

# SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors  
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Santa Barbara, CA 93101  
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**Agenda Number:**  
**Prepared on:** 3/9/05  
**Department Name:** ADMHS  
**Department No.:** 043  
**Agenda Date:** 3/22/05  
**Placement:** Administrative  
**Estimate Time:** 45 minutes  
**Continued Item:** NO  
**If Yes, date from:**

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**TO:** Board of Supervisors

**FROM:** James L. Broderick, Ph.D., ADMHS Director

**STAFF CONTACT:** Lorrie Francis, Departmental Assistant, Senior  
681-5221

**SUBJECT:** Mental Health Services Act (MHSA) Proposition 63

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## **Recommendation(s):**

That the Board of Supervisors receive an informational presentation on the new Mental Health Services Act (Prop. 63); review the local planning process for the implementation of the Mental Health Services Act; and accept Community Program Planning funds from the State Department of Mental Health in the amount of \$176,967.

## **Alignment with Board Strategic Plan:**

The recommendations are primarily aligned with Goal No. 7: A Community That Fosters the Safety and Well-Being of Individuals, Families, and Children.

## **Executive Summary and Discussion:**

The stated purpose of the MHSA is to “expand mental health services” in California. Service expansion will be funded through a new tax surcharge beginning January 1, 2005 that will be levied on tax filers whose taxable income exceeds \$1 million. It is estimated that 25,000 to 30,000 California taxpayers statewide will be subject to the new surcharge.

The new measure requires that, beginning in FY 2004-05, the State Controller is to transfer a specified amount of state funding on a monthly basis into a new state fund titled the Mental Health Services Fund. The amount to be deposited monthly, effective January 2005, will be an estimate of the monthly amount expected from the new tax surcharge. This amount will be adjusted later to reflect actual revenues generated by the new tax.

According to a report published by the Legislative Analyst’s Office in July 2004, additional state revenues are estimated to be \$275 million in FY05 (based on six months of 2005); \$750 million in FY06; and \$800 million in FY07, with an estimated 7% annual increase in subsequent years. It is anticipated that additional federal Medicaid revenue generated by new programs, to the extent that the programs serve Medi-Cal

beneficiaries and services are reimbursable, could result in \$100 million in additional federal revenue statewide. Further, it is estimated that there may be significant offsetting savings to state and local governments in the areas of adult and juvenile correctional services, medical services, homeless shelters, and health and social services programs as a result of these expanded mental health services.

The intent of the new funds is to provide adequate state and local funds to “meet the needs of all children and adults who can be identified and enrolled in programs under this measure...to provide services that are not already covered by federally sponsored programs or by individuals’ or families’ insurance programs.” The funds are to be expended on programs that are innovative, successful and proven to be effective in providing outreach and integrated services to children, adolescents, adults and older adults. Services must include approaches that are culturally and linguistically competent to address the needs of underserved populations. Services must include prevention and early intervention services as well as medical and supportive care.

The MHSA provides funding for six broad components of new or expanded activities and services:

1. Community Program Planning
2. Community Services and Supports (based on the System of Care model) for:
  - a) Children
  - b) Youth, including Transition Age
  - c) Adults
  - d) Older Adults
3. Capital Facilities and Technology
4. Education and Training Programs
5. Prevention and Early Intervention Programs
6. Innovative Programs

In addition to the above program and activity areas, funds are available for state-level planning and administration and the development of “prudent” local reserves. The State Department of Mental Health will be responsible for outlining the requirements and implementation process for each of the above areas. Implementation is expected to occur in phases, with initial funding going for local planning in FY04/05 and expanded service funding beginning some time in FY05/06. DMH shall adopt, “as necessary,” Emergency Regulations in 2005 to implement the Act. Those regulations must be developed with the “maximum feasible opportunity for public participation and comments.”

Each year the State Department of Mental Health will inform counties of the amount of funds available. Each county mental health program must prepare and submit to DMH (after review and comment by the Oversight and Accountability Commission, and review and comment from local stakeholders) a three-year expenditure plan, updated at least annually.

Each plan and update must be developed with local stakeholders, including adults and older adults with severe mental illness, families of children and adult consumers, providers of services, law enforcement agencies, education, social services agencies and other important interests.

A draft plan and update must be prepared and circulated for review and comment for at least 30 days to representatives of stakeholder interests and any interested party who has requested a copy of the plan. The county’s Mental Health Commission must conduct a public hearing on the draft plan and annual updates at

the close of the 30-day comment period. Plans and updates adopted by counties must include any substantive written recommendations from the Mental Health Commission for revisions, with a summary and analysis of the recommended revisions..

Counties will receive funds to deliver services to the extent that they demonstrate that they have significant unmet needs and establish that they have the resources and capability to deliver services that meet the standards under the nationally recognized integrated services model for adults, older adults, and children's systems of care. The Oversight and Accountability Commission will establish requirements for approval of expenditures for prevention and early intervention programs and for innovative programs.

