Mental Health Services Act Expenditure Report

Fiscal Year 2009-10

ADDENDUM

A Report to the Legislature in Response to

AB 131, Omnibus Health Budget Trailer Bill
Chapter 80, Statutes of 2005

CALIFORNIA DEPARTMENT OF
Mental Health

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Mental Health Services Act Expenditure Report

Fiscal Year 2009-10

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EXECUTIVE SUMMARY

This report to the Legislature is submitted as an addendum to the January 2010 Mental Health Services Act (MHSA) expenditure report and provides an update on revenues and expenditures over the four months since the prior report was issued.

The passage of Proposition 63, the MHSA in November 2004, increased funding, personnel and other resources to support county mental health programs and monitor progress toward statewide goals for serving children, transition age youth, adults, older adults and families with mental health needs.

The MHSA imposes a one percent income tax on personal income in excess of $1 million. This new tax has generated $5.7 billion in additional revenues for mental health services through the end of Fiscal Year (FY) 2008-09. The Governor's Proposed Budget expected to generate an additional $873 million in FY 2009-10 and $1.0 billion in FY 2010-11. In the May Revision to the Governor's Budget, the estimate is reduced to $740.1 million in FY 2009-10 and $948.7 million in FY 2010-11. On a cash basis, this equates to $1.4 billion in FY 2009-10 and $1.1 billion in FY 2010-11.

Approximately $3.2 billion has been expended through FY 2008-09. Additionally, $1.4 billion is estimated to be expended in FY 2009-10 and $1.2 billion in FY 2010-11.

BACKGROUND

The Director of the California Department of Mental Health (DMH) is required by Assembly Bill 131 (Chapter 80, Statutes of 2005) to annually submit two fiscal reports to the Legislature on the MHSA, one in January in conjunction with the Governor's Proposed Budget and the other in conjunction with the Governor's Budget May Revision. This legislation specifies that the reports contain information regarding the projected expenditures of Proposition 63 funding for each state department, and for each major program category specified in the measure for local assistance and support. To meet this mandate, this report includes actual expenditures for FY 2008-09, estimated expenditures for FY 2009-10, and projected expenditures for FY 2010-11.

The MHSA addresses a broad continuum of prevention, early intervention and service needs and provides funding for the necessary infrastructure, technology and training elements that will effectively support the local mental health system. In addition to local planning, the MHSA specifies five major components of the MHSA program around which the DMH has created an extensive stakeholder process to consider input from all perspectives. The MHSA specifies the percentage of funds to be devoted to each of these components and requires DMH in collaboration with the Mental Health Services Oversight and Accountability Commission (MHSOAC) to establish the requirements for use of the funds. Because of the complexity of each component, implementation of the five components was staggered.

An overview of the five components is listed below:

- **Community Services and Supports (CSS)**—"System of Care Services" described in the MHSA is now called "Community Services and Supports." The CSS are the programs and services identified by each County Mental Health Department (County) through its stakeholder process to serve unserved and underserved populations, with an emphasis on eliminating disparity in access and improving mental health outcomes for racial/ethnic populations and other unserved and underserved populations.

- **Workforce Education and Training (WET)**—This component targets workforce development programs to remedy the shortage of qualified individuals to provide services to address severe mental illnesses.

- **Capital Facilities and Technological Needs (CFTN)**—This component addresses the capital infrastructure needed to support implementation of the Community Services and Supports and Prevention and Early Intervention programs. It includes funding to improve or replace existing technology systems and for capital projects to meet program infrastructure needs.

- **Prevention and Early Intervention (PEI)**—This component supports the design of programs to prevent mental illnesses from becoming severe and disabling,

with an emphasis on improving timely access to services for unserved and underserved populations.

- **Innovation (INN)** —The goal of this component is to develop and implement promising practices designed to increase access to services by underserved groups, increase the quality of services, improve outcomes, and to promote interagency collaboration.

In addition to funding the components listed above, MHSA allows for up to five percent of the total revenues received in the Mental Health Services Fund (MHSF) in each fiscal year to be used to support DMH including the California Mental Health Planning Council (CMHPC). Other state entities are also funded from the MHSF (see further detail beginning on Page 16).

