



APR 01 2011

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to Various Budget Bill Items, Support and Local Assistance,
Department of Public Health**

State Operations

Health Care Reform: Building and Strengthening Epidemiology, Laboratory and Health Information Systems Capacity (Issue 100)—It is requested that Item 4265-001-0890 be increased by \$1,160,000 and that Item 4265-001-0001 be amended to reflect this change. This increase is necessary to expend Patient Protection and Affordable Care Act of 2010 (Health Care Reform) grant funds awarded by the Centers for Disease Control and Prevention (CDC). The requested resources will be used by the Department of Public Health (DPH) to support the implementation of a pilot project focusing on epidemiology and laboratory enhancements to improve detection, investigation, and response to food borne and emerging infectious diseases in the Central Valley and San Francisco Bay Area. The related current year increase was previously requested in a Section 28.00 notification letter dated February 15, 2011.

Health Care Reform: Expanded HIV Testing for Disproportionately Affected Populations (Issue 101)—It is requested that Item 4265-001-0890 be increased by \$709,000 and that Item 4265-001-0001 be amended to reflect this change. This increase is necessary to support expanded HIV testing services for disproportionately affected populations in local health jurisdictions. This federal grant funding is a result of a Health Care Reform grant and is made available through the CDC. The requested resources will allow the Office of AIDS (OA) to diagnose a larger proportion of individuals with HIV through a higher volume of HIV screenings, will detect HIV earlier and provide linkages to HIV-appropriate medical care, and will retain HIV-infected clients in appropriate care in order to reduce mortality. The related current year increase was previously requested in a Section 28.00 notification letter dated February 22, 2011.

Local Assistance

Health Care Reform: Expanded HIV Testing for Disproportionately Affected Populations (Issue 101)— It is requested that Item 4265-111-0890 be increased by \$3,044,000 and that Item 4265-111-0001 be amended to reflect this change. This increase is necessary to support expanded HIV testing services for disproportionately affected populations in local health jurisdictions. This federal grant funding is a result of a Health Care Reform grant and is made available through the CDC. The requested resources will allow the OA to diagnose a larger proportion of individuals with HIV through a higher volume of HIV screenings, will detect HIV earlier and provide linkages to HIV-appropriate medical care, and will retain HIV-infected clients

in appropriate care in order to reduce mortality. Based on epidemiological data, the OA has identified 18 local health jurisdictions that will be eligible to receive this funding. Los Angeles and San Francisco have received direct funding from the CDC for this initiative. The related current year increase was previously requested in a Section 28.00 notification letter dated February 22, 2011.

Office of AIDS: Ryan White HIV/AIDS Program (Issue 102)—It is requested that Item 4265-111-0890 be increased by \$555,000 and that Item 4265-111-0001 be amended to reflect this change. This increase is necessary to support HIV services in Sonoma County. The direct funding the county receives from the Health Services Resources Administration is being redirected to the state grant award administered by the OA because the county no longer qualifies as a Transitional Grant Area.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Brandon Nunes, Principal Program Budget Analyst, at (916) 445-6423.

ANA J. MATOSANTOS
Director
By:

/s/ Michael Cohen

MICHAEL COHEN
Chief Deputy Director

Attachment

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Bob Huff, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Mark DeSaulnier, Chair, Senate Budget and Fiscal Review Subcommittee No. 3
Honorable Holly Mitchell, Chair, Assembly Budget Subcommittee No. 1
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Michael Wilkening, Undersecretary, Health and Human Services Agency
Ms. Suanne Buggy, Assistant Secretary, Health and Human Services Agency
Mr. Jose Ortiz, Chief Deputy Director, Operations, Department of Public Health
Mr. Kevin Reilly, Chief Deputy Director, Policy and Programs, Department of Public Health



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Honorable Mark Leno, Chair
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Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Amendment to Budget Bill Item 5170-001-0890, Support, State Independent Living Council

