

NPLH Board of Supervisors June 14, 2016 Remarks: Douglas Dunn

Honorable Supervisors, Chief Administrative Officer, and guests:

I'm Douglas Dunn and serve on the Mental Health Commission. However, I speak as a parent of a gravely mentally ill loved and member of the NAMI-Contra Costa Board. This past Wednesday, I also voted to oppose this bill, which, as written, has a devastating 7% treatment budget reduction impact on county mental health treatment and services. The NAMI Board approved letter which I sent each of you last Friday lays out the major problems and makes some suggestions.

However, based on subsequent information received, the only legitimate option for the Board is to follow the lead of the Riverside County Board of Supervisors and request to Opt out of this budget initiative. Here's why:

- Debt bond servicing diverts \$12.36M county MHSA treatment and services funds for the next 8 years, climbing to \$2.79M/year during that time. Contra Costa will have to "pay" these costs even if it loses out on competitive grants through 2052.
- Despite such budget diversions and debt servicing obligations, program will take at least 4-5 years to fully ramp up with a new layer of implementation and oversight bureaucracy. **As a result, this bond will harm county mental health services.**
- Blindly assumes Mental Health Services Act Funds will increase at least 7% annually for each of the next 30 years, a financially very risky assumption.
- Does not immediately include badly needed imbedded psychiatric treatment and social rehabilitation services. Without such immediately imbedded services, this will be a \$3.9B failure. **Treatment services as or even more important than housing.**
- Blindly assumes a person only needs a "roof over their head" and costs decrease.
- So far, state legislators and their staffs refuse to listen to counties legitimate competitive grant, bond indebtedness, and treatment service reduction concerns.
- Blindly assumes counties have excess unspent funds to use. Not true for Contra Costa. In the upcoming 2017-2020 three year plan, these funds must be used to:
 1. Replenish exhausted Workforce, Education, and Training budgets.
 2. Replenish exhausted Capital Facilities/Information Technology budgets.

Major issue: Creeping state control of directing how counties spend and use Mental Health Services Act funds. Shrinking county "home rule" ability.

The Sec. 5849.1 sited data is incomplete and misleading. It includes information for the mild, moderately, and seriously mentally ill, but not seriously and persistently mentally ill, population in the state. By contrast, the validated Laura's Law summary analysis lays out the "revolving door costs" of not providing continuum of care treatment services, even with provided housing, of this population in this county. It shows that treatment, even more than housing, is vitally important. NAMI-Contra Costa strongly supports the Mental Health Commission's opposition to this state budget initiative. If the Board does not agree, it is disregarding the Mental Health Commission's vote and the express will of NAMI-Contra Costa and the communities it serves. Again, it will also be accepting a bigger than Laura's Law program sized (\$2.79M) annual reduction in vitally needed county mental health services. Since the budget trailer language is not June 15, but possibly June 30, there is still time to stand firm and reject this well-meaning but badly thought out initiative. Thank you for your careful consideration.

Recent Contra Costa County Annual Costs of Caring for the Gravely Mentally ill

| | | |
|---|----------------------|--------------|
| Contra Costa Regional Medical Center (CCRMC) Psychiatric ward (4C) Costs: | \$ 10,137,626 | \$ 1,496/day |
| Institute for Mental Diseases (IMD) Out-of-County LPS Conservatorship Costs | \$ 4,551,654 | \$ 286/day |
| Likely State Hospital (forensic)/LPS Renewed Conservatorship Costs: | \$ 7,694,431 | \$ 507/day |
| Total Likely Civil "locked facility" Treatment Costs: | \$ 22,383,711 | |
| Detention Facilities (Jail) Costs for the Mentally Ill (4,527 inmates): | \$ 1,950,131 | \$ 61/day |
| Likely "locked facility" Treatment Costs: | \$ 24,333,842 | |

Recent Behavioral Health Budget: \$182,940,179

"Locked Facility" % of budget: 13%

Rising LPS Conservatorship and State Hospital Costs vs. Behavioral Health Budgets

2001-2002 Behavioral Health Division Spending: \$100,010,338

2014-2015 Behavioral Health Division Budget: \$182,940,179: Percent Increase from 2001-2002: 82%

2007-2008 Mental Health Services Act Spent: \$ 9,969,221

2014-2015 Mental Health Services Act Budget: \$ 32,424,232: Percent Increase from 2007-2008: 225%