For more information on MHSA activities, please visit the Web site at: http://www.dmh.ca.gov/Prop_63/MHSA/default.asp

EXPLANATION OF ESTIMATED REVENUES

By imposing a one percent income tax on personal income in excess of $1 million, the MHSA has generated approximately $5.7 billion through FY 2008-09. This includes both the income tax payments and interest income earned on the MHSF balance.

The amounts actually collected differ slightly from estimated MHSA revenues displayed in the Governor's Budget. This is because the Governor's Budget, prepared using generally accepted accounting principles, must show revenue as earned, and therefore, shows accruals for revenue not yet received by the close of the fiscal year. The fiscal information described in this report is presented on a cash basis and is reflective of funds actually received in the fiscal year. Table 1 provides a comparison between estimated revenues on an accrual basis for the Governor's Budget versus cash deposits into the MHSF in each fiscal year.

As shown in Table 1, "Cash Transfers" are similar under either accounting approach. These amounts represent the net personal income tax receipts transferred into the MHSF in accordance with Revenue and Taxation Code Section 19602.5(b). The difference between the figures shown for FY 2008-09 is due to the timing of the June cash transfer, a portion of which is not deposited until the end of July. A similar difference will occur in FYs 2009-10 and 2010-11 once revenue for those years become final.

Similarly, "Interest Income" is comparable under either accounting approach. Differences shown for FY 2008-09 are attributable to interest earned on monies in the MHSF in the fourth quarter of each fiscal year which is not deposited into the MHSF until the next fiscal year. As with the "Cash Transfers," a similar difference will occur in FYs 2009-10 and 2010-11 once interest payments for those years become final.

The differences in the "Annual Adjustment Amount" are more prominent. This is because the Annual Adjustment shown in the Governor's Budget will not actually be deposited into the MHSF until two fiscal years after the revenue is earned.

Table 1: Comparison between Mental Health Services Act Estimated Receipts And FY 2010-11 Governor's May Revision (Dollars in Millions)

	Fiscal Year		
	2008-09	**2009-10**	**2010-11**
Proposed 2010-11 Governor's May Revision[1]			
Cash Transfers	$797.0	$787.0	$824.0
Interest Income Earned During Fiscal Year	57.6	10.1	8.7
Annual Adjustment Amount	225.0	-57.0	116.0
Estimated Revenues-May Revision FY 2010-11 Budget	**$1,079.6**	**$740.1**	**$948.7**
Estimated Receipts-Cash Basis			
Cash Transfers	$797.0	$787.0	$824.0
Interest Income Earned During Fiscal Year	57.6	10.1	8.7
Annual Adjustment Amount	438.0	581.0	225.0
Estimated Available Receipts[2]	**$1,292.6**	**$1,378.1**	**$1,057.8**

[1]Source: FY 2010-11 MHSF (3085) Supplementary Schedule of Revenues and Transfers (Schedule 10R).

[2]Estimated available receipts do not include funds reverted under the Welfare and Institutions Code (WIC) 5892(h) or administration funds not appropriated for use under WIC 5892(d).

OVERALL REVENUES

Table 2 below displays actual, estimated, and projected receipts deposited into the MHSF. Prior to FY 2008-09, this revenue was distributed to the five major components: CSS, WET, CFTN, PEI, and INN based on percentages specified in the MHSA. Beginning in FY 2008-09, the MHSA no longer specifies a percentage of funding for the CFTN and WET components. In FY 2008-09, 5 percent of MHSA revenue is allocated for State Administrative support, 19 percent is allocated for PEI and the remaining 76 percent to CSS, with 5 percent of each of the funding streams from PEI and CSS used to support the INN component. Actual receipts are shown for FY 2008-09, while estimated receipts are shown for FY 2009-10 and projected receipts for FY 2010-11.

