Los Angeles County Commission for Children and Families and Stakeholders Workgroup Report and Recommendations on Mental Health Services Act (MHSA) Programs for Transitional Age Youth (TAY) and Children

The Commission for Children and Families (Commission) has actively participated with the Department of Mental Health (DMH) in the extensive planning processes involved in creating the plans for the Community Services Support (CSS) and the Prevention and Early Intervention (PEI) portions of the Mental Health Services Act (MHSA). We are also active members on the Systems Leadership Team (SLT) that DMH developed to oversee the implementation of both plans. After years of involvement, the Commission became concerned that dollars allocated for children and Transitional Age Youth (TAY) were not being spent according to the original plans. The Workgroups was initiated to review the programs and spending.

Adults who suffer from mental health issues frequently state that their mental health problems first began when they were children. It is, therefore, crucial that treatment begin early in life.

The Commission formed two Workgroups in 2011 to review the programs and services provided to children and TAY, funded with the MHSA, PEI, and CSS money. The Commission met with representatives from DMH on a number of occasions. We thank them for their time and patience while providing the Commission with information and answering questions. Below are initial recommendations the Commission has developed from these ongoing meetings:

1. **Establish the principle that DMH must track, credit, and spend prudent reserve and unspent funds for the populations that they were originally allotted by the County.**

   The Commission acknowledges that the MHSA allocations from the State are for **all** age groups of eligible residents of Los Angeles County. References by the Workgroup of County overspending or underspending for different age groups relates to the percentages agreed to for the four age groups – children, TAY, adults, and older adults by DMH, stakeholders and the Board of Supervisors (Board). From the State point of view, the Workgroup also recognizes that overspending in one age group may be balanced or offset by underspending in another age group in terms of the State allocation. Therefore, references to overspending or underspending by the Workgroup should not be construed to be a comment on the State allocation but only refers to the County age group percentages.

Prudent reserve and unspent funds for children and TAY must not be diverted to adult populations in order to compensate for overages in adult programs or to enhance services in adult programs. A significant portion of the money in the prudent reserve and in the unspent funds was part of the County percentage allocation for children and TAY. The adult programs have overspent their percentage allocations in prior years while the children's and TAY Programs have been seriously underspent, allowing much-needed children and TAY programs to lag in development and implementation.

2. **Identify the obstacles that are preventing implementation of programs and creating unspent funds in both the children's and TAY PEI and CSS budgets.**

   There are contracted service providers who have not delivered the services anticipated by the monies allocated to them by DMH. The revenue is then marked unspent. According to DMH financial reports dated 9/29/11, 10/19/11 and 3/2/12, over the past six years (i.e. Fiscal Year (FY) 2005/06 through FY 2010/11), the combined State allocation for children and TAY was $313.7 million. Of this amount, $136.5 million (44%) was spent. Another $58.7 million (19%) is held in a State-mandated prudent reserve, which leaves $111.1 million (37%) unspent. It should be noted that of the $111.1 million unspent, $94.1 million is in PEI funding. Given the much-documented need expressed by the care community, social workers and probation officers for preventive and clinical services, these funds can be vital in answering unmet needs for children and TAY.

3. **Develop service providers who have expertise in serving the specific needs of children and TAY.**

   There are a number of providers with background and expertise in the adult and older adult populations; however, there are fewer providers with expertise in working with TAY and an insufficient number with expertise in children's issues. DMH representatives have cited this problem in meetings as one of the reasons for unspent funds. Other reasons involve the complex contracting process in the county as well as some contractor reticence in dealing with young populations. DMH should work with the provider community to develop additional quality providers for these populations.

4. **DMH should allocate the anticipated additional State funding of approximately $20 million due to increased tax revenues among the four programs, i.e. Adult, Older Adult, TAY, and Children, according to the original allocation percentages approved by the Board.**

We have some concern that the referenced additional money will not be distributed accordingly because of the current under-spending for TAY and children and the over-spending for adults. Originally, the CSS allocation percentages favored the adult population. The stakeholders subsequently agreed to allocate 65% of the PEI dollars to children and TAY in order to strike a fair balance. Any new allocation must take this agreement into account and ensure that there is fairness in the County division of these much-needed dollars for all the populations.

5. **Develop new County structures for future oversight of MHSA Funds which will make the implementation plans for CSS and PEI transparent and ensure that stakeholders, County Departments, and the Board can see how the dollars that are allocated or unspent relate to the original plans that were developed.**

    a. Stakeholders appear to be getting after-the-fact information pieces rather than actual planning involvement. Changes that are made to the County Plan are incorporated in large reports to the State. There is no easy-to-read summary report that indicates what the original County plan was and what the changes are.

    b. Divide the Systems Leadership Team (SLT) into two distinct bodies, one for adult and older adult programs and one for children and TAY programs so that serious issues, such as significant under-spending of the County allocation, which affect TAY/children but not adult programs, can be concentrated in the hands of an ad hoc body which can devote full attention to resolving the problems. This includes allocation of funds, implementation, evaluations, recommendations for change, and future planning.

    c. In addition to the Supervisors' Mental Health Deputies, the Children's Deputies and Justice Deputies should also be briefed on any changes in funding programs or issues affecting the TAY and children's PEI and CSS Plans.

