



C A L I F O R N I A D E P A R T M E N T O F
Mental Health

1600 9th Street, Sacramento, CA 95814
(916) 654-2309

December 11, 2008

DMH INFORMATION NOTICE NO.: 08-36

TO: LOCAL MENTAL HEALTH DIRECTORS
LOCAL MENTAL HEALTH PROGRAM CHIEFS
LOCAL MENTAL HEALTH ADMINISTRATORS
COUNTY ADMINISTRATIVE OFFICERS
CHAIRPERSONS, LOCAL MENTAL HEALTH BOARDS

SUBJECT: MENTAL HEALTH SERVICES ACT PLANNING ESTIMATES FOR
FISCAL YEAR 2009/10

REFERENCE IMPLEMENTATION OF THE MHSA, WELFARE AND
INSTITUTIONS CODE SECTION 5847, 5848, AND 5892

This Department of Mental Health (DMH) Information Notice transmits the Mental Health Services Act (MHSA) Planning Estimates¹ for fiscal year (FY) 2009/10 for the three components of the integrated Three-Year Program and Expenditure Plan funded in FY 2009/10 (Community Services and Supports (CSS), Prevention and Early Intervention (PEI), and Innovation (INN)). Enclosure 1 provides the FY 2009/10 Planning Estimates for each component.

An additional \$250 million is being made available to Counties² participating in the MHSA for the CSS component during FY 2009/10. Thus, the aggregate statewide FY 2009/10 funding level for CSS is being increased from \$650.0 million to a total of \$900.0 million (Enclosure 2).

An additional \$97.4 million is being made available to Counties participating in the MHSA for the PEI component during FY 2009/10. Thus, the aggregate statewide FY 2009/10 funding level for PEI is being increased from \$232.6 million to \$330.0 million (Enclosure 3).

¹ Planning Estimates are the estimates provided by the Department to each County of the maximum amount of MHSA funding by component that the County can request through its Three-Year Program and Expenditure Plan or update(s) for a given year.

² "County" means the County Mental Health Department, two or more County Mental Health Departments acting jointly, and/or city-operated programs receiving funds per WIC Section 5701.5 (California Code of Regulations, Section 3200.090).

An initial \$71.0 million per year is being made available in both FY 2008/09 and 2009/10 for implementation of the INN component. Thus, a total of \$142.0 million is available for INN over the two year period.

Total statewide funding for each component is determined each year based on actual deposits into the Mental Health Services Fund (MHS Fund) compared to existing commitments and obligations against the MHS Fund. The Department, in consultation with the California Mental Health Directors' Association (CMHDA), the Mental Health Services Oversight and Accountability Commission (OAC), and the Mental Health Planning Council, then establishes the total fiscal year statewide funding for each component, using the percentages set forth in the Act. (See Welfare and Institutions Code § 5892.) If deposits into the MHS Fund decline in future years, the total statewide funding for a component may be less than prior years. Also, if deposits into the MHS Fund from prior years have not been fully obligated or committed for a component, total statewide funding for that component may be greater in one year than the next. For FY 2009/10, \$60.0 million of the \$97.4 million increase in PEI funding is due to prior years' revenues exceeding obligations and commitments. Thus, DMH has identified the Planning Estimates associated with these funds separately as a supplemental increase to the FY 2009/10 PEI Planning Estimates so that Counties take this into account when developing the PEI component of their FY 2009/10 Three-Year Program and Expenditure Plans.

To receive MHSA funding in FY 2009/10, Counties should follow the process outlined in DMH Information Notice 08-28. Distribution of funds is subject to approval of a County's request by DMH and, for PEI and INN, the OAC.

The increases in individual County Planning Estimates for CSS and PEI are based on the previously used methodology updated with the most current information from state and national databases. The Planning Estimates include the following factors that have been weighted:

1. The need for mental health services in each County, which is based on:
 - a. Total population of each County on January 1, 2008, as reported by the State of California, Department of Finance, *E-1 City / County Population Estimates, with Annual percent Change, January 1, 2007 and 2008*. Sacramento, California, May 2008.
 - b. Population most likely to apply for services, which represents the sum of:
 - 1) The poverty population, defined as households with incomes below 200% of the federal poverty level as reported in the 2000 U.S. Census Bureau survey and updated to reflect the 2008 population, and
 - 2) The uninsured population (persons who did not have insurance at any time in the past year and persons who had insurance only part of the past year) with incomes above 200% of the federal poverty level as reported through the 2005 California

Health Interview Survey (CHIS) based at UCLA Center for Health Policy Research in Los Angeles, California.

- c. Population most likely to access services, which represents the prevalence of mental illness among different age groups and ethnic populations of poverty households in each County as estimated through a study conducted by Dr. Charles Holzer, Ph.D., in 2000. The 2000 results were updated to reflect the 2008 population.
2. Adjustments to the need for mental health services in each County, which is based on:
 - a. The cost of being self-sufficient in each County relevant to the statewide average as reported through *The Self-Sufficiency Standard for California 2003*, December 2003, a project of the National Economic Development and Law Center. A weighted average of households with one single childless adult (67%) and a single adult with two children (33%) was used to develop the adjustment.
 - b. The available resources to be provided either by or through the Department of Mental Health to each County in FY 2008/09, including realignment funding, State General Fund managed care allocations, other State General Fund community services allocations such as AB 3632 funding, federal SAMHSA block grants, federal PATH grants, FY 2005/06 Early and Periodic Screening Diagnosis and Treatment (EPSDT) State General Funds, and the FY 2008/09 CSS and PEI Planning Estimates. (Medi-Cal federal financial participation is excluded.)

To provide a base level of funding for less populous counties, a minimum Planning Estimate is established for each component based on recommendations from CMHDA. The minimum Planning Estimate represents the minimum level of funding made available to each County should the formula described above result in a lower amount. Thus, the State makes available to each County a Planning Estimate equal to the amount determined through the formula or the minimum amount, whichever is greater.

From the \$250.0 million additional CSS funding in FY 2009/10, a minimum CSS Planning Estimate of \$250,000 is available to each County with a population of less than 20,000 and a minimum CSS Planning Estimate of \$350,000 is available to all other counties. From the additional PEI funding in FY 2009/10, a minimum PEI Planning Estimate of \$50,000 is available to each County from the \$37.4 million increase and a minimum PEI Planning Estimate of \$50,000 is available to each County from the \$60.0 million supplemental increase.

The Planning Estimates for the two city-operated programs (Tri-City and the City of Berkeley) are based solely on the percent of statewide population in the area served by each city in 2007.³

³ The City of Berkeley serves the cities of Berkeley and Albany and Tri-City serves the cities of Claremont, La Verne and Pomona.

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Planning Estimates for INN are based on the relative share of total CSS and PEI Planning Estimates provided to each County in FY 2008/09 and 2009/10 in order to be consistent with Welfare and Institutions Code § 5892(a)(6), in which funding utilized for innovative work plans is a proportion of CSS and PEI funding (Enclosure 4). Counties may request up to 25 percent (Enclosure 5) of the combined FY 2008/09 and 2009/10 INN Planning Estimates for Community Program Planning activities related to INN pursuant to Title 9 California Code of Regulations Section 3300. Counties should refer to the forthcoming INN proposed guidelines as to how to request INN funds, including INN Community Program Planning funds.

If you have any further questions, please contact your County Operations liaison identified on the following Internet site: http://www.dmh.ca.gov/Provider_Info/default.asp.

Sincerely,

Original signed by

STEPHEN W. MAYBERG, Ph.D.
Director

Enclosures