2000-2001 Total LPS Conservatorship/State Hosp. Costs: \$ 5,324,218: 95-125 persons (205 days)

2013-2014 Likely Total LPS Conservatorship/State Hosp. Costs: \$12,246,085: 90-128 persons (376 days)

Total Cost Increase: \$ 6,921,867 **Percent Cost Increase: 130%**

Contra Costa County annual Hospitalization costs for the 37 Laura's Law eligible persons

| # of 5150s and Hosp. Stays | # of Persons | Avg. Day Stays | Tot. Hosp. Days | Cost/day | Tot. Hosp. Cost |
|----------------------------|--------------|----------------|-----------------|----------|-----------------|
| Tot.: 167 | 37 | 8.6 | 1,336 | \$1,496 | \$2,148,555 |

CCRMC Psychiatric Ward (4C) Annual Cost: \$10,137,626 **Percent of 4C Cost: 21%**

Hospital Costs: 2 "lost system" persons: \$251,328 **Hosp. days: 168** **Percent of 4C Cost: 2.5%**

Annual Laura's Law and Care Team Costs

- 75 person program with Assertive Community Treatment (ACT) incl. housing: \$ 1,778,664 \$132/day
 - Care Team Cost—based on 07/15/2014 workgroup approved SF Amendments: \$ 471,336 \$ 28/day
 - State (MHSA, Medi-Cal, Realignment) and/or Fed. Medi-Care Reimbursed costs: **\$ 2,250,000** **\$160/day**
 - Legal & Court Costs (if necessary): Per BOS Feb. 3, 2015 Laura's Law Order: \$ 418,500 \$ 31/day
- Total Program Costs: \$ 2,668,500 \$191/day**

NOTE:

Cost Avoidance Example: Money saved from fewer involuntary hospitalizations can be used to expand voluntary services.

Cost Savings Example: Less 5150s lower 5150 Law Enforcement costs.

Annual Laura's Law Savings, with 66% of the 75 clients experiencing 66% less:

Avoided "revolving door" hospital stays: \$ 2,148,555—60-75 persons—fewer inpatient stays

Avoided incarceration costs: \$ 181,220—6 persons less 5150 "hold" time

Avoided Crisis Residential Facility (CRF) stays: \$ 806,610—75 persons—less CRF stays

75 persons remain in the community usually with much better quality of life results.

Avoided out-of-county IMD conservatorships: \$ 1,795,100: 30-37 likely less IMD conservatorships

Initial cost avoidance savings: \$ 4,931,485—Less use of 60-75 locked facility beds.

Less Law Enforcement 5150 Costs: \$ 558,000—at least, possibly much greater savings

TOT. Initial "Cost-Avoidance" & Cost Savings: \$ 5,489,585—at a minimum, possibly greater savings

Reduced SH & renewed conservatorships: \$ 5,078,324—if less use of 24-28 SH & LPS conserv. beds

Pos. long-term "cost-avoid." & cost savings: \$10,567,809—Pos. less use of 86-96 locked facility beds.

POSITIVE RESULT: Program savings to compared to "crisis stabilization" costs:

\$2.05 initial savings per dollar spent \$3.96 possibly saved long-term per dollar spent

June 9, 2016

Contra Costa Board of Supervisors
651 Pine Street,
Martinez, CA 94553

RE: Oppose “No Place Like Home” budget proposal as currently written

NAMI-Contra Costa represents over 2,500 families and their loved ones living with mental illness in Contra Costa County. We understand too well the importance of the problem of housing for those who cannot recognize they live with serious mental illness. However, we have studied this initiative and strongly support the Mental Health Commission's opposition to this state budget initiative for the following reasons:

- Per the Attorney General's 2006 opinion it would involve long-term state contracts for the bond and likely create an unconstitutional debt. The plan would indebt the state of an additional \$1.9 billion in interest for 30 years on top of the \$2 billion bond and indebt Contra Costa even if loses a competitive grant bid. Reducing mental health budgets by \$2.79 million annually for 30 years will very negatively affect county mental health treatment services.
- It violated the 30 day state public stakeholder input requirements by not releasing the legislative trailer language until May 31, fifteen days before the June 15 state budget deadline.
- It violates the intent of the Mental Health Services Act passed by voters in 2004 to provide complete, comprehensive treatment for those with serious mental illness (Welfare Institutions Code 5600.3). It does not properly define this target population and does not fund nor immediately require wraparound stabilization services (psychiatric and social rehabilitation help) for this population. **People must be stabilized in order to live on their own.** Stabilization of severely mentally ill persons requires intensive, ongoing, evidence-based costly services not defined in this initiative.
- Since counties would compete for housing grant funding, it violates the intent of the Mental Health Services Act to financially treat all counties fairly. This budget proposal would also deprive counties of \$2 billion dollars in local control intended by the Mental Health Services Act.

