

# California State Senate

SENATOR

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PRESIDENT PRO TEMPORE



## **Mental Health Services Act (Proposition 63) in the State Budget**

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Included in the budget package passed by the Legislature and signed by the Governor last week were three bills that affect the Mental Health Services Act (MHSA), passed by voters as Proposition 63 in 2004.

### **Q: Which bills in the budget package affect the MHSA?**

A: SBX3 10 and SBX3 19 together place an initiative on the ballot, Proposition 1E, in a statewide special election on May 19, 2009, to transfer MHSA funds for two years to the State General Fund to support the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program, which provides mental health services to children. ABX3 5 makes statutory changes to improve the efficiency of ongoing MHSA implementation.

### **Q: How much funding could be redirected from the MHSA and when?**

A: If voters approve Prop 1E, \$226.7 million will be redirected from MHSA funds (the Mental Health Services Fund) to the State General Fund for the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program on July 1, 2009. The following year, \$226.7 million would be shifted in the same manner on July 1, 2010, except that the amount may be adjusted upward to \$234 million to account for caseload increases.

### **Q: Which MHSA programs would be cut?**

A: The State Department of Mental Health would determine which funds within the Mental Health Services Fund would be redirected if voters approve Prop 1E. Under ABX3 5, changes in funding levels to counties for current services—those in the Community Services & Supports (CSS) component—would require input from the California Mental Health Directors Association, the Mental Health Services Oversight & Accountability Commission, and the Mental Health Planning Council.

### **Q: What does Prop 1E include besides the fund shift?**

A: In order to shift the funds, the ballot initiative includes an exception to the supplantation language in Prop 63. However, it does not otherwise change the MHSA's supplantation and maintenance of effort language.

**Q: How does this compare to previous MHSA proposals?**

A: For two years, this would redirect approximately \$226.7 million a year. The recipient of this shift is the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program, which provides mental health services to children. The Republican leadership's December proposal would have permanently shifted all MHSA funds. The Governor's January proposal would have permanently shifted \$226.7 million or more annually, as caseloads increased, from MHSA funds to support the Medi-Cal Managed Care program.

**Q: What else besides the ballot initiative did the Legislature approve on the MHSA?**

A: The Legislature also passed a budget trailer bill, which included language intended to improve the efficiency of MHSA implementation, ABX3 5. The provisions in this legislation became effective immediately. Specifically, this legislation:

- Authorizes the Mental Health Services Oversight & Accountability Commission (OAC) to operate separate and apart from the State Department of Mental Health (DMH). This will increase the OAC's capacity to efficiently review and comment on county expenditure plans and evaluate the effectiveness of programs the state funds.
- Allows counties to draw down dollars for MHSA programs they are renewing with the state. This will expedite the transfer of committed funds to counties for current programs.
- Codifies clear timetables for the DMH and the OAC to approve county expenditure plans submitted to the state.
- Delays the creation of the Integrated Plan, which combines individual component county expenditure plans, to provide counties with relief so they can focus on developing component county expenditure plans.
- Authorizes counties to create a prudent reserve for the Prevention & Early Intervention (PEI) component, consistent with that of the CSS component.
- Ensures any changes in funding to counties for current services—those in CSS—would first require input and discussion from the California Mental Health Directors Association, the OAC and the Mental Health Planning Council before the DMH could release any updated funding levels.