Many counties contract with private nonprofit and for profit mental health agencies to deliver services. A condition for receiving funds in future years will be that counties, through county-run and contracted programs, demonstrate positive outcomes for clients as a result of the MHSA funded services.

DMH will contract for the provision of all new services with each county mental health program through the Performance Contract process that is already in place. Given the range of program elements to be funded, DMH has indicated that implementation plans may be required and submitted in phases. DMH has indicated that the first phase of funding will be for the Community Program Planning component (they estimate May, 2005) followed by the Community Services and Supports component (estimate sometime in 2006.) It is uncertain when the other components will be implemented.

#### **FUNDING AREAS**

FY 04/05 – (EST. \$254 M)

Fiscal Year 2004-05 is the first year funding will be available, with six months of funding to be deposited from 2005 taxes into the Mental Health Services Fund. The funding is allocated to four funding areas, with only one area, Community Program Planning, clearly designating funding to counties.

1. Community Program Planning (5%)
2. State Planning (5%)
3. Education and Training (45%)
4. Capital Facilities and Technology (45%)

FY 06 – FY08-(EST. \$676.2 M)

1. Community Services and Supports
2. Education and Training – (10%)
3. Capital Facilities and Technology (10%)
4. Prevention and Early Intervention Programs (20%)
5. Innovative Programs – (5% of local funds/included in Community Services and Supports component)

FY 2008-09 AND BEYOND

Beginning in FY 08/09, it is anticipated that there will no longer be prescribed percentages for the categories outlined for FY 05/06 through FY 07/08. Programs for services for children, adults and older adults may include funds for technological needs and capital facilities, human resource needs, and a prudent reserve to ensure that services do not have to be significantly reduced in years in which revenues are below the average of previous years.

## **PROPOSED LOCAL PLANNING PROCESS**

The California Department of Mental Health has allocated \$176,967 to Santa Barbara County to develop a local planning process. A local planning process is proposed that insures maximum input from local consumers, family members, providers, and key agency stakeholders. Keeping in alignment with the vision of system transformation that is expected through implementation of MHSA, consumers and family member stakeholders are integral in the proposed planning process. A three tiered planning model is proposed in order to maximize stakeholder involvement and insure a comprehensive and extensive consideration of community mental health needs in Santa Barbara County. The extensive involvement of a wide array of community partners, including consumers and family members, is designed to improve customer service.

**MHSA Executive Committee:** The purpose of the Executive Committee is to provide broad oversight to the planning process; to review and approve all draft plans developed by the Stakeholder Steering Committee; to submit draft plans to the Mental Health Commission for community input and public hearing; to address strategies for maximizing local revenues by leveraging MHSA funds; and to assist in the transformation of the mental health system. The proposed membership is as follows:

- Liaison, Board of Supervisors
- Director, ADMHS
- Consumer
- Family Member
- Chair, Mental Health Commission
- Chair, Alcohol and Drug Advisory Board
- Representative, County Administrative Office

**Stakeholder Steering Committee:** The purpose of the Stakeholder Steering Committee is to ensure that planning for services is consistent with the philosophy, principles and practices described for each program area of the MHSA; to address strategies for maximizing local revenues by leveraging MHSA funds; to review draft component work plans submitted by Program Component Subcommittees; to ensure continuity between program components; to address customer service; and approve and forward draft plans to the Executive Committee. Key leaders from the following venues will be invited to be members or to designate members to the committee:

- Governmental/Leadership
- Consumers/Family Members
- Providers
- Labor
- Law Enforcement
- Education
- Health
- Community
- Housing
- Homeless Advocates
- Other County Partners

**Program Component Subcommittees:** The purpose of the Program Component Subcommittees is to gather community stakeholder input via community meetings and forums; to analyze data regarding service access and unmet need; and to develop draft plans for submission to the Stakeholder Steering Committee for review and consideration. Program Component Subcommittees will be established as MHSA components rollout.

Subcommittee leadership and membership will include a balanced representation of consumers, family members, providers, county and contractor mental health staff and managers, and various community agencies and interested parties. The initial subcommittees will focus on the Community Services and Supports components (systems of care) and an Administrative Subcommittee that will address data, technology, capital facilities, human resources and budget: Initial Subcommittees are as follow:

- Children's System of Care
- Adult System of Care
- Older Adults System of Care
- Administrative Subcommittee

ADMHS is committed to working with our community partners in implementing this exciting new initiative that will improve outcome to those we serve and improve the quality of life to Santa Barbara County residents.

**Mandates and Service Levels:** There is no mandate regarding this resolution and no change in service levels is currently recommended.

**Fiscal and Facilities Impacts:** There is no fiscal or facilities impact.

**Special Instructions:** Please forward one copy of the Minute Order to Alcohol, Drug and Mental Health Services, Attn: Lorrie Francis, Departmental Assistant – Senior.

**Concurrence:**

None