Mental Health Services Act Expenditure Report

Fiscal Year 2005 – 2006

A Report to the Legislature in Response to

AB 131, Omnibus Health Budget Trailer Bill
Chapter 80, Statutes of 2005

Stephen W. Mayberg, PhD
Director

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EXECUTIVE SUMMARY

The passage of Proposition 63, the Mental Health Services Act (MHSA) in November 2004, provides an opportunity to increase funding, personnel and other resources to support county mental health programs and monitor progress toward statewide goals for serving children, transition age youth, adults, older adults and families with mental health needs. The Act addresses a broad continuum of prevention, early intervention and service needs and the necessary infrastructure, technology and training elements that will effectively support the local mental health system.

At the time it was passed, the MHSA was projected to generate approximately $254 million in State Fiscal Year (FY) 2004-05, $683 million in FY 2005-06, $690 million in FY 2006-07, and increasing amounts thereafter. Most of the funding will be provided to county mental health to fund programs consistent with their approved local plans. In the first six months since passage of the MHSA during FY 2004-05, the Department of Mental Health (DMH) expended $16.9 million in the development and planning phases to implement the provisions of the MHSA. This initial phase included $4.3 million for the initial statewide stakeholder process, training, short-term strategies, development of performance outcome indicators, and other startup efforts. Additionally, initial expenditures included $12.6 million distributed to counties for their Community Program Planning. Due to the complexity of the MHSA, the implementation of the balance of the components has been delayed. The State anticipates spending approximately $375 million in FY 2005-06 and $1.2 billion in FY 2006-07 to continue a phased implementation of the MHSA components. Efforts to begin implementation of the remaining components will commence in 2006. (Refer to the table on page 8 of this report for detail of actual expenditures for FY 2004-05, estimated expenditures for FY 2005-06, and projected expenditures for FY 2006-07.)

Accomplishments, to date, during FY 2005-06 include:

- Initiation of an extensive transparent stakeholder process;
- Development of the requirements for the statewide local planning process and distribution of funding to support those local processes;
- Development and issuance of the MHSA Community Services and Supports Three-Year Program and Expenditure Plan Requirements;
- Development of initial performance indicators to measure quality of services, productivity and positive outcomes;
- Statewide adoption of the Network of Care Web-based tool for program management, information and referral;
- Funding of the California Social Work Education Center (CalSWEC) program to recruit and train ethnically diverse students committed to working in public mental health;
- Implementation of a number of short-term strategies consistent with MHSA vision and values;
- Initiation of collaborative efforts with other state departments; and,

- Establishment of the Mental Health Services Oversight and Accountability Commission.

Implementation of the MHSA represents a major change in DMH activities which cannot be effectively described without expanding on the information required in Section 33(a) of the Omnibus Health Budget Trailer Bill, Assembly Bill 131 (Chapter 80, Statutes of 2005). In order to give a more complete picture of the implementation effort, this report to the Legislature provides a more comprehensive description of MHSA efforts during this initial year of implementation. Future reports to the Legislature will focus on the reporting requirements as specified in AB 131, including projected and actual expenditures over the course of future MHSA implementation and may include less background and detail.

ISSUE STATEMENT

This report to the Legislature is required by Assembly Bill 131 (Chapter 80, Statutes of 2005), which specifies that the Director of Mental Health shall submit to the Legislature information regarding the projected expenditure of Proposition 63 funding for each state department, and for each major program category specified in the measure, for local assistance. This shall include actual past-year expenditures, estimated current-year expenditures, and projected budget-year expenditures of local assistance funding. In addition to actual and projected expenditures of funds generated as a result of the passage of the Mental Health Services Act (MHSA), this report provides specific information regarding the background and stated purpose of the MHSA, achievements to date and implementation activities planned for FY 2006-07.

BACKGROUND

The passage of Proposition 63, the Mental Health Services Act (MHSA) in November 2004, provides an opportunity to increase funding, personnel and other resources to support county mental health programs and monitor progress toward statewide goals for serving children, transition age youth, adults, older adults and families with mental health needs. The MHSA addresses a broad continuum of prevention, early intervention and service needs and the necessary infrastructure, technology and training elements that will effectively support the local mental health system.