As a result, this budget proposal must, at a minimum, be rewritten to:

- Replace the Section 5849.8(a) \$1.5-1.8 billion competitive grant requirement with the current proportional distribution of Mental Health Services Act Funds. This would fairly preserve all counties maximum local spending control of these funds and eliminate the need for the Sec. 5849.3 No Place Like Home Grant Program Advisory Committee.
- Avoid any bond or other unconstitutional state financial obligations that would negatively affect Contra Costa County Mental Health Services Act funding, AND,
- Immediately mandate housing and a new funding stream to explicitly provide psychiatric and social rehabilitation wraparound services for the seriously mentally ill as defined in Welfare Institutions Code 5600.3.

Thank you for your careful and thoughtful consideration.

Sincerely,



Charles Madison
President
NAMI Contra Costa



Douglas W. Dunn
NAMI Contra Costa 1st Vice-President
Director-Government Relations

Attachment: Welfare and Institutions Code 5600.3 Definitions and Regulations

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**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Executive Office

SUBMITTAL DATE:
May 31, 2016

SUBJECT: Report from Legislative Platform Ad Hoc Committee, regarding the Opposition of The No Place Like Home Initiative Unless Amended

RECOMMENDED MOTION: That the Board of Supervisors:
Receive and Concur with the Legislative Platform Ad Hoc Committee and its action to Oppose The No Place Like Home Initiative Unless Amended

BACKGROUND:

Summary

The No Place Like Home Initiative proposes to securitize a portion of Proposition 63 monies to construct shelter. California Proposition 63, or the Mental Health Services Act, approved on November 2, 2004 is an Act which imposes a 1% income tax on personal income in excess of \$1 million. Statewide, the Act was projected to generate approximately \$254 million in fiscal year 2004-05 and increasing amounts thereafter. Much of the funding would then be provided to county mental health programs to fund programs consistent with local plans. Passage of this legislation would result in Riverside County losing approximately \$6 million dollars per year for current behavioral health programs. This initiative is completely contrary to the Governor's repeated adherence to the concept of subsidiarity, defined as local governments implementing public policy with the least amount of state and federal interference.

Brian Nestande
Deputy County Executive Officer

| FINANCIAL DATA | Current Fiscal Year: | Next Fiscal Year: | Total Cost: | Ongoing Cost: | POLICY/CONSENT (per Exec. Office) |
|-----------------|----------------------|-------------------|-------------|---------------|---|
| COST | \$ | \$ | \$ | \$ | Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/> |
| NET COUNTY COST | \$ | \$ | \$ | \$ | |

SOURCE OF FUNDS:

Budget Adjustment:

For Fiscal Year:

C.E.O. RECOMMENDATION:

APPROVE

BY

George A. Johnson

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

- ☐ A-30
- ☐ Positions Added
- ☐ 4/5 Vote
- ☐ Change Order

Prev. Agn. Ref.:

District: All

Agenda Number:

3-2

BACKGROUND:

Summary (continued)

In light of numerous homeless issues the California State Senate has recently proposed legislative on homelessness through The No Place Like Home Initiative (NPLH).

Trailer bill language to establish the NPLH grant program would authorize the Department of Housing and Community Development (HCD) to issue revenue bonds, funded by the Mental Health Services Fund, in the amount of \$2 billion. Annual debt services on a \$2 billion bond would require about \$130 million or 7% of the estimated \$1.8 billion in annual Proposition 63 revenue.

This program, which as previously stated, would come at the cost of 7% of the estimated \$1.8 billion in annual Proposition 63 revenue already appropriated statewide for county mental health programs, would provide:

- \$1.8 billion awarded by HCD to counties through a competitive grant program to finance the acquisition, design, construction, or reconstruction of permanent supportive housing for individuals with mental illness who are chronically homeless. Funds would be divided into categories based on county size and would be distributed in at least four separate grant rounds over several years.
- California Housing Finance Agency would allocate \$200 million to all counties in an amount that is proportionate to the number of homeless persons in each county.
- A committee comprised of Administration officials, county officials, behavioral health directors and housing and mental health advocates, would sign off on HCD's guidelines and advice the department throughout the process.
- \$6.2 million from the Mental Health Services Fund (state administration) to counties for technical assistance.

