

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6160**

**BILL NUMBER:** HB 1070

**NOTE PREPARED:** Feb 15, 2024

**BILL AMENDED:** Jan 25, 2024

**SUBJECT:** Mental Health Grants.

**FIRST AUTHOR:** Rep. Cash

**FIRST SPONSOR:** Sen. Crider

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED:**  GENERAL  
 DEDICATED  
 FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** The bill allows the Division of Mental Health and Addiction (DMHA) to award mental health grants to for-profit community mental health organizations (CMHO) if a nonprofit organization does not qualify for the grant.

**Effective Date:** July 1, 2024.

**Explanation of State Expenditures:** *Summary*– The DMHA may need to adjust rules and selection criteria in order to provide mental health grants to for-profit CMHOs. It is likely the DMHA would be able to make the necessary administrative changes within their existing levels of staff and resources.

**Additional Information**– The Community Mental Health Block Grant Program (Block Grant) is federally funded and provides funds to state divisions of mental health for distribution to approved providers of community mental health services. The Block Grant targets the following:

1. Adults with serious mental illness– Persons 18 and older who have a diagnosable behavioral, mental, or emotional condition that substantially limits or interferes with one or more major life activities.
  
2. Children with serious emotional disturbances– Persons under 18 with a diagnosable behavioral, mental, or emotional issue that results in a functional impairment that substantially interferes with, or limits, a child’s role or functioning in family, school, or community activities.

Local community mental health agencies in Indiana received about \$11.2 M in Mental Health Block Grants

and served about 142,000 eligible persons with those funds during FFY 2022. As of the date of this fiscal note, unduplicated person counts information for FFY 2023 has yet to be released from the Substance Abuse and Mental Health Services Administration (SAMHSA). This note will be updated when FFY 2023 data are released.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Local Community Programs*– To the extent that a local unit of government is receiving Block Grant funding to distribute to local mental health agencies, such funding may be shifted to for-profit service agencies in future years.

**State Agencies Affected:** Division of Mental Health and Addiction.

**Local Agencies Affected:** Local units of government funding mental health services.

**Information Sources:** <https://bgas.samhsa.gov/Module/BGAS/>;  
<https://bgas.samhsa.gov/Module/BGAS/Page/Reports.aspx>;  
<https://www.samhsa.gov/grants-awards-by-state/IN/2022>.

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