The purpose of the MHSA is to:

- Define serious mental illness among children, adults and seniors as a condition deserving priority attention, including prevention and early intervention services and medical and supportive care;

- Reduce the long-term adverse impact on individuals, families and state and local budgets resulting from untreated serious mental illness;

- Expand the kinds of successful, innovative service programs for children, adults and seniors begun in California, including culturally and linguistically competent approaches for underserved populations;

- Provide state and local funds to adequately meet the needs of all children and adults who can be identified and enrolled in programs under this measure; and,

- Ensure that all funds are expended in the most cost effective manner and services are provided in accordance with recommended best practices, subject to local and state oversight, to ensure accountability to taxpayers and to the public.

The MHSA imposes a 1 percent income tax on personal income in excess of $1 million. The MHSA was projected to generate approximately $254 million in FY 2004-05, $683 million in FY 2005-06, $690 million in FY 2006-07 and increasing amounts thereafter. These are estimates of revenue from the additional tax. The actual amount collected will not be known until spring 2007, when 2005 tax return data are available. Most of the funding will be provided to county mental health programs to fund programs consistent with their approved local plans.

In its Vision Statement for the Community Services and Supports component of the MHSA, the Department of Mental Health (DMH) pledges to dedicate its resources and energies to work with stakeholders to create a state-of-the-art, culturally competent system that promotes recovery/wellness for adults and older adults with severe mental illness and resiliency for children with serious emotional disorders and their families. In carrying out its implementation responsibilities under the MHSA, DMH pledges to look beyond “business as usual” to help build a system where access will be easier, services are more effective, out-of-home and institutional care are reduced and stigma toward those with severe mental illness or serious emotional disturbance no longer exists.

The DMH has developed, with stakeholder input, a set of guiding principles which serve as a benchmark for the Department in its implementation of the MHSA Community Services and Supports component. According to the guiding principles, DMH will work toward significant changes in the existing public mental health system in the areas of consumer and family member participation and involvement, programs and services, age-specific needs, community partnerships, cultural competence and outcomes and accountability.

Components of the MHSA

The MHSA specifies six major components around which DMH has created an extensive stakeholder process to consider input from all perspectives. Because of the complexity of each component, implementation of the six components will be staggered. The stakeholder process involves the development of discussion documents, a series of general stakeholder meetings and topic-specific workgroups to provide input on critical issues, and to advise on implementation policies and

processes. Each component addresses critical needs and priorities to improve access to effective, comprehensive, culturally and linguistically competent expanded county mental health services and supports. Improvement in client outcomes is a fundamental expectation throughout the implementation process. The MHSA specifies the percentage of funds to be devoted to each of the components and requires the Department to establish the requirements for use of the funds. (Refer to the table on page 8 of this report for detail of actual expenditures for FY 2004-05, estimated expenditures for FY 2005-06, and projected expenditures for FY 2006-07.)

The six components and the required funding percentage specified in the MHSA for FY 2004-05 through FY 2007-08 are:

	Percentage Funding Distribution by Component			
	FY 2004/05	**FY 2005/06**	**FY 2006/07**	**FY 2007/08**
Education/Training	45.0%	10.0%	10.0%	10.0%
Capital Facilities/Technology	45.0%	10.0%	10.0%	10.0%
Local Planning *	5.0%			
State Implementation/ Administration	5.0%	5.0%	5.0%	5.0%
Prevention	0.0%	20.0%	20.0%	20.0%
Community Services and Supports (CSS)	0.0%	55.0%	55.0%	55.0%
Total	100%	100%	100%	100%

** Local Planning is a maximum of 5 percent of the total amount distributed during a fiscal year*.

- **Community Program Planning Process**—This is an inclusive local process involving clients, families, caregivers, and partner agencies to identify community issues related to mental illness and resulting from lack of community services and supports. It also defines the populations to be served and the strategies that will be effective for providing the services, to assess capacity, and to develop the work plan and funding requests necessary to effectively deliver the needed services.

- **Community Services and Supports (CSS)**—"System of Care Services" described in the MHSA is now called “Community Services and Supports.” The CSS are the programs, services, and strategies that are being identified by each county through its stakeholder process to serve unserved and underserved populations, with an emphasis on eliminating racial disparity.

- **Education and Training**—This component will target workforce development programs to remedy the shortage of qualified individuals to provide services to address severe mental illnesses.

- **Capital and Information Technology**—This component will address the capital infrastructure needed to support implementation of the Community Services and Supports programs. It includes funding to improve or replace existing IT systems and for capital projects to meet program infrastructure needs.