Table 2: Mental Health Services Act (MHSA) Estimated Revenues

Estimated By Component on a Cash Basis

(Dollars in Millions)

	Fiscal Year		
	Actual Receipts	**Estimated Receipts**	**Projected Receipts**
	2008-09	**2009-10**	**2010-11**
Community Services and Supports (Excluding Innovation)	$933.3	$995.0	$763.6
Prevention and Early Intervention (Excluding Innovation)	233.3	248.7	190.9
Innovation	61.4	65.5	50.3
State Administration	64.6	68.9	52.9
Total Estimated Revenue Receipts[3]	**$1,292.6**	**$1,378.1**	**$1,057.7**

[3] Estimated available receipts do not include funds reverted under the WIC 5892(h) or administration funds not appropriated for use under WIC 5892(d).

EXPENDITURES FOR MHSA COMPONENTS

The MHSA is estimated to expend $1.4 billion in FY 2009-10 and $1.2 billion in FY 2010-11 for administrative costs and the five major components. The MHSA specifies funding for the major components, which form the basis of the County's MHSA program. Estimated expenditures for the five major components in FY 2009-10 are $1.3 billion and $1.1 billion in FY 2010-11. Implementation of each of the components has been staggered and expenditure have increased annually since the inception of the MHSA. This is partly due to the requirement in the MHSA that local program and funding decisions be driven by a community stakeholder process at both the state and local levels and the requirement for mandated local hearings and comment periods.

To consider input from all perspectives when developing the guidelines for this program, DMH created an extensive stakeholder process at both the state and local levels. In addition, local planning efforts involve clients, families, caregivers and partner agencies in identifying community issues related to mental illness and resulting from lack of community services and supports. These efforts also serve to define the populations to be served and the strategies that will be effective for providing the services, to assess capacity, and to develop the work plan and funding requests necessary to effectively deliver the needed services.

MHSA PROGRAM ACTIVITIES

General MHSA Provisions

The MHSA requires that "each county mental health program shall prepare and submit a three-year program and expenditure plan (County Plan) which shall be updated at least annually and approved by the DMH after review and comment by the Mental Health Services Oversight and Accountability Commission."

The MHSA further requires that "the department shall establish requirements for the content of the plans." DMH, with input from stakeholders, implemented the five components on a staggered basis. With the release of the planning guidelines for the INN component in January 2009, DMH successfully completed the implementation of all the County Plan components. The guidelines for the content of the County Plans can be located on the DMH Website at: http://www.dmh.ca.gov/prop_63/mhsa

In accordance with the spirit of the MHSA to involve stakeholders, DMH committed to an extensive and transparent stakeholder process, beginning with its first general stakeholders meeting held in December 2004. Statute and regulations require the Counties to seek and incorporate stakeholder input in the development of County Plans and updates. Further, statute and regulations require all County Plans and updates be circulated for 30 days to stakeholders for review and comment prior to submission to DMH.

There are five components that compose the County Plan. Below is a description of each component and efforts to date.

Community Services and Support (CSS)

CSS refers to "System of Care Services" as required by the MHSA in Welfare and Institutions Code (WIC) Sections 5813.5 and 5878.1 to 5878.3. The change in terminology differentiates MHSA Community Services and Support from existing System of Care programs funded at the federal, state and local levels. CSS are the programs and services identified by each County Mental Health Department (County) through its stakeholder process to serve unserved and underserved populations, with an emphasis on eliminating disparity in access and improving mental health outcomes for racial/ethnic populations and other unserved and underserved populations.

As of April 2010, all Counties and the two city-operated programs have submitted their CSS component of the County Plan. As required by MHSA, Counties are currently submitting updates to the County Plan (Annual Updates). As of the date of this publication, a total of $3 billion has been approved for distribution for the CSS component since inception of the MHSA. County specific information can be found at http://www.dmh.ca.gov/Prop_63/MHSA/MHSA_Fiscal_References.asp

MHSA Housing Program

DMH adopted the MHSA Housing Program as one service category under the CSS component. On August 6, 2007, DMH, the California Housing Finance Agency (CalHFA) and the California County Mental Health Directors Association (CMHDA) announced a new housing program, the MHSA Housing Program. A total of $400 million of MHSA funds has been set aside for initial funding of the program. This new program provides both capital funding and rent subsidy funding for the development of permanent supportive housing for individuals with serious mental illness and their families, as appropriate, who are homeless or at risk of homelessness. This effort builds on the interagency collaboration established in 2005 with the Governor's Homeless Initiative (see Page 14).

