



32. Provision of Community Mental Health Services – Diversion of Proposition 63 Funds

Legislative Issues

Board Strategic Priorities:

Fiscal Optimization, Organizational Capacity, and Public Safety/Criminal Justice

Issue:

Proposals to divert Proposition 63, the Mental Health Services Act (MHSA), funds away from community mental health systems in order to fill the State's budget gap is of significant concern to San Joaquin County. In addition, the County continues to be concerned about the erosion of State funding and support for core mental health services.

LEGISLATIVE PLATFORM:

1. Seek a written determination from the Department of Health Care Services that MHSA funds can be used flexibly to include core local mental health services.
2. Oppose legislation, administrative efforts, and/or budgetary proposals which would divert MHSA funds from counties to address the State's budget shortfall, or toward State workforce funding.
3. Oppose legislation to create additional requirements on counties, which limits their flexibility in using MHSA funds, reduces the amount of flexible funding, or imposes sanctions on counties for not meeting specified standards.
4. Oppose legislation which redirects Behavioral Health Prevention dollars from Behavioral Health to the California Department of Public Health or any other State entity.
- 3-5. Oppose additional reductions in State funding for mental health services that will result in the State shifting its costs to the County and/or reducing limits for reserves.
- 4-6. Support legislative and budgetary efforts that would enhance comprehensive community-based treatment for mental illness.
7. Support new legislation that would provide additional funding for housing infrastructure and supports.
- 5-8. Support legislative and administrative efforts to provide more flexibility within the MHSA. This includes enabling counties to use MHSA funds for service categories under Community Services and Supports (CSS) and Prevention and Early Intervention (PEI) to meet local needs such as public health emergencies like COVID-19. Counties would benefit greatly by having the flexibility to use unallocated Innovation funds to maintain CSS and PEI services as well as using funds subject to reversion to fund gaps caused by the year-over-year decline in MHSA funding.

BACKGROUND:

In 2004, California voters passed Proposition 63 to expand mental health services. Behavioral Health Services has consistently demonstrated its effectiveness in serving individuals with unmet mental health needs by providing programs at the intersection of homelessness and serious mental illness, supporting employment efforts, and partnering with the justice system on diversion programs. The County seeks to protect and preserve MHSA funds to avoid the elimination of vital mental health services for children and adults with serious mental illness who are currently being served by County behavioral health programs. Despite the increased demand for Countywide behavioral health programs, San Joaquin County is challenged to spend all of its MHSA allocation due to its stringent guidelines, primarily in the Innovation category.

The County's behavioral health programs are chronically underfunded with demand for services on the rise. Programs are primarily funded by fluctuating sources from State sales tax, vehicle license fees, Medi-Cal reimbursements, and the MHSA; the latter funds roughly one-third of San Joaquin County's Behavioral Health Services.

In early 2020, prior to the onset of COVID-19, there were discussions by the Governor's Administration and the Steinberg Institute to revert Proposition 63 funding from counties since many of them maintained significant unspent balances.

In response, the California State Association of Counties and a variety of stakeholders adopted principles and alternatives to this notion. If the MHSA had more flexibility within its spending requirements, counties would be better able to spend their allocations efficiently and effectively.

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