- **Prevention and Early Intervention**—This component will support the design of programs to prevent mental illnesses from becoming severe and disabling, with an emphasis on improving timely access to services for underserved populations.

- **Innovation (5 percent of CSS and 5 percent of Prevention and Early Intervention)**—The goal of this component is to develop and implement promising and proven practices designed to increase access to services by underserved groups, increase the quality of services and improve outcomes, and to promote interagency collaboration.

Proposition 63 Funds
January 2006

This displays actual expenditures for past year, estimated current year and projected budget year

	Actual FY 04-05	Estimated FY 05-06	Projected FY 06-07	
***State Support:**				
Department of Mental Health (DMH)	$4,318,950	$16,813,000	$8,413,000	a/
Department of Health Services (DHS)	-	$52,000	$493,000	
Department of Social Services (DSS)	-	$515,000	$508,000	
Department of Education (CDE)	-	$633,000	$396,000	
Department of Rehabilitation (DOR)	-	$195,000	$195,000	
Department of Alcohol & Drug Programs (DADP)	-	$247,000	$250,000	
Managed Risk Medical Insurance Board (MRMIB)	-	-	$151,000	
State Controller's Office (SCO)	-	-	$43,000	
TOTAL Support	**$4,318,950**	**$18,455,000**	**$10,449,000**	
Local Assistance:				
Education & Training	-	-	$251,600,000	
Capital Facilities & Technology	-	-	$251,600,000	
Local Planning	$12,624,260	-	-	
Prevention**	-	-	$274,600,000	
Community Services & Support (CSS) ***	-	$356,870,000	$398,300,000	
Total Local Assistance	**$12,624,260**	**$356,870,000**	**$1,176,100,000**	b/
GRAND TOTAL	**$16,943,210**	**$375,325,000**	**$1,186,549,000**	

Prevention & Early Intervention (P/EI)**	-	-	$260,870,000
P/EI Innovation**	-	-	$13,730,000
Total P/EI	**-**	**-**	**$274,600,000**
CSS***	-	$356,870,000	$360,540,000
CSS Innovation***	-	-	$37,760,000
Total CSS	**-**	**$356,870,000**	**$398,300,000**
*P/EI Innovation**	*-*	*-*	*$13,730,000*
*CSS Innovation****	*-*	*-*	*$37,760,000*
Total Innovation	**-**	**-**	***$51,490,000***

* The MHSA allows 5 % of the total annual revenue received for the Fund for support activities
** 5% of Prevention funding will be available for Innovative Programs
*** 5% of CSS funding will be available for Innovative Programs
a/ The Budgeted amount is $8,413,000 which does not include one-time contract expenditures. DMH intends to submit a request for additional contract funds in the spring budget process. See DMH State Support FY 2005-06 and 2006-07 table on page 11 for details.
b/ This amount reflects the balance of unspent estimated revenues available for local assistance from FY 2004-05 ($228.7 million) and FY 2005-06 ($291.9 million) and the estimated local assistance revenues available for FY 2006-07 ($655.5 million). The entire amount may not be spent in FY 2006-07 as all the specific work plans have not yet been developed and approved. DMH anticipates distributing authorized local assistance funds when work plans are approved for implementation.

DESCRIPTION OF STATE SUPPORT EXPENDITURES

For FY 2005-06 and FY 2006-07, eight state departments are allocated MHSA funding. Collaborative efforts are funded from state support. The eight departments are the Department of Mental Health (DMH), the Department of Health Services (DHS), the Department of Social Services (DSS), the California Department of Education (CDE), the Department of Rehabilitation (DOR), the Department of Alcohol and Drug Programs (DADP), the Managed Risk Medical Insurance Board (MRMIB) and the State Controller's Office (SCO). Each department is receiving funding as described below:

- **DMH** (FY 2005-06: $16,813,000; FY 2006-07: $8,413,000): to support 90 positions including 12 which are authorized to become effective January 1, 2006. Included in the $16,813,000 is one-time funding of $6,051,000 for external consulting and professional services of which $2,149,300 has been currently expended. A request for external and consulting services funding for FY 2006-07 will be submitted in the spring. There is additional one-time funding of $3,150,000 for support of the Governor's Homeless Initiative. The $3,150,000 includes $2,000,000 for rent subsidies, $750,000 for pre-development costs for housing the mentally ill and $400,000 to establish collectives at the local level to assist counties in developing projects to promote stable housing for homeless persons. Included in FY 2005-06 is a one-time increase of $185,000 to support expansion of the interdepartmental California Mental Health Disease Management (CalMEND) project.