Table 3 provides data on the success of the MHSA Housing Program as of February 3, 2010.

Table 3: MHSA Housing Program

MHSA Housing Program Funds Available	$400,000,000
MHSA Housing Program Funds Assigned (San Francisco County assigned additional $2,163)	$389,618,000
Number of Counties with Approved Applications	18
Number of Counties that have assigned funds Number of Counties Opting Out Number of Counties who have not assigned funds	43 5 11
MHSA Applications Received Shared Housing Projects Rental Housing Projects	57 6 51
MHSA Loans Closed Total Dollars MHSA Units Units Receiving Capitalized Operating Subsidy	11 $14,542,000 86 66
MHSA Applications Approved and waiting to close Total Dollars MHSA Units Units Receiving Capitalized Operating Subsidy	34 $114,987,000 658 570
MHSA Applications in Process Total Dollars MHSA Units Units Receiving Capitalized Operating Subsidy	12 $35,301,000 244 135
MHSA Applications in Pipeline Total Dollars MHSA Units Units Receiving Capitalized Operating Subsidy	35 $83,107,000 601 73

Capital Facilities and Technological Needs (CFTN)

This component addresses the capital facilities and technology needed to provide programs and services for the CSS and PEI components. It includes funding to improve or replace existing technology systems and for capital projects to meet program infrastructure needs.

The MHSA requires that a portion of the revenues collected from FY 2004-05 through FY 2007-08 be set aside for the CFTN component of the County Plan. In subsequent fiscal years, Counties may use a portion of funding from the CSS component to meet ongoing CFTN needs.

Funding for Capital Facilities is to be used to acquire, construct, and/or renovate facilities that provide services and/or treatment for those with severe mental illness, or that provide administrative support to MHSA funded programs. Funding for Technological Needs is used to fund County technology projects with the goal of improving access to and delivery of mental health services.

In March 2008, planning guidance was released for Counties to access funds from the CFTN component. Because the MHSA limits the number of years MHSA funds are dedicated to this component, in the same year the guidance was released, a total amount of $453.4 million was also made available. As of April 2010, 33 counties have submitted their CFTN component of the County Plan. As of April 2010, approximately $41.6 million has been approved for Capital Facilities projects and $130.5 million has been approved for Technological Needs projects.

Workforce Education and Training (WET)

This component is intended to "remedy the shortage of qualified individuals to provide services to address severe mental illnesses (WIC Section 5820)." It required that each County identify workforce shortages in both the County staff and contract provider staff.

The planning guidance for the WET component was released in July 2007. As of April 2010, 46 counties have submitted their WET component of the County Plan and approximately $163.7 million has been approved for distribution since inception of the MHSA. County specific information can be found at: http://www.dmh.ca.gov/Prop_63/MHSA/MHSA_Fiscal_References.asp.

An April 2009 analysis of 28 WET plans submitted by 28 Counties (representing 67.7 percent of California's total population), found that Counties identified psychiatrists, licensed clinical social workers, marriage and family therapists, and licensed supervising clinicians as the hardest to fill positions. The analysis also identified the need for proficiency in non-English languages: an estimated 7,800 additional staff are needed in California's ten most common non-English languages: Spanish, Tagalog, Cantonese, Vietnamese, Mandarin, Farsi, Chinese, Korean, Russian, and Cambodian.

In accordance with MHSA, DMH developed a Five Year Workforce Education and Training Development Plan which was reviewed and approved by the CMHPC. This plan addressed specific areas and guides DMH's Statewide WET efforts. These efforts include expansion of postsecondary education to meet needs of occupational shortages; expansion of loan forgiveness and scholarship programs; establishment of stipend programs; and establishment of regional partnerships among mental health and educational systems. The following summarizes major State Level activities to date.