Third-Year Federal Funding for the Aging and Disability Resource Connection Grant (Issue 001)—It is requested that Item 5170-001-0890 be increased by \$255,000 to ensure utilization of federal grant funds. The State Independent Living Council received notice of third-year funding from the federal Administration on Aging for a grant that began in September 2009 to establish a seventh Aging and Disability Resource Connection (ADRC) site in California. The grant period runs through September 30, 2012. These third-year funds will be used to: (1) manage the newly operational seventh ADRC site in Nevada County, (2) fund training in counseling for the long-term support of the aging and disabled, (3) engage in strategic planning to design a master plan for further expansion of the ADRC site network in California, and (4) engage an academic study of measureable outcomes associated with ADRC site services. No state funds are required since existing in-kind services will be used for the state match, which is permissible.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Thomas Williams, Principal Program Budget Analyst, at (916) 445-6423.

ANA J. MATOSANTOS
Director
By:

/s/ Michael Cohen

MICHAEL COHEN
Chief Deputy Director

Attachment

cc: On following page

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-2-

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee
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Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Elizabeth Pazdral, Executive Director, State Independent Living Council
Mr. Eugene Louie, Accounting Administrator, Department of General Services



FEB 17 2011

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Streamline State Oversight of the Mental Health Services Act

Consistent with the Governor's 2011-12 proposal to realign government services, including mental health services to counties, it is proposed that state oversight of the Mental Health Services Act (MHSA) be streamlined to improve program efficiency, and that state administrative support related to the implementation of the MHSA be reduced in order to direct more MHSA funding to county mental health programs.

The Governor's intent is to amend the MHSA to more clearly define the roles of the Mental Health Services Oversight and Accountability Commission (OAC), the Department of Mental Health (DMH), and the other departments currently involved in implementing the MHSA. The state would no longer have the responsibility of reviewing and approving county three-year MHSA plans. These amendments can be implemented through a two-thirds vote of the Legislature because they further the intent of the MHSA by increasing funding for mental health services at the local level.

Under this proposal, the OAC would act in an advisory role to county mental health programs providing statewide MHSA policy direction and technical support. The OAC would no longer be required to review and approve the Prevention and Early Intervention and Innovative program components of county three-year plans.

The DMH's role in the implementation of the MHSA would be reduced significantly. The DMH would have responsibility for evaluating program outcomes and monitoring county compliance with the MHSA. Like the OAC, the DMH would no longer be required to review and approve county three-year plans. Additionally, the DMH would no longer be required to contract with counties for the administration of MHSA programs, administer the Mental Health Services Fund (MHSF), or provide technical support to counties. Statewide administration of the MHSA housing program, suicide prevention, and mental illness stigma reduction would remain with the DMH.

County allocation amounts and the distribution of MHSF funds to counties also would change under this proposal. Rather than the DMH allocating funding to counties based on approval of county plans, it is intended that the State Controller would allocate funding directly to counties. The Administration will be working with county representatives to determine an appropriate allocation method.

Furthermore, this proposal would reduce or eliminate funding to a number of state departments that receive direct appropriations from the MHSF. Although the activities provided by these departments have been important to the implementation of the MHSA, under a more streamlined, county-focused program, these activities are more appropriately provided by individual counties to address program need. This proposal would reduce MHSF state administrative spending by \$30.5 million and 143.2 positions, and no department budget will be augmented. It is requested the following items be reduced or deleted to reflect the changes necessary to implement this proposal.

Department of Consumer Affairs Regulatory Boards (Issue 120)—It is requested that Item 1110-001-3085 be eliminated to reflect efficiencies in the implementation of the MHSA, resulting in a decrease of \$120,000 and 1.0 position, and that Item 1110-001-0773 be amended to reflect this change.

Department of Aging (Issue 201)—It is requested that Item 4170-001-3085 be eliminated to reflect efficiencies in the implementation of the MHSA, resulting in a decrease of \$259,000 and 2.0 positions.

