

**Governor's Proposed FY 2010-11 State Budget  
Alcohol, Drug, and Mental Health Services - Potential Impacts**

Proposal	State Savings		County Impact			
	State Savings 2009-2010	State Savings 2010-2011	Departmental Impact (Loss/Increased Cost to Provide Service)	FTE Impact	Clients Served Impact	Description of Impact to Department
Implement various Medi-Cal changes/reductions	\$294 million	\$750 million	Not known			Changes to eligibility of clients could reduce Medi-Cal funding and potentially increase indigent services putting further strain on the ADMHS Budget.
Reduce eligibility for Healthy Families Program	\$10.5 million	\$63.9 million	Est. Potential Loss \$116k/yr.	1.25	48	Total ADMHS Healthy Families revenue estimated at \$465k. The proposed budget would reduce the eligibility level from 250% FPL (Poverty Level) to 200% FPL. Impact to ADMHS not known; if department assumes 25% reduction (\$116k) it could require elimination of approximately 1.25 FTEs. Under Trigger cuts; this funding source would be eliminated. Total number of Healthy Family clients: 194 served in FY 2008-09.
Reduce Cal WORKS grants and child care provider reimbursements		\$146.1 million	Est. Potential Loss \$84k/yr.	1	100	State's estimate of reduction is 16% on top of prior cuts. 2009-10 Estimated revenue of \$525k would be reduced by \$84,000. For the first six months of FY2009-10, ADP has assessed ~650 clients and referred 300 to CBO for treatment services. Under Trigger Cuts, this would be eliminated.
Elimination of Substance Abuse Offender Treatment Funds	\$18 million		Potential Loss of \$1.8M/yr with program cut and SACPA funding loss	Unknown	Unknown	FY 2009-10 funding for OTP is estimated at \$225k. Note that treatment for ADP criminal diversion programs was previously funded by SACPA approximately \$1.6m/year + OTP approximately \$225k. The department may have no further funds for such diversion programs.
Use Proposition 63 (MHSA) funding for mental health services- BALLOT INITIATIVE		\$452 million	Potential loss \$5.6M/yr.	Unknown	Unknown	EPSDT & Managed Care revenues are ~\$5.6M per year for MH. If MHSA funds are used to backfill, there would appear to be nominal impact to MH but MHSA funds would be reduced by the amount of the shift. Details of proposal not clear, so exact amount is unknown. Further, source of MHSA proposed reduction not known (could come from Community Services, Prevention & Early Intervention, Capital/IT, Workforce Training or Innovation funds). Budgeted State funding for FY2009/10 is \$20.4M; a reduction of \$5.6M would represent a 27.5% reduction in MHSA State funding.
<b>"TRIGGER CUTS" IF STATE FAILS TO SECURE \$6.9 BILLION IN FUNDING FROM FEDERAL GOV1</b>						
Elimination of Cal WORKS Program		\$1 billion	Potential Loss \$525k/yr.	Currently funds 4 FTE's + Network Providers	650	Under Trigger Cuts, this funding source would be eliminated, \$525k (note: Cal WORKS funding in 2008-09 was ~\$900k). For the first six months of FY2009-10, ADP has assessed ~650 clients and referred 300 to CBO for treatment services.
Elimination of Health Families Program		\$126 million	\$465k/yr.	4	194	Total ADMHS HF revenue estimated at \$465k serving 194 families. Under Trigger cuts, this funding source would be eliminated.
Fund existing mental health services with Proposition 63 funds		\$846 million	Potential loss \$5.6M/yr.	Unknown	Unknown	EPSDT & Managed Care revenues are ~\$5.6M per year for MH. If MHSA funds are used to backfill, there would appear to be nominal impact to MH but MHSA funds would be reduced by the amount of the shift. Details of proposal not clear, so exact amount and impact is unknown. Further, source of MHSA proposed reduction not known (could come from Community Services, Prevention & Early Intervention, Capital/IT, Workforce Training or Innovation funds). Budgeted State funding for FY2009/10 is \$20.4 million; a reduction of \$5.6 million would represent a 27.5% reduction in MHSA State funding.
Reduce Medi-Cal eligibility to the minimum allowed under current federal law and eliminate most remaining optional benefits		\$532 million	Impact not known			Changes to eligibility of our clients could reduce Medi-Cal funding and potentially increase indigent services putting further strain on the ADMHS Budget.