Financial Incentive Programs

- Since its inception in 2005, 900 second year students in Master's of Social Work Degree programs have received a stipend of $18,500. Upon graduation, the student works for a minimum of one year in the public mental health system for each year a stipend was received. Each year over 50 percent of the students receiving stipends have proficiency in a non-English language; an average of 55 percent represent minorities.

- In FY 2009-10, 184 students obtaining advanced degrees in Doctorates in Psychology, Masters Degrees in Marriage and Family Therapy, or training as Psychiatric Nurse Practitioners receive stipends of up to $18,500 in exchange for one year's work in the public mental health system for each year a stipend was received. Over 50 percent of the students who received stipends are proficient in a non-English language.

- Through the Mental Health Loan Assumption Program (MHLAP) mental health professionals who have educational loans and who work in the public mental health system in a hard to fill position may receive up to $10,000 each in educational loan repayment. In 2009, 280 eligible applicants had benefitted by loan repayment; in 2010, this figure increased to 309 individuals.

Other Programs/Activities

- Through two year grants of $100,000 each to five Physician Assistant training programs, 530 students have been exposed to MHSA principles and practice. Enhancements vary with the program, but mental health curriculum consistent with MHSA principles has been added to all programs. Other enhancements include rotations in the public mental health system, attendance at psychiatric grand rounds, and active collaboration with public mental health for some students.

- Three universities (University of California, Davis; University of California, Los Angeles-Kern; and University of California, San Francisco-Fresno) have expanded their psychiatric residency programs or are working to establish new programs in areas of particular shortage, including specialists in Child Psychiatry and Integrated Psychiatry and Mental Health.

- Five County Regional Partnerships (California State University, Monterey Bay; California State University, Chico; California State University, Sacramento; California

State University, Fresno, and the California State University Humboldt/Chico consortium) have worked to add new Masters in Social Work (MSW) programs.

Prevention and Early Intervention (PEI)

This component supports the design of programs to prevent mental illnesses from becoming severe and disabling, with an emphasis on improving timely access to services for unserved and underserved populations.

The planning guidance for the PEI component was released in September 2007. As of April 2010, 53 counties have submitted their PEI component of the County Plan. Having statutory authority for the PEI component, the MHSOAC has approved all 53 submissions. Approximately $531.3 million has been approved for distribution since inception of the MHSA. County specific information can be found at: http://www.dmh.ca.gov/Prop_63/MHSA/MHSA_Fiscal_References.asp

PEI State Level Efforts

In 2007, the Governor directed DMH to convene a Suicide Prevention Plan Advisory Committee to advise DMH on the development of the *California Strategic Plan on Suicide Prevention: Every Californian is Part of the Solution*. The Plan was completed in 2008 and has been widely disseminated. The Plan serves as a planning tool at the state and local levels. Additionally, the DMH established the Office of Suicide Prevention (OSP) in February 2008 to serve as a statewide resource on suicide prevention and to assist state and local activities in support of implementation of the *California Strategic Plan on Suicide Prevention*. Thirty-four Counties have submitted PEI component plans containing suicide prevention activities that support recommendations in the State Strategic Plan: Nineteen of these projects have suicide prevention as the primary activity; and 12 actively coordinate with the OSP through monthly conference calls and other communications. The OSP regularly responds to requests for information and resources from stakeholders throughout California. It also convenes monthly conference calls among the 10 accredited suicide prevention hotlines in California.

In the Spring of 2007, the MHSOAC convened a Committee to recommend strategies to reduce stigma and discrimination. The Committee recommended that a ten-year strategic plan be developed. At the request of the MHSOAC, DMH convened a fifty plus member stakeholder advisory committee to provide input to the development of the strategic plan. Public dialogue and subsequent feedback on a draft plan was obtained through two Public Workshops, a statewide conference call and written comments. In June 2009, the 52 page Strategic Plan, consisting of four Strategic Directions, 26 Recommended Actions, and 120 Next Steps for local and statewide implementation, was adopted by the MHSOAC. Dissemination of the California Strategic Plan on Reducing Mental Health Stigma and Discrimination is planned for late Fall 2010.