  The funding for FY 2006-07 includes an augmentation of $434,000 to provide resources, including research contracts and legal support for the Mental Health Services Oversight and Accountability Commission, staff support for the Mental Health Planning Council, and staff support for statewide Information Technology infrastructure activities.

  Refer to the table on page 11 for detail on state support funding for FY 2005-06 and FY 2006-07.

- **DHS** (FY 2005-06: $52,000; FY 2006-07: $493,000): to support one position to address increased workload as a result of the MHSA. Examination of potential changes in Medi-Cal requirements (including waiver amendments and subsequent program evaluation) to promote consistency with the MHSA vision and values is a primary objective. DHS will work with DMH in coordinating any changes in fee-for-service and managed care policies resulting from the integration of MHSA vision and values with the Medi-Cal Program.

- **DSS** (FY 2005-06: $515,000; FY 2006-07: $508,000): to support four positions to expand training and technical assistance to address the proposed expansion of comprehensive services to maintain children and youth with serious emotional disturbance (SED) in their homes.

- **CDE** (FY 2005-06: $633,000; FY 2006-07: $396,000): to support three positions and for contract funds to design, develop and present training to county and district school staff to help them identify mental illness and increase the number of students who have been diagnosed with SED receiving mental health services.

- **DOR** (FY 2005-06: $195,000; FY 2006-07: $195,000): to support two positions to serve as North and South regional liaisons for training, technical assistance and support for local collaborative efforts to identify opportunities for cooperative programming and services with county mental health and education agencies.

- **DADP** (FY 2005-06: $247,000; FY 2006-07: $250,000): to support two positions, one to focus on prevention issues and the other on treatment. They will help provide coordination and technical support in implementing collaborative and innovative programs that link mental health and alcohol and other drug prevention and treatment services at the local level.

- **MRMIB** (FY 2005-06: $0; FY 2006-07: $151,000): to support one position to ensure effective coordination of services and collaboration between all the stakeholders, including providers and administrators, providing services to children who are SED in the Healthy Families Program (HFP) and to support an independent evaluation/survey to evaluate the service delivery systems used to provide mental health services and substance abuse treatment services to children who are SED in the HFP.

- **SCO (Human Resource Management System)** (FY 2005-06: $0; FY 2006-07: $43,000): to support the new Human Resource Management System (HRMS)/Payroll system, also known as the 21st Century Project, which replaces the SCO existing employment and payroll systems. The new HRMS is expected to improve business practices and streamline administrative operations. Special fund sources are assessed their share of the cost of developing the systems to implement the newly required business process changes.

Department of Mental Health
State Support
Fiscal Years 2005-06 and 2006-07

	Fiscal Year 2005-06	
Personal Services	$6,002,000	
Operating Expenses	1,425,000	
Contracts	6,051,000	
Governor's Homeless Initiative	3,150,000	
Contract funds to develop plans for mental health disease management	185,000	
Total	$16,813,000	

The following adjustments are reflected to arrive at the expenditures proposed in the Governor's Budget for Fiscal Year 2006-07	**Fiscal Year 2006-07**	
One-time costs eliminated from Fiscal Year 2005-06 Budget		
Contracts	-$6,151,000	*
Miscellaneous one-time costs	-16,000	
Governor's Homeless Initiative	-3,150,000	
Contract funds to develop plans for mental health disease management	-185,000	
Total one-time costs eliminated from Fiscal Year 2005-06 Budget	-$9,502,000	
Increases:		
Full Year Cost for Audit Positions	$533,000	
Operating Expense Price Increase	44,000	
Operating Expense Statewide Surcharge	91,000	
Resources, including research contracts and legal support for the Mental Health Services Oversight and Accountability Commission; staff support for the Mental Health Planning Council; staff support for statewide Information Technology infrastructure activities	434,000	
Total Increases	$1,102,000	
Governor's Fiscal Year 2006-07 Budget	$8,413,000	

* Additional funds to be requested for contracts in the spring budget process

ACHIEVEMENTS DURING FY 2004-05 and FY 2005-06

Stakeholders Process

Since passage of the Mental Health Services Act in November 2004, the Department of Mental Health has initiated an extensive transparent stakeholder process, beginning with its first general stakeholders meeting held in December 2004. To date the State has convened 17 general and workgroup-specific stakeholders meetings and 15 conference calls. There have been 3,822 emails generated to the general MHSA email address, 104 calls to the toll-free phone line and more than 55,000 visits to the MHSA Website. Additional accomplishments include development of the Department's guiding principles to assist the implementation of the Community Services and Supports component, issuance of five MHSA-specific DMH Policy Letters, development and distribution of the MHSA Community Services and Supports Three-Year Program and Expenditure Plan Requirements, and development of detailed funding principles, including funding for Community Program Planning and one-time funding.

