



MENTAL HEALTH SERVICES
OVERSIGHT AND ACCOUNTABILITY COMMISSION

1300 17th Street, Suite 1000
Sacramento, CA 95811
(916) 445-8696

January 2009

The Honorable Arnold Schwarzenegger
Honorable Members of the California Legislature
State Capitol
Sacramento, CA 95814

Re: Proposed Use of the Mental Health Services Fund

The Mental Health Services Oversight and Accountability Commission (MHSOAC) recognizes that these difficult budget times call on the best of everyone to generate creative solutions and pathways for moving forward. We know we all share the common goal to move California to a place of fiscal safety and stability. With this goal in mind, the Commission takes seriously our responsibility to be good stewards to the Mental Health Services Act (MHSA). In accordance with those responsibilities, we are providing our perspective regarding what we believe to be the will of the voters as reflected in the language of the MHSA concerning the use of Proposition 63 funds.

Part 4.5, Section 5891 of the MHSA states the following:

The funding established pursuant to this Act shall be utilized to expand mental health services. These funds shall not be used to supplant existing state or county funds utilized to provide mental health services. The state shall continue to provide financial support for mental health programs with not less than the same entitlements, amounts of allocations from the General Fund and formula distributions of dedicated funds as provided in the last fiscal year which ended prior to the effective date of this Act. The state shall not make any change to the structure of financing mental health services, which increases a county's share of costs or financial risk for mental health services unless the state includes adequate funding to fully compensate for such increased costs or financial risk. These funds shall only be used to pay for programs authorized in Section 5892. These funds may not be used to pay for any other program. These funds may not be loaned to the state General Fund or any other fund of the state, or a county general fund or any other county fund for any purpose other than those authorized by Section 5892.

Recently, some parties in the Legislature suggested "redirecting" all of the Proposition 63 Mental Health Services Fund (MHSF) to support General Fund programs with proposed voter approval. This proposal was followed by another proposal from Governor Schwarzenegger to redirect a lesser amount of \$226.7 million from the MHSF to fund the mental health managed care program, also with voter approval.

The goal of the MHSOAC is to protect the voter-approved provisions of Proposition 63.

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The proposal from the Governor asks voters to make a short term exemption from the non-supplantation rules and the other proposal would sweep even larger amounts of funding from the program.

We make note of the following:

- 1) Prop 63 funds were clearly intended for expanding services to some of our most vulnerable citizens
- 2) Redirection of these funds, unless approved by the voters, appears to violate the Act and will discourage others from funding reserves at the State level
- 3) Redirecting care and reducing mental health resources to those who need them will only drive those who live with mental illness to more expensive settings for care, such as emergency rooms, lock-up hospital facilities, jails and prisons.

We urge you to preserve Proposition 63 funding for critically needed, long neglected, and still underfunded mental health services that benefit not only the mentally ill but all Californians.

Sincerely,

Andrew Poat, Chair