The other key elements of the Senate plan are as follows.

- \$43 million General Fund to provide a total \$10 monthly increase, when combined with the Governor's budget proposal, in Supplemental Security Income/State Supplementary Payment (SSI/SSP) program grants to low-income persons who are aged, blind, or have a disability.
- \$50 million General Fund annually (for two years) for SSI outreach to increase participation among homeless persons with disabilities who may be eligible for disability benefits programs.
- \$50 million General Fund annually (for four years) for temporary housing for homeless persons.
- \$15 million General Fund ongoing for the CalWORKs Housing Support Program which provides housing and supportive services for CalWORKs families in danger of homelessness.
- \$10 million General Fund ongoing for the Bringing Families Home program, a county matching grant program to reduce homelessness among families that are part of the child welfare system.

The need for comprehensive behavioral health care far outstrips the money and programs available in every county. By enacting the initiative, as currently written, the state will be purposefully withdrawing care for people in specific counties to the benefit of other counties.

Riverside County advocates for an opt/in or out provision, thereby allowing each county to decide the best use of resources in caring for this vulnerable population.

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: The No Place Like Home Initiative
DATE: May 31, 2016
PAGE: 3 of 3

Impact on Residents and Businesses

The passing of this bill in its current state would potentially negatively affect residents/businesses within Riverside County as the loss of resources would result in impairment to vital services provided by Riverside County.

SUPPLEMENTAL:

Additional Fiscal Information

N/A

Contract History and Price Reasonableness

N/A

HOUSING AND LOCAL GOVERNMENT

Department of Housing and Community Development

- Approve \$650 million in funding for affordable housing and placeholder trailer bill language.
- Approve \$266.8 million in bond proceeds to be generated from the securitization of Proposition 63 (2004) funds and 10.4 positions to implement a competitive, multiyear, initiative to address the state's homelessness and affordable housing issues and adopt placeholder trailer bill language
- Adopt placeholder trailer bill language that proposes a "By-Right" process for developments with Affordable Housing Units.
- Approve changes in law to further the California Housing Finance Agency's (CalHFA) goal of helping more families become first-time homebuyers by combining remaining funds from multiple down-payment assistance programs into the MYHOME Program.
- Adopt trailer bill language to replace the Director of Insurance with a Director of Enterprise Risk Management and Compliance, and require the annual audit of the California housing Loan Insurance Fund to be based on agreed upon procedures within the California Housing Finance Agency (CalHFA).
- Provide \$568,000 in expenditure authority to fund application development for the Consolidated Automated Program Enterprise System. The program will ensure the proper administration, tracking, and monitoring of HCD projects.
- Adopt \$150,000 (Special Fund) to enable HCD's State Housing Law Program meet its code development and adoption responsibilities associated with the CA Green Building Standards Code.
- Provide \$250,000 Budget Act appropriation for the Habitat for Humanity Fund to align program expenditures with revenue collections associated with a voluntary tax check off contribution.
- Make technical adjustments to the Prop. 1C local assistance budget authority.
- Approve an increase of 11 positions to continue the implementation of the Affordable Housing and Sustainable Communities (AHSC) program - requested positions will provide staff to award about \$320,000 in loans and grants.

- Approve an increase of \$422,000 in federal states operations budget authority to administer the federal Community Development Block Grant Program for National Disaster Resiliency funding.

Department of Fair Employment and Housing

- Approve \$1.928 million (General Fund), \$1.450 million (Enforcement Litigation Fund), and 3 positions in 2016-17, and \$993,000 in 2017- 18, to replace DFEH's current Case Management System (CMS). The total cost of the project is \$6.524 million of which \$2.153 is being redirected from existing resources. DFEH is also requesting \$944,000 (General Fund) for ongoing costs.
- Increase \$2.5 million (General Fund) for 28 positions in 2016-17, and \$2.8 million in 2017-18 and ongoing, to provide enforcement staff and resources to investigate complaints of civil rights violations and to respond to Public Records Act (PRA) requests.

