

Mental Health Services Act Historical Information

In November 2004, California voters passed Proposition 63 (the Mental Health Services Act or MHSA). MHSA established a one percent income tax on personal income over \$1 million for the purpose of funding mental health systems and services in California. In an effort to effectively support the mental health system, the Act creates a broad continuum of prevention, early intervention, innovative programs, services, and infrastructure, technology and training elements.

Chapter 20, Statutes of 2009-10 3rd Ex. Sess. (AB 5) amended W&I Sections 5845, 5846, and 5847. This law, enacted as urgency legislation, clarified that MHSA shall administer its operations separate and apart from the former DMH, streamlined the approval process for county plans and updates, and provided timeframes for the former DMH and MHSA to review and/or approve plans.

Chapter 5, Statutes of 2011 (AB 100) amended W&I Sections 5813.5, 5846, 5847, 5890, 5891, 5892, and 5898. This law dedicated FY 2011-12 MHSA funds on a one-time basis to non-MHSA programs such as Early and Periodic Screening, Diagnostic and Treatment, Medi-Cal Mental Health Managed Care, and mental health services provided for special education pupils. This bill also reduced the administrative role of the former DMH. This bill deleted the county's responsibility to submit plans to the former DMH and the former DMHs responsibility to review and approve these plans. To assist counties in accessing funds without delay, Section 5891 was amended to direct the State Controller to continuously distribute, on a monthly basis, MHSA funds to each county's Local MHSF. This bill also decreased MHSA state administration from 5 percent to 3.5 percent.

Chapter 23, Statutes of 2012 (AB 1467) amended W&I Sections 5840, 5845, 5846, 5847, 5848, 5890, 5891, 5892, 5897, and 5898. Provisions in AB 1467 transferred the remaining state MHSA functions from the former DMH to DHCS and further clarified roles of MHSA and DHCS. Section 5847 was amended to provide county board of supervisors with the authority to adopt plans and/or updates provided the county comply with various laws such as Sections 5847, 5848, and 5892. In addition, the bill amended the stakeholder process counties are to use when developing their three-year program and expenditure plan and annual updates.

Chapter 34, Statutes of 2013 (SB 82), known as the Investment in Mental Health Wellness Act of 2013, utilized MHSA funds to expand crisis services statewide. This bill also restored MHSA state administration from 3.5 percent to 5 percent.

Chapter 43, Statutes of 2016 (AB 1618) established the NPLH Program that is administered by the Department of Housing and Community Development. This bill also requires DHCS to: conduct program reviews of county performance contracts to determine compliance; post the county MHSA three-year program and expenditure plans, summary of performance outcomes reports and MHSA revenue and expenditure reports; and allows DHCS to withhold MHSA funding from counties that are not submitting expenditure reports timely.

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Chapter 38, Statutes of 2017 (AB 114) provided that funds subject to reversion as of July 1, 2017, were deemed reverted and returned to the county of origin for the originally intended purpose. This bill also increased the time that small counties (less than 200,000) have to expend MHSA funds from 3 years to 5 years, and provided that the reversion period for INN funding begins when MHSOAC approves the INN project.

Chapter 328, Statutes of 2018 (SB 192) amended W&I Sections 5892 and 5892.1. This bill clarified that a county's prudent reserve for their Local MHSF shall not exceed 33 percent of the average CSS revenue received in the Local MHSF, in the previous five years. This bill required counties to reassess the maximum amount of the prudent reserve every five years and to certify the reassessment as part of its Three-Year Program and Expenditure Plan or annual update. This bill also established the Reversion Account within the fund, and required MHSA funds reverting from the counties, and the interest accrued on those funds, be placed in the Reversion Account.

Chapter 26, Statutes of 2019 (SB 79) amended W&I Sections 5845, 5892 and 5892.1. This bill amended the MHSA by not reverting Innovation Funds to the State, as long as the Innovation funds are identified in the plan for innovative programs that has been approved by the MHSOAC. The Innovation funds are encumbered under the terms of the approved project or plan, including amendments approved by the MHSOAC, or until three years after the date of approval, or five years for a county with a population of less than 200,000, whichever is later.

Chapter 13, Statutes of 2020 (AB 81) amended W&I Sections, 5847 and 5892. This bill enacts the flexibility of MHSA funds to allow counties to accommodate for social distancing and public gathering due to the COVID Public Health Emergency. This bill amended the timeframe for counties to submit their Three-Year Program and Expenditure plan, Plan or Annual Update for Fiscal Year (FY) 2020-21. This bill allowed counties to transfer Prudent Reserve to CSS and PEI components to meet local needs for FY 2020-21 due to COVID Public Health Emergency. This bill also allowed more flexibility for counties to allocate their MHSA funds and allowed counties to determine the allocation percentage for CSS programs for FY 2020-21. This bill also extended the reversion date for MHSA funds, including AB 114 funds, and any interest accruing on those funds from July 1, 2019 and July 1, 2020 to July 1, 2021.