

ADDENDUM TO CMHDA'S JANUARY 5, 2012 STATE BUDGET UPDATE

January 11, 2012

This addendum provides additional descriptive information about proposals of interest to county mental health agencies that are included in Governor Brown's proposed 2012-13 State Budget released on January 5, 2012. CMHDA continues to seek additional details from the Administration, and will provide members with information as it becomes available.

Current Year Local Assistance Reimbursements Reduced

The Governor's Budget reduces current year (2011-12) local assistance reimbursements by \$87.4 million across the following areas to reflect "decreases in forecasted claims and related service costs":

- **Short-Doyle/Medi-Cal:** \$28.7 million
- **Early & Periodic Screening, Diagnosis & Treatment (EPSDT):** \$47.1 million
- **Healthy Families:** \$11.6 million

CMHDA will seek clarification on the rationale and methodology used for these reductions.

General Fund Savings for Incompetent to Stand Trial Defendants

The Governor's Budget includes a \$3 million General Fund decrease resulting from "treating defendants found to be incompetent to stand trial in county jails, rather than state hospitals, when medically appropriate." CMHDA will seek clarification on the impact this may have on counties.

Revenue Estimates for the Mental Health Services Fund

The Governor's Budget provides updated estimates of the revenue generated by the Mental Health Services Act (MHSA) surcharge on Personal Income Tax, as illustrated in the table below. It should be noted that each of these estimates appears to be higher than anticipated in the Governor's 2011-12 May Revise.

2010-11 Preliminary	2011-12 Forecast	2012-13 Forecast
\$1,017,371	\$1,151,000	\$1,469,000

Proposition 98 Re-Benched for Special Education Mental Health Services

As you know, the 2011-12 State Budget repealed the "AB 3632" mandate that required counties to provide mental health services to special education students. Also in the 2011-12 legislative session, AB 100 (Committee on Budget) provided a one-time diversion of \$98.6 million in MHSA funds for special education mental health services provided by counties during 2011-12. The Governor's 2012-13 Budget proposes to re-bench the Proposition 98 guarantee in 2011-12 for the inclusion of special education mental health services in the Department of Education (CDE) budget. Additionally, the budget proposes an adjustment of \$98.6 million in Proposition 98 General Fund for 2012-13 to backfill the one-time MHSA funds that were provided by AB 100 in 2011-12. Thus, the Governor proposes to fund mental health services for special education students through the CDE budget and not rely upon MHSA funds in 2012-13.

Continued Medi-Cal Transfer to Department of Health Care Services (DHCS)

The Governor's Budget proposes to implement the full-year 2012-13 transfer of all Medi-Cal community mental health functions from Department of Mental Health (DMH) to DHCS, including \$14.4 million in state operations (General Fund and Reimbursements) and 118.5 positions.

Non-Medi-Cal Transfers from DMH

The Governor's budget continues to propose elimination of DMH, and to transfer a total of 58 positions and funding authority for \$119.9 million across six departments. In addition, an estimated \$2.3 billion in direct transfers by the State Controller's Office is provided pursuant to AB 100 for allocation to counties, regional partnerships, and Prevention & Early Intervention set aside. Most non-Medi-Cal functions are proposed to be transferred to DHCS. The table below summarizes all of the proposed transfers from DMH to other departments.

Department	Positions	Funding	Programs and Functions
Dept. of Health Care Services (DHCS)	41	<u>State GF</u> : \$256,000 <u>Fed.</u> : \$65.1 million <u>MHSA</u> : \$6.9 million (<u>Total</u> : \$71.2 million)	<ul style="list-style-type: none"> • Financial Oversight • Certification • Compliance/Quality Improvement • MHSA Sate Level Issue Resolution • County Data Collection & Reporting • Suicide Prevention • Student Mental Health Initiative • Stigma and Discrimination • Co-occurring Disorders • Veterans Mental Health • SAMHSA Block Grant • PATH • Training Contracts • MH components of the CA Health Interview Survey • MHSA Housing • The Mental Health Planning Council
Dept. of Public Health (DPH)	4	<u>MHSA</u> : \$2.3 million	<ul style="list-style-type: none"> • Addressing disparities in mental health, promoting culturally competent policies and services
Dept. of Social Services (DSS)	12	<u>State GF</u> : \$337,000 <u>Other</u> : \$787,000 (<u>Total</u> : \$1.1 million)	<ul style="list-style-type: none"> • Licensing, certification, quality improvement functions
Dept. of Education (CDE)		<u>Prop. 98</u> : \$15 million	<ul style="list-style-type: none"> • Early Mental Health Initiative
Office of Statewide Health Planning & Development (OSHPD)	1	<u>MHSA</u> : \$12.3 million	<ul style="list-style-type: none"> • Mental Health Workforce Education & Training Program
Mental Health Services Oversight & Accountability Commission (MHSOAC)		<u>MHSA</u> : \$1.7 million	<ul style="list-style-type: none"> • Administer contracts that advance consumer voice and empowerment via mental health organizations and benefits counties by the training offered by the California Institute for Mental Health.