Innovation (INN)

The goals for the funding of the INN component are to increase access to underserved groups, to increase the quality of services, including better outcomes, to promote interagency collaboration, and to increase access to services.

The planning guidance for the INN component was released in January 2009. Having statutory authority, the MHSOAC has approved 11 of the 15 INN projects submitted and approximately $61.5 million has been approved for distribution since inception of the MHSA. County specific information can be found at: http://www.dmh.ca.gov/Prop_63/MHSA/MHSA_Fiscal_References.asp.

Governor's Homeless Initiative (GHI)

In August 2005, Governor Schwarzenegger announced his Initiative to Address Long-Term Homelessness in California. Part of the Initiative, now known as the Governor's Homeless Initiative, directed an interagency effort to provide capital funding for housing projects to develop permanent supportive housing and serve a target population of persons who are chronically homeless and have severe mental illness. The interagency effort included the Department of Housing and Community Development (HCD), CalHFA and DMH. The GHI called for HCD to utilize approximately $40 million of Proposition 46 funds as capital for the development of permanent supportive housing for the homeless mentally ill. An additional $3.15 million in MHSA funds were set aside to provide funding for capitalized rent subsidies and capacity building training in the Counties.

Counties are an essential component of this effort as there is a long-term commitment to provide supportive services to developments that qualify for funding under the GHI. To date, GHI funds have been awarded to seven projects located throughout the state, creating 157 units for the target population. Recently, five new applications have been received from Los Angeles County and are in review. If awarded, 121 more units will be available for a total of 278 units. These 12 developments would utilize all of the funding prescribed for the GHI.

Fiscal Policy Clarification

In addition to completing implementation of all of the five components of the County Plan, DMH also clarified for Counties fiscal policies that have a statewide effect. In December 2007, DMH revised and clarified many of the MHSA fiscal policies in order to simplify program administration and expedite distribution of funds to the Counties. Specifically, DMH streamlined the State/County performance contract (MHSA Agreement), changed many of the cash management policies, and provided guidance on the use of unexpended funds from prior years.

DMH included provisions in the MHSA Agreement with Counties to allow the addition of funding to the MHSA Agreement upon approval by DMH or the MHSOAC of a County Plan update. This expedited the distribution of funds, allowing Counties to rely on

Board of Supervisors approval of MHSA Plans and by not requiring Board approval of the MHSA Agreement modification that distributes funds based on the approved plan.

DMH has also moved to a cash-based system which ensures that sufficient MHSA funds are available to support the total funding level by component for the subsequent fiscal year. Revenues accumulate for 12 months in the MHSF prior to distribution in the subsequent State fiscal year and allows substantial cash payments to each County at the beginning of each fiscal year. Under the new fiscal policy, each County receives 75 percent of the approved annual Plan amount upon Plan approval (and execution of a MHSA Agreement) or at the start of the fiscal year, whichever is later. The remaining 25 percent is distributed upon submission of the Annual MHSA Revenue and Expenditure Report. Counties that submit the above reports when due, are able to access the remaining 25 percent of their approved amount by March 1st of the fiscal year.

As enacted in 2005, the MHSA required the Counties to establish a local prudent reserve for the CSS component as part of the County Plan to ensure that the programs continue during years in which revenues are below recent averages as adjusted by specific variables contained in the Act. Assembly Bill 5 (2009-10 Third Extraordinary Session), amended Welfare and Institutions Code Section 5847 and expanded the purpose of the local prudent reserve to include programs serving clients through both the CSS and the PEI components.

DMH developed financial models to determine the impact on services and programs if MHSA revenues are below recent averages adjusted by the prescribed variables. Based on these models, DMH, in consultation with the MHSOAC and the CMHDA, determined that a level of 50 percent of the most recent annual approved CSS and PEI funding level should be the local prudent reserve amount for each County.

As a result of declining revenues to the MHSF, DMH has notified Counties that they will have access to their local prudent reserve on July 1, 2010.

