

California's Investment in Public Mental Health Services:
Proposition 63
Executive Summary

California's Mental Health Services Act. Proposition 63 (2004) provides increased funding to support mental health services for individuals with mental illness and inadequate access to the traditional public mental health system. The importance of Mental Health Services Act (MHSA) monies as a proportion of overall mental health funding in the State of California has grown over time. Monies actually expended on mental health services in California during Fiscal Years 2006 – 2007, 2007 – 2008, and 2008 – 2009 were the source of data analyzed and summarized in this Executive Summary.

Mental Health Services Act Expenditures through June 30, 2009. One critical factor to keep in mind is that these findings are as of State Fiscal Year 2008 – 2009, due to when fiscal years close out and are verified by the State Department of Mental Health.

Recent changes in the fiscal landscape may have produced changes in the findings reported below. Nonetheless, the findings are important for counties and policymakers alike to keep in mind when considering simplifying regulations in order to ensure access to services by populations in need:

Cross-Component Findings:

- *Breakout of the Local MHSA Dollar:* Expenditures to support a System of Care through Community Services and Supports comprises 98 cents out of every Mental Health Services Act dollar. This proportion is in keeping with Welfare and Institutions Code Section 5892, which specifies the percentage of Mental Health Services Act monies to be expended on each component.
- *Baseline Expenditures in Small Counties:* Per capita analysis of MHSA expenditures (*CSS, PEI, WET*)ⁱ supports, by proxy, what appears to be the end result of DMH policy to provide a baseline of funding to small counties. Per capita expenditures in small counties either matched or exceeded the statewide per capita amount (depending upon the fiscal year, and the region).
- *Contextual Factors Related to Component Expenditures:* Population (size of population in county/municipality) is strongly related to overall MHSA (*CSS, PEI, WET, TN*)ⁱⁱ expenditures, with expenditures increasing as county population increases. Future briefs will examine the impact of other key contextual factors such as the rate of uninsured, poverty level, and ethnic makeup of the county/municipality.
- *Statewide Trends impacting Need for Mental Health Services:* Unemployment and foreclosure rates represent indicators of the overall economic health of counties/municipalities, and are related in the scientific literature to need for public mental health services. Examination of unemployment and foreclosure data over time suggest that MHSA providers may be called upon to serve more people in need, and that the rate of MHSA (*CSS and WET*)ⁱⁱⁱ funding is keeping pace with indicators perceived to drive increased need for public mental health services.

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Community Services and Supports:

- *Implementation of Community Services and Supports across the State:* As of FY 2008 – 2009, all counties and municipalities were expending funds on Community Services and Supports.
- *Meeting the FSP Allocation Requirement:* Analysis of Revenue and Expenditure Report data submitted by counties to the California Department of Mental Health for Fiscal Years 2006 – 2007 through 2008 – 2009 show that the statewide requirement to direct the majority of Community Services and Supports monies on Full Service Partnership services was met.

Full Service Partnership:

- *Implementation of Full Service Partnerships across the State:* As of FY 2008 – 2009, all counties and one municipality were expending funds on Full Service Partnerships.
- *Contextual Factors Related to Full Service Partnership Expenditures:* The DMH policy to weight funding to provide a baseline level for the smallest counties resulted in higher per-capita expenditure in the smallest counties.
- *Who is Providing Full Service Partnership Services?* In the first year for which expenditure data was available through the Revenue and Expenditure Report, (FY 06-07), counties and municipalities relied more heavily on county staff to implement Full Service Partnerships. However, the proportion of expenditures shifted to contractors in later implementation years.
 - The proportion expended on county contractors was associated with county population – the greater the population, the greater the proportion expended on contractors. The reliance on contractors is within the scope of MHSA in order for counties to reach under-served and un-served populations.

Outreach and Engagement:

- *Spread of Community Services and Supports through Outreach and Engagement across the State:* As of FY 2008 – 2009, the majority of counties/municipalities were expending monies on Outreach and Engagement.

