



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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Second District

ZEV YAROSLAVSKY
Third District

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Fifth District

August 10, 2004

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

SACRAMENTO UPDATE

California Performance Review Commission Schedule

The Commission has released a revised schedule of upcoming hearings, including the issue areas to be covered at each. The first hearing on August 13 will only deal with infrastructure recommendations. Resource Conservation and Environmental Protection will be dealt with at a separate hearing on September 17. The new schedule is listed on Attachment A.

Review of Proposition 63, the Mental Health Services Expansion and Funding Initiative.

Board offices have expressed an interest in Proposition 63, the Mental Health Services Expansion and Funding Initiative, which has qualified for the November 2, 2004 General Election Ballot. If passed by the voters, Proposition 63 would impose an additional 1 percent tax on taxable income over \$1 million to expand and develop innovative, integrated services and programs for mentally ill children, adults and seniors. An analysis of the measure is contained in Attachment B.

Status of County-Interest Legislation

County-opposed AB 1324 (Steinberg), which would provide medical benefits under workers' compensation, for dependents of law enforcement or firefighting employees who contract a blood-borne disease from exposure to the employee, was amended on August 9, 2004 to provide a presumption of injury for any work-related event on or before January 1, 1984. The bill is pending consideration by the Senate Appropriations Committee. Our Sacramento advocates will continue to oppose the measure.

AB 2019 (Steinberg), which the County **opposed unless amended** to make the bill optional for counties, would have mandated counties to provide mental health evaluations and services to delinquent minors with severe emotional disturbances or developmental disabilities, upon order of the court, without additional funding for these new responsibilities. On August 9, 2004, AB 2019 was amended to make implementation of the bill optional for counties to the extent that resources are available. **Therefore, our Sacramento advocates will withdraw the County's opposition to AB 2019.** AB 2019 is now on the Senate Appropriations Committee's suspense file.

We will continue to keep you advised.

DEJ:GK
MAL:JF:JR:MS:ib

Attachments

- c: Executive Officer, Board of Supervisors
- County Counsel
- Local 660
- All Department Heads
- Legislative Strategist
- Coalition of County Unions
- California Contract Cities Association
- Independent Cities Association
- League of California Cities
- City Managers Associations
- Buddy Program Participants

UPDATED CPR COMMISSION HEARING SCHEDULE

(as of 8/5/04)

Riverside, August 13th at UCR
10:00 to 3:00p.m.
Infrastructure

At this hearing the topics to be discussed will include: Transportation; Hospital, Housing and School Construction; Water and Energy. Due to overwhelming interest other Resource and Environmental Protection issues will be the focus of a Commission hearing to be held on September 17, 2004 in Fresno.

San Diego, August 20th at UCSD
10:00 to 4:00p.m.
Health and Human Services and Education, Training and Volunteerism

San Jose, August 27th at SJSU
10:00 to 4:00 p.m.
General Government; Information Technology, Performance-based Management, Procurement and Personnel

Long Beach, September 10th at Cal State Long Beach
10:00 to 4:00p.m.
Corrections Reform (IRP) and Public Safety

Fresno, September 17th at Cal State Fresno
10:00 to 4:00 p.m.
Resource Conservation and Environmental Protection

(Location TBD), September 24th at TBD
10:00 to 4:00 p.m.
Government Reorganization

NOTE

While each hearing will focus on a specific topic or topics within CPR, the Commission will take public testimony at the end of each day on any issues contained in the report.

PROPOSITION 63: MENTAL HEALTH SERVICES EXPANSION AND FUNDING. TAX ON INCOMES OVER \$1 MILLION. INITIATIVE STATUTE.

Proposition 63 would impose an additional one percent tax on taxable income over \$1 million for the expansion of mental health services and programs. The measure would dedicate funds to counties to expand services and develop innovative programs and integrated service plans for mentally ill children, adults and seniors. It would require the State to develop mental health service programs including prevention, early intervention, education and training programs. It would also create a new commission to approve county programs and expenditures. Proposition 63 prohibits the supplanting of current funding for mental health services with proceeds from the new tax.