STATE ADMINISTRATIVE EXPENDITURES

The MHSA allows up to five percent of the total annual revenues in each fiscal year for state administrative expenditures to support DMH, MHSOAC, and other state entities. The five percent administrative funding available for FY 2010-11 is $52.9 million. In the FY 2010-11 Governor's May Revision, MHSF are allocated as follows:

- **Judicial Branch** (FY 2008-09: $395,000; FY 2009-10: $1,000,000, FY 2010-11: $893,000). Supports the increased workload related to mental health issues in the courts.

- **State Controller's Office (SCO) (**FY 2008-09: $21,000; FY 2009-10: $295,000; FY 2010-11: $727,000). Supports the new Human Resource Management System which replaces the existing SCO employment and payroll systems.

- **Department of Consumer Affairs Regulatory Boards** (FY 2008-09: $236,000; FY 2009-10: $306,000; FY 2010-11: $91,000). Supports activities to ensure that educational and examination requirements for licensure of various disciplines within the State's mental health workforce continue to be relevant within a transforming system.

- **Office of Statewide Health Planning and Development** (FY 2008-09: $499,000; FY 2009-10: $929,000; FY 2010-11: $626,000). Supports three staff to carry on the development and implementation of the Mental Health Loan Assumption Program and to identify mental health professional shortage areas in California.

- **Department of Aging** (FY 2008-09: $93,000; FY 2009-10: $236,000; FY 2010-11: $218,000). Supports efforts to coordinate and improve access to mental health services for older adults and/or adults with disabilities.

- **Department of Alcohol and Drug Programs (ADP)** (FY 2008-09: $501,000; FY 2009-10: $254,000; FY 2010-11: $272,000). Supports two positions -- one to focus on prevention issues and the other on treatment of co-occurring substance abuse and mental health disorders.

- **Department of Health Care Services (DHCS)** (FY 2008-09: $670,000; FY 2009-10: $968,000; FY 2010-11: $934,000). Supports seven positions –four to support the implementation of Section 1115 Waiver efforts specific to Behavioral Health Integration; three to manage and support a contact to develop and implement the interdepartmental California Mental Health Disease management program.

- **Managed Risk Medical Insurance Board** (FY 2008-09: $86,000; FY 2009-10: $173,000; FY 2010-11: $159,000). Supports one position to coordinate services and collaboration between providers and administrators providing services to children who are seriously emotionally disturbed in the Healthy Families Program.

- **Department of Developmental Services** (FY 2008-09: $1,030,000; FY 2009-10: $1,121,000; FY 2010-11: $984,000). Supports services and training at the local level to more effectively address the needs of consumers who have both a developmental disability and a co-occurring mental illness (dually diagnosed).

- **Department of Mental Health** (FY 2008-09: $26,604,000; FY 2009-10: $33,655,000; FY 2010-11: $32,539,000). Supports 147.0 positions to continue its statutory requirement to implement and administer the MHSA and to provide overall support for implementation of all MHSA components funding.

- **Mental Health Services Oversight and Accountability Commission** (FY 2008-09: $4,089,000; FY 2009-10: $4,739,000; FY 2010-11: $4,115,000). Supports 22.0 positions and operating costs and contracts associated with statutory requirements to provide oversight of the MHSA.

- **Department of Rehabilitation (DOR)** (FY 2008-09: $162,000; FY 2009-10: $220,000; FY 2010-11: $198,000). Supports two positions to provide information and technical assistance to counties and DOR districts in the development of expanded cooperative contracts and new collaborative relationships.

- **Department of Social Services** (FY 2008-09: $759,000; FY 2009-10: $734,000; FY 2010-11: $712,000). Supports five positions to provide essential leadership, oversight, and expertise to social services and mental health partners.

- **Department of Education** (FY 2008-09: $430,000; FY 2009-10: $921,000; FY 2010-11: $613,000). Supports three positions and contracts to implement a project entitled “Building Collaboration for Mental Health Services in California’s Schools” to develop strategic partnerships between the mental health and education communities, provide resources on mental health in schools, while training local education agencies on various aspects of the MHSA.

