



2016 Legislative Agenda ESSB5915 – Dynamic Fiscal Impact

Change the content of fiscal notes attached to bills to include the cost to the tax payers and state over time of not implementing proposed legislation relevant to mental health, child welfare and corrections legislation

- A complete cost/benefit analysis is an essential business tool for any well-run entity
- Current fiscal notes include only the “cost” side of the equation
- Legislators need the whole picture to make fiscally and morally responsible decisions. They should not be expected to operate with only half of the necessary information.
- Because laws are implemented to solve problems and problems usually have some associated cost, solving those problems will, of necessity, confer a benefit. In other words, this is the “benefits” part of a cost/benefit analysis.
- Consideration of benefits should include those felt by local and county governments, programs, and services as well as those felt at the state level.
- This is a matter of good business practice and good governance.
- This bill currently applies only to mental health issues, children's issues, and Department of Corrections issues.

An example of how this bill would impact the fiscal implications available to legislators is the cost savings of implementation of Crisis Intervention Training for First Responders. This information is from a study conducted by the College of Nursing, University of Kentucky, Lexington, and the Mood Disorders Research Program, Department of Psychiatry and Behavioral Sciences, University of Louisville School of Medicine, Louisville, Kentucky:

Based on an average of 2400 CIT calls annually, the overall costs associated with CIT per year were \$2,430,128 (\$146,079 for officer training, \$1,768,536 for hospitalizations of patients brought in by CIT officers, \$508,690 for emergency psychiatry evaluations, and \$6823 for arrests). The annual savings of the CIT were \$3,455,025 (\$1,148,400 in deferred hospitalizations, \$2,296,800 in reduced inpatient referrals from jail, and \$9825 in avoided bookings and jail time). The balance is \$1,024,897 in annual cost savings.