

Dear Chairman Kessler and Members of the House Committee on Federal and State Affairs,

I am writing on behalf of the Kansas Clubhouse Coalition to advocate for a crucial enhancement to the FY 2026 budget—one that will profoundly impact Kansans living with serious mental illness (SMI). Specifically, we request an increase in the statutory funding cap for Lottery Vending Machines, which will enable the expansion and development of Accredited Clubhouse Model services across Kansas.

Approximately 1 in 20 U.S. adults experience SMI each year. In Kansas, this equates to about 111,000 individuals. Our mental health support systems struggle to provide the level of care needed, and Clubhouses offer a proven, cost-effective solution.

A Proven Model for Mental Health Recovery

The Clubhouse model is an evidence-based, community-driven approach that empowers individuals with mental illness by fostering a supportive environment where they can thrive. Clubhouses provide opportunities for meaningful work, employment, safe spaces, relationship-building, and community reintegration. This holistic approach stabilizes recovery, reducing reliance on crisis services and decreasing emergency room visits, hospitalizations, criminal-legal system involvement, homelessness, and financial dependence.

Kansas Clubhouses have already demonstrated remarkable success:

- **Employment:** 42% of active members are employed, compared to a 15% national employment rate for individuals with SMI.
- **Stabilization:** 90% of active members avoid long-term hospitalization.
- **Youth Engagement:** 62 young adults are supported early in their recovery, helping them complete education and explore career paths.
- **Reduced Healthcare Costs:** Medicaid members experience lower overall mental health treatment costs.

- **Cost-Effectiveness:** The FY 2023 per-member estimated cost was just \$3,100—far lower than institutional care alternatives.

Impact on Members and Communities

In the last fiscal year, Kansas Clubhouses served over 1,000 active members, reducing Medicaid costs, preventing unnecessary hospitalizations, and addressing systemic issues like homelessness and incarceration. In collaboration with Certified Community Behavioral Health Clinics (CCBHCs), Nursing Facilities for Mental Health (NFMHs), and mental health hospitals, Clubhouses provide essential, long-term community-based support. Membership is free, voluntary, and without time limits—bridging critical gaps in mental health services.

Expanding the Kansas Clubhouse Network

Thanks to Lottery funding, Kansas has expanded from one Accredited Clubhouse in Wichita to four, with two more in the process of achieving accreditation. Current locations include Wichita, Hutchinson, Olathe, Topeka, Newton, and Salina.

To meet growing demand, we are developing a new Clubhouse in Lawrence and urgently need to expand into underserved areas such as Hays (population 21,112) and Great Bend (population 14,699). With approximately 20% of these populations experiencing SMI, this represents:

- **4,830 individuals in Hays** who could benefit from Clubhouse services.
- **3,674 individuals in Great Bend** who need access to recovery support.
- **3,868 individuals in Lawrence** who would gain access to a vital resource.

The Case for Increased Funding

Research confirms that Clubhouses are among the most well-established and cost-effective support models for individuals with SMI. A national study estimates annual cost savings of:

- **\$11,000 per Clubhouse member** with average healthcare needs.

- **\$22,000 per Clubhouse member** living with schizophrenia.

Given these substantial savings, expanding the Clubhouse model is a fiscally responsible investment.

Currently, the \$8 million statutory cap on Lottery Vending Machine distributions (with 75% allocated to Mental Health Crisis Centers and 25% to Clubhouses) has provided a foundation for growth. However, to fully meet Kansas' needs and maximize the impact of the Clubhouse model, we propose raising the cap to \$16 million.

This funding increase would:

- Establish new Clubhouses in Lawrence, Hays, and Great Bend.
- Strengthen existing programs to enhance service delivery statewide.
- Expand access to life-changing support for more Kansans affected by SMI.

National research from Fountain House estimates that expanding Clubhouses to serve just 5% of the 15.4 million adults with SMI nationwide could generate over \$8.5 billion in net societal benefits. Kansas has an opportunity to contribute to this impact by reducing hospitalizations, homelessness, incarceration, and unemployment while improving the quality of life for individuals and families.

Recommendation

The Kansas Clubhouse Coalition respectfully proposes:

We advocate for the passage of House Bill 2146 increasing the statutory cap on Lottery Vending Machine distributions to \$16 million.

This strategic investment will expand access to community-centered, evidence-based mental health services—empowering Kansans living with SMI to rebuild their lives through meaningful work, relationships, and community connections.

Conclusion

We urge the House Committee on Federal and State Affairs to support this vital funding increase. Doing so will position Kansas as a national leader in innovative, cost-effective mental health care—improving recovery outcomes, addressing systemic challenges, and fostering a more inclusive, supportive society.

For further details, we encourage you to review the research study: *Beyond Treatment: How Clubhouses for People Living with Serious Mental Illness Transform Lives and Save Money* (M. Usman, PhD, and Joshua Seidman, PhD, February 2024).

Thank you for your time, consideration, and commitment to improving mental health services for Kansans.

Sincerely,

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