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TAB SECTION: 4

X ACTION REQUIRED

DATE OF MEETING: 2/24/11

PREPARED BY: Hood, Lee

DATE MATERIAL PREPARED: 2/17/11

AGENDA ITEMS: Adopt MHSOAC Principles Regarding Governor's Proposed Fiscal Year (FY) 11/12 Budget, Impact on Mental Health Services Act

ENCLOSURES:

- MHSOAC Principles Regarding Governor's Proposed Fiscal Year (FY) 2011/12 Budget, Impact on Mental Health Services Act (MHSA), dated February 16, 2011

OTHER MATERIAL RELATED TO ITEMS: None

Issue:

The Governor's proposed Fiscal Year (FY) 2011/12 state budget was released on January 10, 2011. It includes a one-time transfer of \$861.2 million of funds from the Mental Health Services Fund (MHSF) to fund several mental health entitlement programs. The Mental Health Funding and Policy Committee, that is charged to provide the Commission with timely public policy recommendations, has reviewed and provided input on the attached principles for MHSOAC to help inform the Governor and Legislature's decision regarding the proposed transfer.

Background:

The MHSOAC was established to provide oversight and accountability of the MHSA and services for children and youth, adults and older adults and to advise the Governor and the Legislature regarding state actions to improve care and services for people with mental illness.

The Governor's proposed budget for FY 2011/12 proposes a significant one-time transfer of MHSA funding to partially address the budget deficit that California faces. The following principles, which are further described in the attached paper, were developed to help inform imminent and difficult budget decisions by the Legislature and Governor. These proposed principles outlined below are consistent with and guided by the MHSA.

The Mental Health Funding and Policy Committee met on February 15, 2011 to discuss and provide input on the draft principles. These principles are brought to the Commission for adoption.

MHSOAC Principles

1. Use of MHSA funds must further the purpose and intent of the Act.
2. Minimize the impact to existing MHSA services.
3. The State must assure that the MHSA's maintenance of effort and non-supplant requirements will be met.
4. The MHSOAC supports actions to create more efficiency, enhanced cash flow to the local level, and effective use of MHSA funding while maintaining effective oversight and accountability.

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Proposed Motion

- 1. Approve the “MHSOAC Principles Regarding Governor’s Proposed Fiscal Year 2011/12 Budget Impact on Mental Health Services Act” dated February 16, 2011.**
- 2. Direct the Executive Director to provide these principles to critical parties in the Legislature and Governor’s Office.**