- **California State Library** (FY 2008-09: $72,000; FY 2009-10: $171,000; FY 2010-11: $165,000). Supports the equivalent of one full position and a partial position to enable the Library to provide a variety of reference, research, and bibliographic assistance and to develop and maintain a contemporary collection of materials (journals, books, reports, etc.) needed to support research efforts by DMH.

- **Board of Governors of the California Community Colleges** (FY 2008-09: $37,000; FY 2009-10: $158,000; FY 2010-11: $208,000). Supports one position to assist the Community Colleges in meeting the mental health needs of students.

- **Financial Information System for California (FI$Cal) (**FY 2008-09: $0; FY 2009-10: $0; FY 2010-11: $28,000). Funding supports the FI$Cal project to transform the state's systems and workforce to operate in an integrated financial management system environment.

- **Military Department** (FY 2008-09: $0; FY 2009-10: $451,000; FY 2010-11: $406,000). Supports three two-year limited-term positions to develop a county-based mental health services liaison pilot program.

- **Department of Veterans Affairs** (FY 2008-09: $452,000; FY 2009-10 $466,000; FY 2010-11: $460,000). Supports two staff to support the development of a statewide veteran mental health referral network at the county level for all entities that may become access points for veterans and their families seeking mental health assistance.

For more detailed information, please visit the Web site at:
http://www.dmh.ca.gov/Prop_63/MHSA/State_Interagency_Partners.asp

Table 4 summarizes MHSA expenditures by the major component and by each state entity. It displays actual expenditures for FY 2008-09, the estimated budget for FY 2009-10, and the projected budget for FY 2010-11.

The MHSA expenditure information of $44,348,000 does not reflect the action taken by the Legislature to reject the FY 2010-11 Five Percent Administration Budget Change Proposal submitted to reduce various departments' appropriation by $4,791,000 on a pro rated basis. This adjustment will be reflected in the FY 2010-11 Change Book. Once the various departments' appropriation is restored, the total MHSA expenditures for FY 2010-11 will be $49,139,000, which is $3.8 million below the five percent administrative cap of $52.9 million.

Table 4: Mental Health Services Act Expenditures
May 2010
(Dollars in Thousands)

	Actual FY 2008-09	Estimated FY 2009-10	Projected FY 2010-11
Local Assistance			
Community Services and Supports	$650,000	$900,000	$783,600
Workforce Education and Training State Level Projects[4]	2,523	3,000	5,500
Capital Facilities and Technological Needs	108,400	0	0
Prevention and Early Intervention	252,900	350,000	236,500
Innovation	71,000	71,000	119,600
Total Local Assistance	**$1,084,523**	**$1,324,000**	**$1,145,200**
State Administrative Costs[5]			
Judicial Branch	$395	$1,000	$893
State Controller's Office	21	295	727
Department of Consumer Affairs Regulatory Boards	236	306	91
Office of Statewide Health Planning and Development	499	929	626
Department of Aging	93	236	218
Department of Alcohol and Drug Programs	501	254	272
Department of Health Care Services	670	968	934
Managed Risk Medical Insurance Board	86	173	159
Department of Developmental Services	1,030	1,121	984
Department of Mental Health	26,604	33,655	32,539
Mental Health Svcs Oversight & Accountability Commission	4,089	4,739	4,115
Department of Rehabilitation	162	220	198
Department of Social Services	759	734	712
Department of Education	430	921	613
California State Library	72	171	165
Board of Governors of the California Community Colleges	37	158	208
Financial Information System for California	0	0	28
Military Department	0	451	406
Department of Veterans Affairs	452	466	460
Total Administration	**$36,136**	**$46,797**	**$44,348**
GRAND TOTAL	**$1,120,959**	**$1,370,797**	**$1,189,548**

[4] $5 million in payments under the WET Loan Assumption program and $500,000 for expansion of the Song Brown program in FYs 2009-10 and 2010-11. Both programs are administered through the Office of Statewide Health Planning and Development (OSHPD). This funding is shown in the State Operations portion of the Governor's Budget consistent with existing OSHPD program budgets.

[5] State entities listed in Table 4 receive funding for "State Administrative Costs" in accordance with the five percent authorized by Welfare and Institutions Code Section 5892(d).