Department of Alcohol and Drug Programs (Issue 201)—It is requested that Item 4200-001-3085 be eliminated to reflect efficiencies in the implementation of the MHSA, resulting in a decrease of \$267,000 and 2.0 positions, and that Item 4200-001-0001 be amended to reflect this change.

Department of Health Care Services (Issue 280)—It is requested that Item 4260-001-3085 be decreased by \$657,000 and 2.0 positions, and that Item 4260-001-0001 be amended to reflect this change. This adjustment will leave sufficient resources to improve mental health care for Medi-Cal beneficiaries with serious mental illnesses and support mental health functions provided through the comprehensive Section 1115 Waiver and the Specialty Mental Health Waiver.

Managed Risk Medical Insurance Board (Issue 201)—It is requested that Item 4280-001-3085 be eliminated to reflect efficiencies in the implementation of the MHSA, resulting in a decrease of \$177,000 and 2.0 positions, and that Item 4280-001-0001 be amended to reflect this change.

Department of Mental Health (Issue 201)—It is requested that Item 4440-001-3085 be decreased by \$25,631,000 and 112.2 positions, and that Item 4440-001-0001 be amended to reflect this change. This adjustment will leave sufficient resources for the DMH to provide program evaluation and monitoring, statewide support of the MHSA housing program, suicide prevention program, and mental illness stigma reduction, as well as contract funding for the California Institute for Mental Health and the National Alliance on Mental Illness.

Mental Health Services Oversight and Accountability Commission (Issue 201)—It is requested that Item 4560-001-3085 be decreased by \$1,345,000 and 12.0 positions. This adjustment will leave sufficient resources for the OAC to provide statewide policy direction and technical support and staff Commission meetings.

Department of Rehabilitation (Issue 201)—It is requested that Item 5160-001-3085 be eliminated to reflect efficiencies in the implementation of the MHSA, resulting in a decrease of \$216,000 and 1.0 position, and that Item 5160-001-0001 be amended to reflect this change.

Department of Social Services (Issue 202)—It is requested that Item 5180-001-3085 be eliminated to reflect efficiencies in the implementation of the MHSA, resulting in a decrease of \$766,000 and 5.0 positions, and that Item 5180-001-0001 be amended to reflect this change.

Department of Education (Issue 680)—It is requested that Item 6110-001-3085 be eliminated to reflect efficiencies in the implementation of the MHSA, resulting in a decrease of \$711,000 and 3.0 positions, and that Item 6110-001-0001 be amended to reflect this change.

California State Library (Issue 001)—It is requested that Item 6120-011-3085 be eliminated to reflect efficiencies in the implementation of the MHSA, resulting in a decrease of \$179,000, and that Item 6120-011-0001 be amended to reflect this change.

Board of Governors of the California Community Colleges (Issue 474)—It is requested that Item 6870-003-3085 be eliminated to reflect efficiencies in the implementation of the MHSA, resulting in a decrease of \$216,000 and 1.0 position.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call John Doyle, Assistant Program Budget Manager, at (916) 445-6423.

ANA J. MATOSANTOS

Director

By:

/s/ Michael Cohen

MICHAEL COHEN

Chief Deputy Director

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Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee
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Honorable Carol Liu, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable Holly Mitchell, Chair, Assembly Budget Subcommittee No. 1
Honorable Susan Bonilla, Chair, Assembly Budget Subcommittee No. 2
Honorable Joan Buchanan, Chair, Assembly Budget Subcommittee No. 4
Honorable Mark DeSaulnier, Chair, Senate Budget and Fiscal Review Subcommittee No. 3
Honorable Michael Rubio, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office

MHSA Reduction Finance Letter, Department, Budget Year 2011-12.
(Dollars in Thousands)