Community Program Planning Process

Beginning in February 2005, counties began submitting plans to initiate the MHSA Community Program Planning Process. The purpose of Community Program Planning is to provide a structure and process counties can use, in partnership with their stakeholders, in determining how best to utilize funds that will become available for the MHSA Community Services and Supports component. Plan requirements for Community Services and Supports were developed and made available for stakeholder review and comment. Counties were requested to submit a Funding Request to DMH in order to receive MHSA funding to develop their local Community Program Planning process. DMH staff provided technical assistance to facilitate the planning processes. Approximately $12.6 million was distributed to counties for planning of the MHSA Community Services and Supports component. Fifty-seven counties and the City of Berkeley applied for and received Community Planning Process funding. Alpine County determined that participation was not in its best interests at this time, so they did not receive planning funds and will not receive funding until they develop a plan.

Community Services and Supports

Community Services and Supports refers to "System of Care Services" as required by the MHSA in Welfare and Institutions Code Sections 5813.5 and 5878.1 to 5878.3. The change in terminology differentiates MHSA Community Services and Supports from existing and previously existing System of Care programs funded at the federal, state and local levels. The MHSA requires that "each county mental health program shall prepare and submit a three-year plan which shall be updated at least annually and approved by the Department of Mental Health (DMH) after review and comment by the Oversight and Accountability Commission." The MHSA further requires that

"the department shall establish requirements for the content of the plans." Annual updates of the county three-year plan will be required pursuant to MHSA requirements. The requirements for the content of the plans and the emergency regulations can be located on the DMH Website at: http://www.dmh.ca.gov.

The DMH developed plan requirements for the Program and Expenditure Plan for Community Services and Supports with stakeholder participation in early 2005 and released them in final August 1, 2005. No specific due date was provided for counties to submit their Program and Expenditure Plan, and as of January 3, 2006, 23 have been received. An estimated $1.1 billion will be available over the three-year period from July 2005 through June 2008 to support the implementation of Community Services and Supports, which includes $357 million for FY 2005-06 and $398 million for FY 2006-07. Uncommitted funds from FY 2005-06 will be used to establish county prudent reserve accounts as provided for in the MHSA.

Outcome Reporting

The DMH will measure performance with respect to the MHSA on three levels, (1) the individual client level, (2) the mental health program/system accountability level, and (3) the public/community-impact level.

The DMH envisions the development of standard performance indicators, as well as standards for their measurement and reporting. A dynamic, responsive system for data capture at the county mental health service provider level will be coupled with an integrated, centralized process of accessing up-to-date county information. The department plans to initiate in January 2006, and annually update, a phased, long-term statewide technology design for mental health care transformation. The first phase is the development of a system that captures the data required to report on the effectiveness of the new MHSA services. This information will initially be used to show the increase in access to services, expansion in the number of clients served, and improvement during "key events" in the client's status, such as living arrangement, education, hospitalization, etc. In addition to services tracking, DMH must also incorporate a data capture process for reporting of MHSA performance at the community or public impact level in the first phase.

The DMH initiated the Performance Measurement Advisory Committee (PMAC) in September 2005 in response to MHSA performance measurement needs. The purpose of the Committee is to provide consultation and advice on the performance measurement design, development and implementation for the MHSA, and to integrate MHSA performance measurement processes into an overall performance measurement system for mental health system accountability. The PMAC, with a membership of twenty individuals representing the diverse persons and geographic areas within California, convened twice, once in September and again in October 2005. Based on the AB 2034 model, the PMAC developed initial requirements for measuring individual-level performance outcomes for Full Service Partnerships (FSPs). Three types of assessments were developed for the age groups specified in

the *Mental Health Services Act Community Services and Supports, Three-Year Program and Expenditure Plan Requirements, Fiscal Years 2005-06, 2006-07, 2007-08* document, including children/youth (0-15 years), transition age youth (16-25 years), adults (26-59 years), and older adults (60+ years). A Web-based data entry system has been implemented which will allow counties to submit their data electronically.

