
AGENDA ITEM: Update on the Adopted 2012-2013 State Budget Act

ENCLOSURES: California State Budget 2012-13 Summary: Introduction

OTHER MATERIAL RELATED TO ITEM: Possible handouts from the presenters

Issue:

Kiyomi Burchill, Assistant Secretary, California Health and Human Services Agency, will provide an update on the adopted 2012-2013 state budget and its impact on the Mental Health Services Act (MHSA) and community mental health.

Background:

On June 27, 2012, Governor Jerry Brown signed the 2012-13 Budget Act and a package of legislation needed to implement the budget. The Budget Act closes the budget shortfall with \$16.6 billion in solutions, providing an estimated \$948 million reserve in 2012-13.

Budget Solutions

- \$ 8.1 billion in reductions to state spending
- \$ 6.0 billion in revenue increases
- \$2.5 billion in loan in one-time solutions

Reductions to State Spending

Of the budget cuts totaling \$8.1 billion, major reductions include:

- \$ 1.2 billion to Medi-Cal
- \$ 528.6 million to state employee compensation
- \$ 469.1 million to CalWORKS
- \$ 52.2 million to In-Home Supportive Services

Revenue Increases

The temporary tax increases assumed in the Budget Act are included in the Governor’s ballot initiative, which has qualified for the November 2012 ballot. This measure would increase personal income tax rates on very-high-income Californians for seven years and boost the sales tax rate by one-quarter cent for four years. The revenues raised by the measure would provide additional funding for public schools as well as help avoid deeper spending reductions.

Trigger Cuts

The budget package specifies approximately \$6 billion in mid-year "trigger" cuts that would automatically take effect on January 1, 2013 if voters reject the Governor's initiative.

- \$4.8 billion from public schools, with schools authorized to reduce the school year from the current minimum of 175 days of instruction to 160 days of instruction in each of 2012-13 and 2013-14;
- \$550.0 million from the California Community Colleges (CCC), with the CCC chancellor authorized to reduce college enrollment proportionately;
- \$250.0 million from the University of California;
- \$250.0 million from the California State University;
- \$50.0 million from the Department of Developmental Services;
- \$20.0 million in reduced funding for a new grant program for city police departments;
- \$10.0 million from the Department of Forestry and Fire Protection;
- \$6.6 million from flood control programs;
- \$5.0 million in reduced grants to local law enforcement for water safety patrols;
- \$3.5 million in reduced funding for Department of Fish and Game wardens and non-warden programs;
- \$1.5 million in reduced funding for state park rangers and lifeguards at state beaches; and
- \$1.0 million from the Department of Justice's law enforcement programs.

Behavioral Health

Behavioral health programs include mental health and substance abuse treatment services formerly overseen by the Department of Mental Health (DMH) and the Department of Alcohol and Drug Programs (ADP). The prior year budget began the process of eliminating the DMH and ADP by transferring their functions to other departments. The 2012-2013 Budget Act transfers virtually all existing DMH community mental health administrative functions to DHCS, with the following exceptions:

- To the Mental Health Services Oversight and Accountability Commission (MHSOAC)
 - MHSA stakeholder contracts
- To California Department of Social Services (DSS)
 - Licensing of Mental Health Rehabilitation Centers
 - Licensing of Psychiatric Health Facilities
 - Approval of Lanterman-Petris-Short County Designated Facilities
- To the Department of Public Health (DPH) – New Office of Health Equity
 - Office of Multicultural Services
 - Cultural Competence Advisory Committee
 - \$15 million per year for four years for the Reducing Disparities Project
 - Translation, cultural competence consultant, and interpreter training contracts
- To the Office of Statewide Health Planning and Development (OSHPD)
 - MHSA Workforce Education and Training Contracts

X INFORMATION

TAB SECTION: 2

___ ACTION REQUIRED

DATE OF MEETING: 07/26/12

PREPARED BY: Carruthers

DATE MATERIAL PREPARED: 07/11/12

The Budget Act also establishes a new Department of State Hospitals to oversee long-term care and services provided in the state's five mental health hospitals and other psychiatric facilities.

Assembly Bill 1467

Along with the Budget Act, the Governor signed Assembly Bill 1467, which made a number of changes to the MHSA.