Department	Governor's Budget		Proposed Finance Letter Reductions		Revised Budget		Comments
	Amount	Positions	Amount	Positions	Amount	Positions	
Judicial	\$ 1,063	6	\$ -	0	\$ 1,063	6	Supports staff providing technical assistance to trial courts in addressing the needs of mentally ill adults and juveniles.
SCO	\$ 1,733	0	\$ -	0	\$ 1,733	0	The current assessment is for the 21st Century Project, which reflects fixed costs consistent with project accounting.
DCA	\$ 120	1	\$ 120	1	\$ -	0	Does not provide direct access to services. Provides input on the development of mental health professional licensing exams.
OSHPD	\$ 895	5	\$ -	0	\$ 895	5	Operates a statewide loan forgiveness program for mental health professionals. This program is more appropriately administered at a statewide level.
Aging	\$ 259	2	\$ 259	2	\$ -	0	Provides referrals to mental health services for the elderly. Under this proposal, county mental health programs would have the discretion to provide these services.
DADP	\$ 267	2	\$ 267	2	\$ -	0	Does not provide direct access to services. These resources fund outreach activities targeting individuals with co-occurring disorders, such as substance abuse and mental illness, to establish referrals and maintain an informational website.
DHCS	\$ 1,522	4	\$ 657	2	\$ 865	2	Reduce funding to \$865,000 and 2.0 positions to improve mental health care for Medi-Cal beneficiaries with serious mental illness or serious emotional disturbances and provide oversight of county programs that perform this function.
MRMIB	\$ 177	2	\$ 177	2	\$ -	0	Does not provide direct services. Funds are used to evaluate process and policies for access to mental health services in the Healthy Families Program.
DDS	\$ 1,133	1	\$ -	0	\$ 1,133	1	Coordinates statewide system of mental health services for developmentally disabled.
DMH	\$ 34,617	146.5	\$ 25,631	112.2	\$ 8,986	34.3	Funding will provide the necessary resources for the DMH to evaluate program outcomes and monitor county compliance with the MHSA.
OAC	\$ 4,529	22	\$ 1,345	12	\$ 3,184	10	Funds the OAC's revised advisory and statewide policy role.
DOR	\$ 216	1	\$ 216	1	\$ -	0	Funds are used to provide training to vocational service providers.
DSS	\$ 766	5	\$ 766	5	\$ -	0	Funding is used to provide support, training, and assistance to counties to develop procedures, protocols, and tools necessary to implement and administer the CA Wraparound program. The funding also supports the coordination and collaboration with national partners and the development of performance outcomes. Under this proposal, these services can be administered by county mental health programs.
CDE	\$ 711	3	\$ 711	3	\$ -	0	Under this proposal, county mental health programs can work with local education agencies, county offices of education, and special education local plan areas to provide necessary services.

MHSA Reduction Finance Letter, Department. Budget Year 2011-12.
(Dollars in Thousands)

Department	Governor's Budget		Proposed Finance Letter Reductions		Revised Budget		Comments
	Amount	Positions	Amount	Positions	Amount	Positions	
CSL	\$ 179	0	\$ 179	0	\$ -	0	Under this proposal, informational services can be provided by county mental health programs.
CCC	\$ 216	1	\$ 216	1	\$ -	0	Under this proposal, county mental health programs can work with community colleges to determines appropriate service levels.
FISCAL	\$ 190	0	\$ -	0	\$ 190	0	The current assessment is for the FISCAL Project, which reflects fixed costs consistent with project accounting.
Military	\$ 552	3	\$ -	0	\$ 552	3	Provides mental health referral services to National Guard members returning from active duty. The military has seen a rise in the number of service members requiring mental health services.
DVA	\$ 507	2	\$ -	0	\$ 507	2	Provides mental health referral services to veterans. The military has seen a rise in the number of service member requiring mental health services.
Totals	\$ 49,652	206.5	\$ 30,544	143.2	\$ 19,108	63.3	