Short-Term Strategies

There was significant interest in the State beginning implementation of some aspects of the MHSA prior to completion of the local planning processes. The criteria used for considering these short-term strategies were consistency with the vision of the MHSA and consensus among stakeholders that early implementation is advisable. Short-term strategies funded by the Department from state support funds during FY 2005-06 include:

- **Network of Care** ($2.4 million for system development of county specific Web-based tools and one year maintenance for all counties) – Network of Care is a Web-based tool that provides access to a wide range of information and referral services, references, case management, etc. and that can be customized for each county and each disability group. Network of Care was previously implemented by five counties for mental health services and is widely touted in those communities. The California-developed Web design has been replicated in many other states and was highlighted as a model program by the President's New Freedom Commission on Mental Health. As a result of the MHSA, this program was expanded statewide and is now fully operational.

- **California Social Work Education Center (CalSWEC)** ($5.8 million to provide stipends to educate 206 graduate students with a commitment to work in the mental health system) – The MHSA emphasizes the need for increasing the numbers and diversity of professionals in the mental health workforce. One of the strategies the Department is pursuing toward this effort is to fund a proposal submitted by the California Social Work Education Center (CalSWEC). CalSWEC administers a program providing stipends to ethnically diverse students who have a commitment to working in public mental health and requiring that the schools of social work adopt mental health competencies. The Education and Training component of the MHSA specifically states that such a program be developed in the Education and Training five-year plan. CalSWEC has developed a strategy that is a realistic first step in establishing pragmatic approaches to expand the capacity of the workforce. The program provides $18,000 stipends for up to 206 graduate students during the 2005-2006 school year in exchange for a commitment to work in the public mental health system.

- **Collaborative Constituency Training** ($150,000 for eight county outreach and educational forums to be held in selected counties throughout the State, designed to increase awareness of the MHSA in under-represented communities and organizations) – DMH is collaborating with major constituency organizations in the

mental health field to outreach to broad and diverse client/family member populations. To this end, DMH has contracted with the Constituency Outreach and Education Collaborative (COEC), which is comprised of the four major client/family organizations: the California Network of Mental Health Clients (CNMHC), the Mental Health Association in California, (MHAC), the National Alliance for the Mentally Ill (NAMI-CA), and United Advocates for Children of California (UACC). Each of these organizations has a statewide network in place to reach client/family stakeholders and extensive involvement in outreach efforts. They are jointly providing outreach, support, education and training services to under-represented communities to broaden the participation in state and local MHSA planning and implementation.

Governor's Homeless Initiative

The Governor's Initiative to End Chronic Homelessness creates a housing finance model that ties together California Housing Finance Agency (CalHFA) debt financing, tax credits, capital subsidies (Proposition 46) and MHSA funds to encourage development of small projects that target chronically homeless individuals with serious mental illness. Approximately $3.15 million from MHSA state support funds in FY 2005-06 is targeted to support the Governor's Homeless Initiative. Of this amount, $2 million is for rent subsidies, $750,000 is for pre-development costs for housing the mentally ill and $400,000 is to establish collectives at the local level to assist counties in developing projects to promote stable housing for homeless persons. This funding will be added to $40 million (Proposition 46) that has been redirected from existing housing bonds and $10 million from the CalHFA to create 400-500 units of permanent housing with services for chronic mentally ill populations. The application process accommodates smaller sponsors experienced with persons with serious mental illness (SMI), many of which have a less extensive background in housing development and more limited financial resources. To accomplish this, the model features a non-traditional centralized loan approval process under which Proposition 46 and CalHFA funding will be approved jointly. A single review panel that includes CalHFA, Housing and Community Development (HCD) and DMH will approve the loan request. County mental health departments will have to make a long-term commitment to fund supportive services for a project as a condition of funding approval. An important component of the proposal is the involvement of the local mental health agencies. These local agencies will assess and identify the populations most in need of this type of housing. This close attention to assessment of local needs, coupled with committed service dollars, will result in more effective utilization of state funds.

