

AGENDA ITEM: FY 2012/13 Governor’s Proposed Budget

- ENCLOSURES:**
- California Mental Health Director’s Association 2012/13 Budget Summary
 - Draft MHSOAC FY 2012/13 Budget Overview

OTHER MATERIAL RELATED TO ITEM: The entire FY 2012/13 State Budget Proposal can be found at the Department of Finance website: <http://www.dof.ca.gov/>

ISSUE:

The charge of the Mental Health Funding and Policy Committee is to demonstrate to taxpayers and the public that Mental Health Services Act funds are spent in the most cost effective manner and comply with statutes and regulations” As part of this priority the Mental Health Funding and Policy Committee is directed to monitor, analyze and report on State and Federal budget changes affecting mental health services.

BACKGROUND:

The Governor’s FY 2012/13 State Budget Proposal, released on January 5, 2012 identified a budget deficit of \$9.2 billion. The budget projects that the state will end 2011/12 with a deficit of \$4.1 billion. Absent corrective actions, it is projected that the state would spend \$5.1 billion more than it takes in during 2012-13. Combined the state faces a \$9.2 billion budget deficit.

Budget Solutions

- \$ 4.2 billion in reductions to State spending
- \$ 4.7 billion in revenue increases
- Approximately \$1.4 billion in one-time solutions

Proposed Budget Cuts

Of the proposed budget cuts, totaling \$4.2 billion, major cuts include:

- \$ 842 million to Medi-Cal
- \$ 946 million to CalWORKS
- \$ 163 million to In-Home Supportive Services
- \$ 87 million to Other Health and Human Services Programs
- \$1.3 billion Education Reductions

Closing the Budget Gap

The Governor’s FY 2012/13 Budget proposes a total of \$10.3 billion in cuts and revenues to balance and to rebuild a \$1.1 billion reserve. These proposals are estimated to eliminate future budget deficit throughout the forecast period under current projections.

Elimination of Department of Mental Health and Department of Alcohol and Drug Programs

This proposal reorganizes behavioral health programs. The responsibilities will be assumed by several departments including, The Mental Health Services Oversight and Accountability Commission, the Department of Health Care Services, Department of Public Health, Department of Social Services, Department of Education, Office of Statewide Health Planning and Development.