



## MHSOAC

### Mental Health Services Oversight and Accountability Commission

MHSOAC Principles Regarding  
Governor's Proposed Fiscal Year (FY) 2011/12 Budget  
Impact on Mental Health Services Act  
February 8, 2011

California faces extraordinary circumstances regarding development of a balanced budget for FY 11/12. The Governor's Proposed Budget for FY 11/12 includes a one-time transfer of \$861.2 million of Mental Health Services Funds (MHSF) to fund several mental health entitlement programs. Consistent with its statutory role, the Commission provides the principles in this paper to help inform the Governor and Legislature's decision regarding this proposed transfer.

#### Background

The MHSOAC was established through a voter initiative, Proposition 63, now called the Mental Health Services Act (MHSA or Act) to provide oversight and accountability with regards to the MHSA and systems of care, and to provide recommendations to the Governor and Legislature. The MHSOAC principles outlined below are consistent with and guided by the Act.

#### MHSOAC Principles

1. **Use of MHSA funds must further the purpose and intent of the Act.** (See Attachment 1 for statutory language)

The MHSA describes the approaches that must be embedded in the planning for MHSA funded services. Services must be developed in partnership with those needing or accessing services; consistent with the Recovery Vision which promotes hope, respect, self-determination and self-responsibility; and, be culturally competent. The regulations provide additional standards which include but are not limited to "programs and/or services provided with MHSA funds shall...be designed for voluntary participation."

2. **Minimize the impact to existing MHSA services.**

The MHSOAC has as a priority, maintaining programs that have been implemented to continue services to those being served and to those relying on the availability of those services. If the proposed one-time transfer of

funds is included in the final budget, the state may need to modify current payment practices to ensure sufficient cash flow at local level to maintain critical services.

**3. The state must assure that the MHSA's maintenance of effort requirements (Welfare and Institutions Code 5891(a)) will be met over time.**

The intent of the Act was to expand successful mental health services. The Act includes provisions requiring the state to maintain its investments in funding mental health services. In this extraordinary time, this maintenance of effort can be demonstrated over a period of more than one year.

**4. The MHSOAC supports actions to create more efficiencies, enhanced cash flow to the local level, and effective use of MHSA funding while maintaining effective oversight and accountability.**

A major goal of the Governor's proposed budget is to streamline and appropriately align program and fiscal responsibility for government functions while maintaining appropriate oversight and accountability. The MHSOAC supports the streamlining of MHSA requirements, consistent with the vision and requirements of the Act while maintaining effective oversight and accountability. The MHSOAC has demonstrated leadership in moving towards this goal by including relevant deliverables in its 2011 Work Plan. Currently, the MHSOAC is conducting evaluations that are critical for oversight and accountability. Templates based on priority indicators are being designed, and these indicators will be regularly reported for each county. The MHSOAC has established policy and broadened its focus from MHSA implementation and county plan review and approval to full scale evaluations of outcomes, cost effectiveness, and indicators. Resources are being developed to focus on outputs rather than inputs. This emphasis is reflected in the commission work plan and committee charters.

Conclusion

The MHSOAC is establishing these principles to inform the critical budget decisions that could impact the MHSA. Individuals with mental illness, their families and caregivers will continue to be involved through the MHSOAC committee structure and commission meetings, in the analysis of intended and unintended consequences of any budget proposals. The overall goal is to improve the lives of all Californians with mental illness, their families, caregivers and communities.

## Attachment 1

### Section 3 of the Mental Health Services Act Purpose and Intent

The people of the State of California hereby declare their purpose and intent in enacting this act to be as follows:

- (a) To define serious mental illness among children, adults and seniors as a condition deserving priority attention, including prevention and early intervention services and medical and supportive care.
- (b) To reduce the long-term adverse impact on individuals, families and state and local budgets resulting from untreated serious mental illness.
- (c) To expand the kinds of successful, innovative service programs for children, adults and seniors begun in California, including culturally and linguistically competent approaches for underserved populations. These programs have already demonstrated their effectiveness in providing outreach and integrated services, including medically necessary psychiatric services, and other services, to individuals most severely affected by or at risk of serious mental illness.
- (d) To provide state and local funds to adequately meet the needs of all children and adults who can be identified and enrolled in programs under this measure. State funds shall be available to provide services that are not already covered by federally sponsored programs or by individuals' or families' insurance programs.
- (e) To ensure that all funds are expended in the most cost effective manner and services are provided in accordance with recommended best practices subject to local and state oversight to ensure accountability to taxpayers and to the public.

### Section 18

This act shall be broadly construed to accomplish its purposes. All of the provision of this Act may be amended by a 2/3 vote of the Legislature so long as such amendments are consistent with and further the intent of this act. The Legislature may by majority vote add provisions to clarify procedures and terms including the procedures for collection of the tax surcharge imposed by Section 12 of this Act.