



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 637 (Substitute S-1 as reported)
Senate Bill 638 (Substitute S-1 as reported)
Sponsor: Senator Stephanie Chang (S.B. 637)
Senator Rick Outman (S.B. 638)
Committee: Health Policy and Human Services

CONTENT

Senate Bill 638 (S-1) would amend the Mental Health Code to do the following:

- Create the Jail Diversion Fund and require the Department of Health and Human Services (DHHS) to spend money from the Fund, upon appropriation, for certain prescribed purposes.
- Require the DHHS to create a behavioral health jail diversion grant program, subject to appropriation to the Jail Diversion Fund.
- Require the DHHS to distribute grants to local units of government to establish or expand behavioral health jail diversion programs in coordination between community agencies and law enforcement agencies, and require the Department to give priority to local units in counties without an urbanized area of at least 50,000 people and to programs that adhered to certain best practices.
- Require the DHHS to create an application process with selection criteria for grants and a grant dispersal process, and require the Department to post the application process, selection criteria, and grant dispersal process on its website.
- Require a local unit of government that received a grant to annually cooperate with an organization, selected by the DHHS, to describe and evaluate the activities and results of the local unit of government related to the grant dollar disbursed.
- Prescribe the duties of the DHHS.
- Require the DHHS to compile and submit an annual report to the Michigan Senate and House of Representatives Appropriations subcommittees on the DHHS budget, the Senate and House Fiscal Agencies, the Senate and House policy offices, and the State Budget Office.

Senate Bill 637 (S-1) would amend the Code to do the following:

- Require the DHHS to create a community crisis response grant program, subject to appropriation to the Jail Diversion Fund.
- Require the DHHS to distribute grants to local units of government for the purpose of establishing or expanding community-based mobile crisis intervention services and give priority to grant applications that demonstrated a commitment to certain best practices.
- Require the DHHS to create an application process with selection criteria for grants and a grant dispersal process, and require the Department to post the application process, selection criteria, and grant dispersal process on its website.
- Require a local unit of government that received a grant to annually cooperate with an organization, selected by the DHHS, to describe and evaluate the activities and results of the local unit of government related to the grant.

- Require the DHHS or evaluating organization to determine the specific metrics required in the report and notify the local units of government at the time of the first grant disbursement.
- Prescribe the duties of the DHHS.
- Require the DHHS to compile and submit an annual report to the Michigan Senate and House of Representatives Appropriations subcommittees on the DHHS budget, the Senate and House Fiscal Agencies, the Senate and House policy offices, and the State Budget Office.

Proposed MCL 330.1207e & 330.1207f (S.B. 637)
Proposed MCL 330.1207c & 330.1207d (S.B. 638)

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The enacted fiscal year 2021-22 DHHS budget included \$5.0 million for the Jail Diversion Fund referenced in the bills. Senate Bill 637 (S-1) would require the DHHS to use half of the jail diversion funding to provide competitive grants to local units of government for community crisis response. Senate Bill 638 (S-1) would require the DHHS to use the other half of the funding to provide competitive grants to local units of government for jail diversion. The bills would result in marginal administrative costs for the DHHS and for local units that sought the funding.

Additionally, Senate Bill 638 (S-1) would have a minor fiscal impact on the Department of Treasury to administer the Jail Diversion Fund; the amount needed would be within current appropriations.

Date Completed: 10-19-21

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