

To the Mental Health Community,

November 19, 2004

As you all know Proposition 63 has passed and with it comes new money to serve the mental health population throughout the state. The passage of Prop 63 fulfills a funding promise over 30 years ago that accompanied the transition from a regional State Hospital System to our Community Mental Health System. This additional funding will enable us to provide more mental health services and better meet the mental health needs of the community and our primary target population of seriously mentally ill adults and seriously emotionally disturbed children.

What you may not know is that when the votes were tallied, Santa Cruz County had a 66% yes vote on Prop 63 which is the second highest approval rating in the state. A heart-felt thanks goes out to all the organizations and individuals whose support and efforts to educate and advocate for Prop 63 have made the difference here at home and across the State.

The Planning Process:

We will soon get started with our broad-based stakeholder Prop 63 Planning Activities that will culminate in a Three Year Plan submitted to the State Department of Mental Health with annual updates. Stakeholders include adults and older adults with serious mental illness, families of children, providers of services, law enforcement agencies, education, social services agencies and other important interests. We will be looking to and drawing on best practices in mental health services, housing and employment during the planning process. The Local Mental Health Board will conduct a public hearing on the Draft Plan after a 30 day review and comment period. The State Department of Mental Health will soon establish requirements for the content and timeline of the plans including reports on achievement and performance outcomes. To date, we know that each county plan must include the following:

- A program for Prevention and Early Intervention
- A program for services to children based upon the System of Care model, including a program for wraparound services, the number of children to be served, and the cost per child.
- A program for services to adults and older adults based on the System of Care model, including the number of adults and older adults to be served, and the cost per person.
- A plan for Innovative Programs
- A program for Technological Needs and Capital Facilities needed to provide the services.
- Identification of shortages in personnel to provide services pursuant to the plan and assistance needed from the Education and Training Programs fund.
- Establishment and maintenance of a prudent reserve to ensure that the county program will continue to be able to serve children, adults and older adults during years in which revenues for the Mental Health Services Fund are below recent averages.
- The programs must also address the needs of transition age youth.

Funding Source and Restrictions:

- Source: 1% of income over \$1 million, starting January 1, 2005
- Deposited to Mental Health Services Fund in State Treasury monthly, administered by the Department of Mental Health, invested in the manner as other state funds, with interest to accrue to the MHSF.
- Funds used to expand, not supplant services; funds can “not be used to supplant existing state or county funds used to provide mental health services”.

Funding Allocations:

The amount of funding to each County and when funding will be received is still to be determined, but the distribution of funds allocated are as follows:

FY 2004-05 (January through June 2005): Estimated statewide revenues of \$252 million

- 45% of the funds will be allocated for Education and Training
- 45% of the funds will be allocated for Capital Facilities and Technological Needs
- 5% for Local Planning
- 5% for State Implementation

FY 2005-06, 2006-07, 2007-08: Estimated statewide revenues of \$700 million

- 10% will be placed in a Trust Fund for Education and Training
- 10% will be placed in a trust fund for Capital Facilities and Technological Needs
- 20% for Prevention and Early Intervention Programs
- 5% for Innovative Programs
- 55% for services to children, adults and older adults with serious emotional disturbance and serious mental illnesses.

More to come as we move forward with the planning process!

Norm Wyman, Director of Mental Health and Substance Abuse