



February 26, 2013

TO: Honorable Chair and Members, Senate Budget Subcommittee #3
Honorable Chair and Members, Assembly Budget Subcommittee #1

FROM: Patricia Ryan, Executive Director;
Kirsten Barlow, Associate Director, Legislation and Public Policy
California Mental Health Directors Association

SUBJECT: Administration's Budget Trailer Bill Proposal #610: 1991-92 Realignment Growth: Mental Health and CalWORKs – OPPOSE

On behalf of the California Mental Health Directors Association (CMHDA), which represents the directors of public mental health authorities in counties throughout California, we are writing to communicate our opposition to the Administration's proposed trailer bill #610 related to growth revenues in the 1991 Realignment Mental Health and CalWORKs Maintenance of Effort (MOE) Subaccount. This proposal would have significant consequences for California's community mental health system.

Background: As you may recall, based on 2011 Realignment legislation enacted last year (SB 1020), counties are guaranteed \$93 million per month in 2011 Realignment sales tax revenues to pay for their 1991 Realignment mental health responsibilities. In addition, under a "CalWORKs/1991 Realignment Mental Health" swap, approximately \$1 billion in funds from 1991 Realignment are provided for CalWORKs. Any amount of 1991 Realignment sales taxes and Vehicle License Fees generated above that amount (growth funds) are then required to be provided to counties for their 1991 Realignment mental health responsibilities. The Administration's trailer bill proposal #610 would renege on this deal by instead spreading those growth funds between CalWORKs and mental health, beginning in 2015-16.

Impact of the Proposal: Reducing current or near-future resources for California's community mental health system would diminish counties' ability to meet the mental health needs of our communities, and would defy California voters' overwhelming support for investing in mental health services in our state.

Recent polls of California voters show that 91% support *expanding* mental health services in communities¹, and 65% of voters *oppose cuts* to state mental health programs². In contradiction to this voter sentiment, we estimate that the Administration's proposal would have the net effect of reducing community mental health funding by approximately \$34 million statewide, if it were implemented in fiscal year 2013-14. A funding reduction of this magnitude would cause substantial harm to community mental health services in California, particularly during a time when we are coping with the state's recent diversion of \$861 million in Mental Health Services Act funds, realignment of correctional supervision and treatment responsibilities to the counties, increased rates for state hospital beds, increased rates for Institutions for Mental Disease, significant delays in federal Medicaid reimbursement, and are planning for Medi-Cal expansions

due to both the elimination of the Healthy Families program and our state's implementation of the Affordable Care Act.

Counties use 1991 mental health Realignment funds to provide long-term treatment for those who are civilly committed in state hospitals and community facilities, as local match for Medi-Cal Specialty Mental Health and Early & Periodic Screening, Diagnosis, and Treatment (EPSDT) mental health services, for indigent mental health services, and for emergency and crisis response services on which *all Californians* in mental health crisis rely. For some of these functions, 1991 mental health Realignment funds are the only permissible funding source.

In addition to the loss of funding, we are very concerned that this proposal would establish a precedent for the further erosion of deals the state made with counties in Realignment 2011, jeopardizing the public mental health system and pitting county departments against one another. Equally troubling, the proposal would have a cumulative effect because the reduced revenues would impact the base on which the next years' growth would be calculated.

For these reasons, we respectfully request that the Legislature oppose the Administration's proposed budget trailer bill #610. Please do not hesitate to contact us at (916) 556-3477, pryan@cmhda.org, or kbarlow@cmhda.org with any questions or concerns you may have.

cc: Diane Cummins, John Doyle, Department of Finance
Lark Park, Office of the Governor
Honorable Members and Consultants, Senate Health Committee
Honorable Members and Consultants, Assembly Health Committee
Diane Van Maren, Consultant, Senate Pro Tempore Steinberg
Agnes Lee, Consultant, Assembly Speaker Pérez
Michelle Baass, Consultant, Senate Budget Subcommittee #3
Andrea Margolis, Consultant, Assembly Budget Subcommittee #1
Meredith Wurden, Consultant, Senate Office of Research
Kirk Feely and Joe Parra, Consultants, Senate Republican Caucus
Michelle Baca and Peter Anderson, Consultants, Assembly Republican Caucus
Lishaun Francis, Legislative Analyst Office
Mike Wilkening, Undersecretary, California Health & Human Services Agency (CHHS)
Katie Johnson, Kiyomi Burchill, Assistant Secretaries, CHHS
Toby Douglas, Director, California Department of Health Care Services (DHCS)
Vanessa Baird, Deputy Director, DHCS
Kelly Brooks-Lindsey, California State Association of Counties
Frank Mecca, Executive Director, California Welfare Directors Association
Tom Renfree, County Alcohol & Drug Program Administrators' Association of California
Jolena L. Voorhis, Urban Counties Caucus
Cyndi Hillery, Rural County Representatives of California
Jane Adcock, California Mental Health Planning Council
Sherri Gauger, Mental Health Services Oversight and Accountability Commission

¹ Fairbank, Maslin, Maullin, Metz & Associates (January 2013). "California Attitudes on School Safety."

² Field Research Corporation (March 24, 2010). "#2335: Majorities of Californians support cutting just two of fourteen areas of state spending to reduce the budget deficit."