The proceeds from Proposition 63 would be administered by the State Department of Mental Health and distributed annually to counties based on their expenditure plan, service capacity, unmet needs, and the amount of available funds. In FY 2004-05, funds would be allocated as follows:

- 45 percent for education and training.
- 45 percent for capital facilities and technological needs.
- 5 percent for local planning efforts.
- 5 percent for State administrative responsibilities.

Beginning in FY 2005-06, program allocations would be phased-in over a three-year period:

- 10 percent placed in a trust fund for education and training.
- 10 percent for capital facilities and technological needs.
- 20 percent for prevention and early intervention.
- 60 percent allocated to counties to expand mental health services; 5 percent of this amount may be used for approved, innovative programs.

The State Legislative Analyst and the Director of Finance estimate that the measure will result in additional revenues of \$250 million in FY 2004-05, \$680 million in FY 2005-06, \$700 million in FY 2006-07, and increasing amounts annually thereafter, with comparable increases in expenditures by the State and counties for the expansion of mental health programs. They further indicate that the savings to the State and counties, while unspecified, could potentially amount to hundreds of millions of dollars annually on a Statewide basis from reduced costs for State prison and County jail operations, medical care, homeless shelters, and social services programs.

According to the Department of Mental Health (DMH), Proposition 63 would provide the Department with a partial solution to the problem of chronic unmet needs. The Department faces a significant structural budget deficit which has resulted in a reduction of \$31 million in FY 2004-05. An additional \$30 million funding gap is

anticipated in the next fiscal year. On July 31, 2004, the Governor used his line-item veto authority to eliminate \$19.65 million in funding for the Children's System of Care Program. According to DMH, this cut will result in an additional estimated loss of \$4.8 million for Los Angeles County. Because of these reductions, many residents, including those in crisis, will be less able to receive the mental health services they need. DMH indicates that, given the current fiscal environment, and the historical under funding of the public mental health system, Proposition 63 would bring urgently needed resources and a vision for client-centered and integrated mental health services to Los Angeles County.

DMH anticipates that the following additional or expanded services could be provided with the passage of Proposition 63:

- Crisis services, including psychiatric urgent care facilities in each Service Planning Area.
- Additional support for law enforcement involvement in the Department's Mental Evaluation Team (MET) and System-wide Mobile Assessment Response Team (SMART).
- Assertive Community Treatment (ACT) services, which provide 24-hour, direct, and individualized assistance to people with serious and persistent mental illnesses.
- Suicide prevention as a major activity of the public mental health system.
- Early intervention services.
- A system to serve the mental health needs of older adults.
- New client self-help programs to encourage self-sufficiency, independent living, and employment.

The initiative would also provide an opportunity to restructure the County's mental health system into one that is family-focused and client-centered, both widely accepted features of best mental health practice. The initiative requires an extensive and complex community planning process for expenditure of funds, and provides funding for this process. DMH supports the initiative's promotion of innovative mental health practices, as well as its inclusion of vital workforce development activities to recruit, hire, and retain mental health professionals to deliver additional services to County residents.

Proposition 63 is sponsored by Assembly Member Darrell Steinberg, and supported by the California Psychiatric Association, Southern California Psychiatric Society, California Society of Addiction Medicine, California Academy of Child and Adolescent Psychiatry, California Psychological Association, California Chapter of the National Association of Social Workers, California Mental Health Directors Association, California Healthcare Association, Mental Health Association in California, California Mental Health Planning Council, National Association for the Mentally Ill – California, California Council of Community Mental Health Agencies, California Network of Mental Health Clients, California Institute for Mental Health, Los Angeles County Mental Health Commission, Mental Health Association in Los Angeles County, California Nurses Association, Congress of California Seniors, Older Women's League of California, Gray Panthers of

California, SEIU California State Council, AFSCME, AFL-CIO of California, Peace Officers Research Association of California, California Police Chiefs Association, and the California Teachers Association, among many others.

The measure is opposed by the Howard Jarvis Taxpayers Association, Americans for Tax Reform, and the Citizens Commission on Human Rights of the Church of Scientology.

A recent Public Policy Institute of California poll indicated that likely voters favored Proposition 63 by 67 percent to 31 percent, with 2 percent undecided. Among all Californians, 71 percent favored the measure.