

**Pre-Solicitation Announcement:**  
**Construction Grant Program for Mental Health Facilities**  
**HHS 0014160**

The issuance of this Pre-Solicitation Announcement is for collaboration planning purposes. This Pre-Solicitation Announcement does not obligate HHSC to issue the referenced solicitation. HHSC does not guarantee the issuance of the referenced solicitation, nor does it guarantee that the information contained in the Pre-Solicitation Announcement will remain unchanged upon issuance of the referenced solicitation. Any effort, expense, or expenditure of resources undertaken by any person or entity because of this Pre-Solicitation Announcement is at that person's or entity's sole cost and risk. HHSC does not seek questions, vendor responses, marketing materials, or other indications of interest because of this Pre-Solicitation Announcement. HHSC will not respond to questions regarding this pre-solicitation, nor discuss this pre-solicitation in any capacity.

HHSC Procurement and Contracting Services (PCS) will administer the procurement process for an upcoming Solicitation, which will include Request for Application (RFA) development and publication, vendor communications, receipt of Solicitation Responses for review and evaluation and eventual award.

This full solicitation and subsequent addenda will be posted to the HHS Grants RFA website (<https://resources.hhs.texas.gov/rfa/>)

**Grant Description:**

HHSC will be soliciting applications from County-Based Community Collaboratives in Texas interested in constructing mental health facilities to support and assist local needs. A County-Based Community Collaborative includes a county, a local mental health authority or local behavioral health authority that operates in the county, and each hospital district located in the county, if any. A community collaborative may include other local entities designated by the collaborative's members.

Existing capacity issues and a lack of available resources, such as community-based mental health care facilities and housing create unnecessary jail bookings, costly inpatient hospitalizations, and excessive use of local emergency departments (ED). Community-based crisis services and adequate housing reduce unnecessary stays in psychiatric hospitals, reduce the number and expenses of ED visits, and divert persons from inappropriate incarcerations while producing efficient outcomes.

As a microcosm of the overall health care system, there is a growing need to control costs associated with the delivery of mental health services while maintaining or improving the quality of care. Several studies have examined the economic impact of the provision of various types of community-based mental health crisis services, relative to traditional inpatient care. These studies find that significant cost savings can result from the provision of community-based crisis

services, due to reduced inpatient utilization, increased emergency department diversion, and more appropriate use of community-based behavioral health services.

Based on the Texas Statewide Behavioral Health Strategic Plan 2022-2026, behavioral health services supported by state agencies are delivered in many places, including local community clinics, schools, foster family homes, state hospitals, and counties. A full array of community-based services can reduce the need for inpatient care. The Texas Statewide Behavioral Health Strategic Plan provides a large scale framework HHSC in seeking to address through the approved construction grants and grant award will be based on the identified strategic plan gaps and goals.

The 88th Texas Legislature appropriated \$100 million in Senate Bill 30 Sec 3.02 (15) to HHSC to establish a **Construction Grant Program for Mental Health Facilities** (Requisition Number HHS0014160). This program is intended to assist in funding the construction, expansion, or remodel of specific mental health facilities to support local area needs. This program *does not* cover operational costs of running a facility. A grant awarded may only be used to construct:

1. Jail Diversion Facilities
2. Step Down Facilities
3. Permanent Supportive Housing (a facility that provides this service)
4. Crisis Stabilization Unit
5. Crisis Respite Unit

An eligible applicant:

1. Must be a County-Based Community Collaborative;
2. Must be eligible to perform grant-funded activities, if awarded, and are not subject to suspension, debarment, or a similar ineligibility determined by any state or federal entity;
3. Must be in good standing under the laws of Texas and has provided HHS with any requested or required supporting documentation in connection with this certification;
4. Shall remain in good standing and eligible to conduct its business in Texas and shall comply with all applicable requirements of the Texas Secretary of State and the Texas Comptroller of Public Accounts;
5. Must be currently in good standing with all licensing, permitting, or regulatory bodies that regulate any or all aspects of Applicant's operations; and
6. Must not be delinquent in taxes owed to any taxing authority of the State of Texas as of the effective date of the Grant Agreement.

HHSC shall require each entity awarded a grant to:

1. Meet the match requirement by leveraging additional funding or in-kind contributions from private contributions or local governments excluding state or federal funds;
2. Submit letters of support to show evidence of significant coordination and collaboration between the entities funded by a grant awarded as a result of this RFA. A letter of support from each of the following must be submitted:
  - a. The local mental health authorities;
  - b. The municipality; and
  - c. Local law enforcement agency.
3. Submit evidence of local law enforcement policy to divert appropriate persons from jails or other detention facilities to an entity affiliated with a County-Based Community Collaborative for the purpose of providing services to those persons.

Successful applications will demonstrate:

1. Effective collaboration with community partners. A community collaborative approach is defined as two or more organizations working together to address an unmet need in a way that achieves efficiency, continuity and effectiveness that would not be realized by one organization. Community collaboratives should aim at maximizing existing resources and avoiding duplication of effort.
2. The ability and rationale to meet outcomes as intended during the life of the project, including any plans for long-term stability, funding, and operating services.

**Grant Match Requirements:**

The grantee must provide a local match at least equal to the highest of the following:

- 25% of the grant amount if the collaborative includes a county with a population of less than 100,000;
- 50% of the grant amount if the collaborative includes a county with a population at least 100,000 but less than 250,000; or
- 100% of the grant amount if the collaborative includes a county with a population of 250,000 or more.

**Project Budget:**

The anticipated total amount of state funding available for the Program is **One Hundred Million Dollars (\$100,000,000.00)** during the grant term. It is HHSC's intention to make multiple awards through this solicitation to support selected grant projects.

**Estimated Posting Date:** February 2024