Training

The MHSA requires the DMH to conduct an extensive stakeholder process throughout planning and implementation and to educate and train the county mental health departments. Due to the aggressive timeline for conducting this process, it was critical that consultants with extensive background and knowledge of the DMH and county mental health program issues assist with the development of training principles and

products. DMH issued a contract to the California Institute for Mental Health (CIMH) (approximately $500,000), as they have this level of expertise and collaborative working relationship with the local county mental health departments. CIMH is providing a series of regional trainings, video-conferences, data trainings, Web-casts and targeted county specific site-based trainings. These trainings targeted county staff, stakeholders, and contract providers responsible for implementing the MHSA. Training topics included how to conduct an effective stakeholder process, how to prepare the Community Services and Supports plan, informational sessions on wellness, recovery, client and peer-run services, employment and strategies for outreach and engagement of the unserved mental health populations.

During this past year CIMH has provided 45 trainings reaching more than 1,400 participants and 52 county mental health departments. The outcome of these trainings resulted in counties engaging in an extensive community planning process, working toward transforming their local systems to meet their specific community needs.

Oversight and Accountability Commission

As specified in the MHSA, the Mental Health Services Oversight and Accountability Commission (MHSOAC) was established in June 2005. The MHSOAC will oversee implementation of the Children's, Adults and Older Adults Services, Education and Training, Innovative Programs, and Prevention and Early Intervention components of the MHSA. Upon the appointment of its sixteen members, the MHSOAC held its first meeting in July 2005. The MHSOAC recruited for its Executive Director. The selected candidate will be announced in early 2006. At that time, the MHSOAC will initiate recruitment efforts for its remaining staff. Committees corresponding to each component of the MHSA are currently in the process of appointment.

CONTINUING IMPLEMENTATION ACTIVITIES IN FY 2005-06 and FY 2006-07

In 2006, the Department plans further implementation efforts for the following four MHSA components: Education and Training, Capital Facilities and Information Technology, Prevention and Early Intervention, and Innovation.

Education and Training

The MHSA directs that a program be established with dedicated funding to remedy the shortage of qualified individuals to provide services to address severe mental illnesses. In the Education and Training component, the MHSA specifies that each county mental health program shall submit to the department a needs assessment identifying its shortages in each professional and other occupational category and a plan to increase the supply of professional and other staff that county mental health programs anticipate they will require. DMH is required to identify the total statewide needs for each professional and other occupational category and develop a five-year education and training development plan.

Approximately $252 million will be available through June 2007 to support the development of a five-year Education and Training Plan to:

- Expand postsecondary education to meet the identified mental health occupational shortages;
- Expand forgiveness and scholarship programs offered in return for employment in California's public mental health system;
- Create stipend programs;
- Establish regional partnerships among the mental health system and educational system to increase diversity of the work force, reduce stigma associated with mental illness, and promote web-based technologies and distance learning;
- Establish career development programs to recruit high school students to consider mental health occupations;
- Develop training and retraining curriculum for staff, including cultural competency; and,
- Promote employment of mental health consumers and family members in the mental health system.

Capital Facilities and Information Technology

The MHSA specifies that a portion of the funds generated by the MHSA may be used for capital facilities and technological needs to support community-based integrated service experiences for clients and their family members, consistent with the county's Community Services and Supports Program and Expenditure Plan. This component will address the capital infrastructure needed to support implementation of the Community Services and Supports Program. Approximately $252 million will be available through June 2007 to support these activities.

The purpose of the Information Technology (IT) component of the MHSA is to design a flexible and comprehensive data system that includes the electronic capture of mental health information. This standardized process will reduce data reporting redundancy by integrating client and services information, health record information, outcomes information, etc. into a centralized system for enhanced outcomes reporting. The long term IT vision will result in a standard electronic health record, which is also a national goal.

Prevention and Early Intervention

The MHSA authorizes the Department to establish a program designed to prevent mental illness from becoming severe and disabling. The MHSOAC is given the primary responsibility to review and approve the local plans for Prevention and Early Intervention programs. DMH will provide technical assistance to the counties as needed to address concerns or recommendations of the MHSOAC. Approximately

$275 million will be available through June 2007 for Prevention and Early Intervention services.

Innovation

Approximately $52 million will be available for development of innovative programs through June 2007. The MHSOAC has the primary responsibility for approving local plans for Innovation. The Department will work in concert with the MHSOAC to ensure consistency between the plan for Innovation and the CSS Program and Expenditure Plans. Innovative programs will be developed through June 2007 for Prevention and Early Intervention ($13.7 million) and Community Services and Supports ($37.8 million).