



May 20, 2011

TO: Honorable Members, Senate Committee on Budget and Fiscal Review
Honorable Members, Assembly Budget Committee

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

SUBJECT: Governor's FY 2011-12 May Revise: Mental Health Services for Special Education Students (AB 3632) -- SUPPORT

On behalf of the California Mental Health Directors Association (CMHDA), which represents the directors of public mental health authorities in counties throughout California, I am writing to communicate our strong support for the Governor's 2011-12 May Revise proposals for mental health services to special education students (AB 3632).

CMHDA strongly supports the May Revise proposal to remove the "AB 3632" special education mental health services program from the Governor's January realignment proposal. CMHDA agrees with the Administration and the Legislative Analyst Office (LAO) that, while schools may wish to contract with county mental health departments to provide these programs, the primary fiscal and program responsibility should reside with schools.

Additionally, CMHDA strongly supports the May Revise proposal to permanently repeal the state-imposed "AB 3632" mandate on counties, and shift responsibility for providing federally required, mental health-related special education services to students with disabilities (under the Individuals with Disabilities Education Act) back to schools districts, beginning in FY 2011-12.

The AB 3632 mental health special education mandate on counties has a long, complicated, and problematic history, from the counties' perspective. Fiscally, the state has failed to fulfill its responsibility (and, since Proposition 1A in 2004, its constitutional obligation) to fully fund counties for this special education-related local mandate. In addition to the state's long history of underfunding this local government mandate, we believe the program as currently constructed has a fundamental misalignment of incentives between schools and counties that ultimately increases counties' financial and legal risks, and are a waste of state and local resources.

Further, the Governor's May Revise proposal is consistent with the LAO's February analysis of this issue, which states in its overview of the Governor's January budget proposal that: "Realigning AB 3632 merits consideration, but not in the manner proposed by the administration. Instead, schools should have programmatic and financial responsibility for this program..."

The May Revision proposes to pay schools for this responsibility by re-benching the Proposition 98 guarantee, and providing an increase of \$221.8 million. It also continues to provide \$98.6 million of diverted Proposition 63 funds to county mental health agencies on a one-time basis in FY 2011-12, but makes schools responsible for contracting with counties for mental health and residential services. Schools would also be responsible for any costs exceeding the one-time Proposition 63 funds.

We agree with the Governor that “that shifting the responsibility for providing mental health services back to school districts would lead to greater cost containment and also create a stronger connection between the services provided and student educational outcomes.”

For these reasons, we urge the Legislature to adopt the Governor’s May Revise proposal for mental health services to special education students (AB 3632).

Please do not hesitate to contact Patricia Ryan at pryan@cmhda.org, or Kirsten Barlow at kbarlow@cmhda.org, or by phone at (916) 556-3477 with any questions you may have.

Cc: Diane Van Maren, Kim Connor, Consultants, Senate Committee on Budget and Fiscal Review
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