6. **The Auditor-Controller (or an outside audit entity) should review the entire County MHSA budget in order to: 1) validate financial accountability; and, 2) assist DMH in establishing tracking-and-reporting procedures so that both lay people and the Board can understand the expenditures, the prudent reserve, and the unspent categories.**

The Workgroup received a number of reports from DMH. Our Commission recognizes that financial data is developed by DMH to satisfy State reporting requirements and that such requirements are subject to change. We found, nonetheless, that reports we received did not fully account for line items, e.g. an overspent amount of $40 million shown as a deficit in the adult category was balanced out in a separate line item with no explanation of where the compensating $40 million came from (nor was our Commission able to determine an answer from subsequent meetings with DMH staff).

7. **DMH should review and amend the three existing transitional housing contracts for TAY to require standard accountability measures such as:**

   a. **Reporting within a specified frequency on reasons for rejections of referred youth.**

   b. **Reporting exit information and other data needed by Departments of Children and Family Services (DCFS) and Probation to determine next best steps for the youth.**

   c. **Evaluating outcomes of current DMH housing providers.**

   d. **Conducting a comprehensive financial and programmatic audit, before the contract is extended in July 2012.**

   e. **Signing a Memorandum of Understanding (MOU) by all providers guaranteeing monthly reports to Probation and DCFS on a set list of questions such as number of residents with children, number who exit prematurely, number currently employed, etc.**

   f. **These programs are jointly administered by DMH, DCFS, and Probation. There needs to be some clarification about each department role in the administration.**

It appears that in 10-plus years that the contracts have been in place, there has been no outcome evaluation of the three contracts. In addition, we found that there is a lack of substantive information regarding which youth are selected for the housing and whether their needs match the established criteria as well as how many youth are rejected; the length of stay in the housing and types of services provided. Based on information from DCFS and Probation, this lack of information has impeded their departmental planning efforts for the applicable youth.

One of the three DMH transitional housing providers has had a high ongoing vacancy rate over the last few years. We were advised by DMH that there is a unique problem for this provider because of separate funding streams for housing and services that have incompatible eligibility requirements. The workgroup suggested that if the incompatibility problems were insurmountable, the contract should be canceled. Following that discussion, the occupancy has increased to 90% for the last two months. Resulting concerns are whether the provider is taking the youth with the serious mental health issues for which the program was originally designed and whether it is providing the services for which it is receiving enhanced funding.

The three providers receive blended funding which may include Early Periodic Screening, Diagnosis, and Treatment (EPSDT), Independent Living Program (ILP) and Supplemental Security Income (SSI), it has been reported that the aforementioned provider is additionally receiving $500,000 annually in PEI funds.

8. Review the recommendations of the stakeholder group regarding respite care, determine what caused the initial efforts to fail and use the "lessons learned" to design a respite plan that will succeed in bringing these much-needed services to families.

Respite services were in the original plan for children and were subsequently removed although they continue to be urgently requested by parents, caregivers, and relatives on an ongoing basis. DMH has indicated that there is a problem in finding providers who can deliver respite care services. Such services however are available for TAY and children in other counties.

Also, State Regional Centers provide respite care for families dealing with developmentally-delayed children and private agencies provide respite for families dealing with the elderly. DMH should research how other counties handle these needs and allocate resources to solve the problem.

9. Develop Mental Health service providers for children and TAY in the Antelope Valley.

The Workgroup learned that children and youth from the Antelope Valley must be brought to Los Angeles for treatment and services. These reports came as anecdotal information to our Commission Workgroups from Probation and DCFS. The Workgroups did not have the resources to further research this issue but believe that more analysis is needed. It seems reasonable that with $111.1 million in unspent revenue, there could be an assessment and treatment center that is much more

accessible to the Antelope Valley population. If, as indicated by DMH staff, contract providers are unwilling to make such a commitment to provide services in the Antelope Valley, one strategy might be to ask several providers to deploy staff one day per week. There are doubtlessly other possibilities that would emerge if targeted problem-solving were undertaken together with contract agencies.

10. **Develop preventive care services for approximately 16,000 probation youth living in the community to help prevent them from entering juvenile camps.**

    In the original plan for PEI, the stakeholders identified a number of groups whose needs were countywide rather than of particular concern to the Service Planning Area (SPA) communities. Dollars were allocated for each of those populations in what was called SPA 9. One of those allocations was for probation youth. DMH should identify the expenditures in this category, including dollars placed in the prudent reserve and unspent categories. It is critical to keep youth at home in their communities and prevent the expensive cycle of involvement in the juvenile and adult criminal system.

    We note that DMH has just recently contracted with 54 providers for PEI projects which account for a total of $19.5 million over Fiscal Year 2011/2012 and Fiscal Year 2012/2013.

The Workgroup will continue its work and report on further recommendations at periodic intervals. We appreciate the efforts and cooperation of the DMH representatives and believe that these recommendations can help add transparency and better communication to the process.

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