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**TO:** Assembly Member Maienschein

**FROM:** Jessica Cruz, CEO, National Alliance on Mental Illness - California

**DATE:** May 17, 2019

**SUBJECT: AB 734 (Maienschein) Using Mental Health Services Act (MHSA) Funds - CONCERNS**

On behalf of the National Alliance on Mental Illness - California (NAMI-CA), I am writing to express strong concerns that AB 734 would use Mental Health Services Act (MHSA) funding to help establish a new 5-county pilot to increase placement stability for foster youth and facilitate greater resource family retention. The bill authorizes the Mental Health Services Oversight and Accountability Commission to use Mental Health Services Act State Administrative funds to aid in implementation of the bill.

While we support services to benefit foster youth and create more placement stability for this vulnerable population, we are concerned that the position and other activities would be funded with MHSA State Administrative funds. In its April 10, 2019 analysis, the Assembly Appropriations Committee estimated the pilot would cost between \$300,000 to \$450,00 per year, costs which could be offset if the MHSOAC allocates MHSA State Administrative funds.

NAMI California believes comprehensive community systems for people with mental illness of all ages and stages are critical. However, we are concerned that using MHSA funding to implement this bill is inconsistent with the purposes of MHSA State Administrative funding and would redirect funds that would otherwise be used at the local level to support existing MHSA commitments. In recent years, we have observed an increasing volume each year of legislative proposals to use MHSA State Administrative funds for a variety of state-directed services and projects. While these proposals are often well intended and have admirable policy goals, NAMI California believes state General Funds or other resources should be sought, rather than redirecting MHSA funds.

First, MHSA state statutes describe *very specific purposes* of MHSA State Administrative Funds. Specifically, Welfare and Institutions Code Section 5892, subdivision (d) states:



# NAMI California

National Alliance on Mental Illness

*(d) Prior to making the allocations pursuant to subdivisions (a), (b), and (c), funds shall be reserved for the costs for the State Department of Health Care Services, the California Behavioral Health Planning Council, the Office of Statewide Health Planning and Development, the Mental Health Services Oversight and Accountability Commission, the State Department of Public Health, and any other state agency to implement all duties pursuant to the programs set forth in this section. These costs shall not exceed 5 percent of the total of annual revenues received for the fund. **The administrative costs shall include funds to assist consumers and family members to ensure the appropriate state and county agencies give full consideration to concerns about quality, structure of service delivery, or access to services. The amounts allocated for administration shall include amounts sufficient to ensure adequate research and evaluation regarding the effectiveness of services being provided and achievement of the outcome measures** set forth in Part 3 (commencing with Section 5800), Part 3.6 (commencing with Section 5840), and Part 4 (commencing with Section 5850). The amount of funds available for the purposes of this subdivision in any fiscal year is subject to appropriation in the annual Budget Act.*

Additionally, existing law prohibits the use of MHSA funds to supplant (replace) other funding sources. Welfare and Institutions Code Section 5891, subdivision (a) states:

*“These funds shall not be used to supplant existing state or county funds utilized to provide mental health services. ...These funds shall only be used to pay for the programs authorized in Sections 5890 and 5892. These funds may not be used to pay for any other program.”*

In the above statutes, Section 5890 refers to MHSA Adult and Older Adult Mental Health System of Care Act services, MHSA Innovative Programs, MHSA Prevention and Early Intervention Programs, No Place Like Home Program, and MHSA Children’s Mental Health Services Act services. We believe an appropriation of State General Funds would be more appropriate to support the establishment of a new pilot project for foster youth at the California Department of Social Services. Utilizing State General Funds instead would also better signify the Legislature’s and Governor’s ongoing commitment to meeting the needs of foster youth in California.

Second, we believe the overall priority for MHSA funds should be providing resources to local communities who, with stakeholder involvement, have created ongoing commitments and programs to serve people with serious mental illness, including people who are homeless or at risk of homelessness. As indicated in current law above, *up to 5%* of all MHSA revenues annually *can be reserved* for State Administrative purposes before the revenues are distributed to counties. If less than 5% is reserved for State Administrative funds, those remaining funds get distributed for local programs. Consequently, *each MHSA dollar redirected at the state level -- without substantial input from consumers, family members, and other stakeholders – represents one fewer dollar available to respond to the needs identified in local communities.*

Thank you for considering these concerns about AB 734. I would appreciate an opportunity to speak with you and answer any questions you may have. I may be reached at 916-567-0163.