General System Development:

- *Strategies and Activities:* Three in four counties expending funds under “General System Development” documented a specific strategy being implemented under the General System Development category in their Annual Update. Strategies documented are in alignment with DMH guidance for General System Development as a mechanism to “improve programs, services and supports.”

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- *Cross-category Expenditures* within Community Services and Supports has led to some overlap between Outreach and Engagement. Examination of the need for General System Development as a unique category should be considered.

Workforce, Education, and Training:

- *Spread of Workforce, Education and Training across the State:* The majority of counties were expending funds by FY 2007 – 2008 on Workforce, Education, and Training.
- *WET Planning Expenditures:* During the first year for which Workforce, Education and Training expenditure data was available through the Revenue and Expenditure Report (FY 2006 – 2007), the majority of WET Planning funds were expended on Workforce Staffing and Support. During later fiscal years, the proportion of WET Planning funds expended shifted to Training and Technical Assistance. This shift is consistent with expected implementation needs of staff and contractors.
- *WET Categories:* Comparison of the categories under which Planning funds were expended in FY 2007 – 2008 and WET Plan funds were expended in FY 2008 - 2009 suggest that the utility of FIP, MHCPP, and RIP as unique categories under WET Planning may be limited.

Prevention and Early Intervention:

- *Prevention and Early Intervention is rolling out across the State:* As of FY 2008 -2009, nearly a quarter of counties/municipalities were expending funds on Prevention and Early Intervention. Other counties/municipalities were in the process of preparing to launch PEI services. In FY 2008 – 2009, 42 counties/municipalities were expending planning funds in preparation for PEI launch.
- *Number of Programs:* Among counties implementing PEI programming, the majority are expending funds on one program.
- *Imbalance of Unexpended Funds:* In Fiscal Year 2008 – 2009, unexpended funds represented over 90 percent of PEI monies allocated. However, Prevention and Early Intervention is a new component for counties and municipalities. The earliest implementation date was in FY 2007 – 2008, following MHSOAC/DMH PEI plan guidance release. In addition, the shift from treatment to prevention and early intervention represents a system-level change for many, if not most public mental health systems. The planning period was designed to incorporate of prevention and early intervention concepts, as well as to engage with potential new partnerships that may not have been actively engaged in the public mental health system in an advisory capacity in the past (e.g. school districts).

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Technological Needs, Capital Facilities, and Innovation:

- *Activities Funded:* Most technology funds were expended on projects (*rather than on administration*), whereas most capital facilities funds were expended on administration or projects, depending upon the size of the county and implementation needs.
- *Number of Projects:* Among counties and municipalities who launched CF/TN efforts, they tended to focus their efforts on a single project (e.g., renovation) rather than spreading their resources across multiple projects.

Implications for the Statewide Evaluation:

- Access to individual level (client) data will greatly strengthen the Follow Up Report, in terms of the ability to tie expenditure data to client impact. This data is expected to be available for analysis in the Follow Up Report (due June 30, 2012).
- Expenditures for the same programs are documented under multiple services within Community Services and Supports. The Statewide Evaluator will coordinate with the MHSOAC in order to develop recommendations to improve clarity in order to more clearly track expenditures back to funded strategies.
- *Prudent reserve monies may be mixed in with unexpended funds reported out as carried over from previous fiscal years:* For clarity and consistency between the Revenue and Expenditure Reports and the Plan Updates, a separate line item for reporting prudent reserve balances would be a helpful addition to the Revenue and Expenditure Report.

ⁱ CF/TN monies were expended by only eight counties – too small perhaps to detect a relationship. INN could not be tested due to small sample size

ⁱⁱ However, as of FY 2008 – 2009 CF/TN funds have been expended by only eight counties, thus these findings should be considered preliminary.

ⁱⁱⁱ PEI was not analyzed because a two-year change period was required (three years total).