:

- a. Providing intensive treatment and support to adolescents and young adults experiencing or at risk of experiencing an emerging mood disorder.
 - i. 500 hours/year x \$150 hourly rate = \$75,000
- b. Conducting outreach and provide training and guidance to mental health and health care professionals.
 - i. 500 hours/year x \$150 hourly rate = \$75,000
- c. Ensuring access for individuals to an emerging mood disorder services.
 - i. 500 hours/year x \$150 hourly rate = \$75,000
- d. Grant money funds may be used by the grantee to evaluate the efficacy for providing intensive services and supports to people with emerging mood disorders.
 - i. 500 hours/year x \$150 hourly rate = \$75,000

3. 2 FTEs will be needed for the administrative support of both programs. The expected hire date is October 1, 2021.

- a. 1 FTE will be required to help manage grants and contracts for both the existing first episode of psychosis grant program and new emerging mood disorder grant program. This position will be responsible for managing the grants, establishing internal controls, and provide oversight on budget, financials, and spending. MAPE 14L position, step 9 of the range: \$76,275/year + 30% fringe, \$22,883 = \$99,158/year. FY 2022 will result in \$74,367 due to the expected hiring date of Oct. 1, 2021. Starting in FY 2023 and going forward the cost will be \$99,158/year.

b. 1 FTE will be required to help support and manage the emerging mood disorder grant program coordinator: MAPE 17L classification Human Services Consultant projected at 9th step: \$84,794 annual salary + 30% fringe at \$25,438 = \$110,232/year in FY 2023 and 2024. FY 2022: \$82,674 (75% of full year salary factoring in the expected hire date).

4. School-linked mental health (SLMH) grant: \$40 million in FY21 and \$10 million in FY2022

a. DHS will grant funding to eligible applicants (consistent with section 245.4901, subd. 2):

i. 11 tribal nations

ii. Enhance and expand current grantees and partnering schools to target Black, Indigenous, People of Color (BIPOC) communities and implement Evidence Based Practice (EBP) parent/teacher sessions. Identifying and diagnosing mental health conditions of students; Delivering mental health treatment and services to students and their families.

· Currently, 31 SLMH grantees, includes 58 total provider agencies, 750 SLMH FTEs

iii. Add additional school sites, up to 100 school sites across Minnesota

iv. Expand SLMH services to underserved communities and school districts, intermediate schools (4 schools), and BIE schools (4 schools).

v. Contract services to provide technical assistance to DHS and MDE, EBP efficacy, EBP implementation and sustainability evaluation and consultation, quality improvement process training and implementation

vi. Reflective consultation: consultation support for teachers and school staff.

vii. Training and coaching contracts including building culturally specific implementation models, and trainings for mental health practitioners and professionals. Incorporate culturally specific implementation models and target BIPOC providers.

viii. Building the capacity of schools to meet the needs of students with mental health concerns, including school staff development activities for licensed and non-licensed staff. Implement EBP parent/teacher sessions. Identifying and diagnosing mental health conditions of students. Deliver mental health treatment and services to students and their families. Include culturally specific implementation models and parent sessions as well.

· Trauma-focused Cognitive Behavior Therapy (TF-CBT)

· Cognitive Behavior Intervention for Trauma in Schools (CBITS)

· Bounce Back

5. DHS will require administrative support to implement the added programs and activities. The anticipated start date is Oct. 1, 2021, ending on June 30, 2023. Total FTE cost will be \$451,455 for FY 2022 and \$601,948 in FY 2023.

a. 1 FTE for DHS tribal coordination: MAPE 15L, step 9: \$78,968/year + 30% fringe \$23,690 = \$102,658. FY 2022: \$76,994 (75% of full year salary). FY 2023: \$102,658

b. 1 FTE for EBP trainer/coaching coordinator: MAPE 15L, step 9: \$78,968/year + 30% fringe \$23,690 = \$102,658. FY 2022: \$76,994 (75% of full year salary). FY 2023: \$102,658

c. 2 FTE for fiscal, grant/contract, and budget support: MAPE 14L position, step 9 of the range: \$76,275/year + 30% fringe, \$22,883 = \$99,158/year. FY 2022 will result in \$148,734 (2 x \$74,367) due to the expected hiring date of Oct. 1, 2021. FY 2023 will be \$198,316 (2 x \$99,158).

d. 2 FTE for data analysis: MAPE 14L position, step 9 of the range: \$76,275/year + 30% fringe,

\$22,883 = \$99,158/year. FY 2022 will result in \$148,734 (2 x \$74,367) due to the expected hiring date of Oct. 1, 2021. FY 2023 will be \$198,316 (2 x \$99,158)

6. In section 4, funds are appropriated from the General Fund for the School Linked Mental Health grants. The bill states that the appropriation is only available if federal funding from the American Rescue Plan Act (ARPA) of 2021 is received before this section is implemented. Section 5 requires that if federal funds from ARPA are received by June 30, 2023 for which this expense is an eligible expenditure, the ARPA funds are required to be used and the general fund appropriation is to be cancelled. Because the state has not yet received the ARPA funds and doesn't know the timeline of when ARPA funds will be received that qualify for the grants in this bill, this fiscal note assumes a general fund impact. When ARPA funds are received and the functions in this bill are assessed to qualify under the purposes of the ARPA funds, the state would follow the requirements under section 5 as required.

Expenditure and/or Revenue Formula

Fiscal Tracking Summary (\$000's)						
Fund	BACT	Description	FY2022	FY2023	FY2024	FY2025
GF	15	Administrative Support, first episode of psychosis and emerging mood disorder programs 2 FTEs	157	209	209	209
GF	15	Administrative Support, school linked mental health program 6 FTEs	451	602	0	0
GF	15	Emerging mood disorder grant program	300	300	300	300
GF	REV1	FFP 32%	(291)	(365)	(163)	(163)
GF	15	American Rescue Plan Act of 2021 for School Linked Mental Health Grants	40,000	10,000	0	0
Total Net Fiscal Impact			40,617	10,755	346	346
Full Time Equivalents			8	8	2	2

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

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