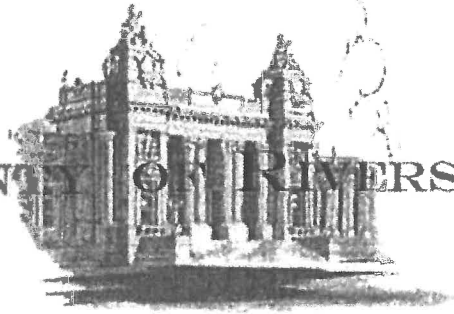
Commission on State Mandates

- Approve proposal to fund and suspend mandates consistent with past years.
- Fund a newly Approve mandate for Post-Election Manual Tally at \$626,000.

Local Government Financing

- Adopt placeholder trailer bill language to implement \$25 million for Community Based Transitional Housing.
- Amend budget bill language to indicate that funds for reimbursement costs associated with AB 953 (Weber, Chapter 46, Statutes of 2016) are to be awarded based on a schedule to be provided by the DOF and acceptance of the funds would preclude the local government from filing a claim for these costs with the Commission on State Mandates (CSM).

COUNTY OF RIVERSIDE



Board of Supervisors

| | |
|------------------------|------------------------------------|
| District 1 | Kevin Jeffries 951-955-1010 |
| District 2 | John F. Tavaglione 951-955-1020 |
| District 3 | Chuck Washington 951-955-1030 |
| District 4 Chairman | John J. Benoit 951-955-1040 |
| District 5 | Marion Ashley 951-955-1050 |

May 26, 2016

Assembly Republican Leader Chad Mayes
State Capitol Building, Room 3104
Sacramento, CA 95814

RE: No Place Like Home Initiative (de Leon)
County of Riverside: OPPOSE UNLESS AMENDED

Dear Assemblyman Mayes:

We are writing to express our reservations regarding the No Place Like Home Initiative, sponsored by Senator de Leon.

Riverside County applauds the thought and attention being given to the plight of the homeless, and by extension people with behavioral needs; however we oppose the prescription outlined in this initiative.

Proposition 63 provides the monies necessary for innovative new practices and ideas in the area of behavioral health. However, providing shelter is not within the guidelines for use as described in proposition 63 therefore legislation is required to do so.

The policies put forth in the Initiative permit the State to bond against future revenues of proposition 63 and use those monies for housing. The concern of Riverside County is that the revenues taken from counties to be used for bonding will not return to the counties of origin. If the stated concern is not a valid assumption, then we suggest allowing each county to bond individually (or through a JPA) or use the money as they deem appropriate.

Riverside County strongly believes in the concept put forth by Governor Brown in his state of the state addresses, subsidiarity. This concept is defined as local governments implementing public policy with the least amount of state and federal interference. The Initiative is completely contrary to subsidiarity. The Initiative approach literally steals money from one county and gives to another via force of law from the state.

We believe the need for comprehensive behavioral health care far outstrip the money and programs available in every county. Therefore by enacting the Initiative, as currently written, the state will be purposefully withdrawing care for people in specific counties to the benefit of others in other counties. We view this as wrong on both a public policy level and an individual level.

A better approach would be to simply allow counties to design programs, recognizing each county might have conditions specific to their local populations, and locally elected leaders are best positioned to understand those needs.

Riverside County advocates for an opt/in or out provision, thereby allowing each county to decide the best use of resources in caring for this vulnerable population. We consider this approach consistent with subsidiarity.

For these reasons, the County Riverside opposes the No Place Like Home Initiative unless amended. If you have any questions about the County's position, please do not hesitate to contact our Legislative Advocate James S. Gross at (916) 446-6752, jgross@nmgovlaw.com or Deputy County Executive Officer, Brian Nestande at (951) 955-1110, bnestande@rceo.org.

Sincerely,

John J. Benoit
Chairman
Riverside County Board of Supervisors

John Tavaglione
Second District Supervisor
Riverside County Board of Supervisors

cc: County of Riverside Delegation

Welfare and Institutions Code--5600.3.

To the extent resources are available, the primary goal of the use of funds deposited in the mental health account of the local health and welfare trust fund should be to serve the target populations identified in the following categories, which shall not be construed as establishing an order of priority:

(a) (1) Seriously emotionally disturbed children or adolescents.

(2) For the purposes of this part, "seriously emotionally disturbed children or adolescents" means minors under the age of 18 years who have a mental disorder as identified in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders, other than a primary substance use disorder or developmental disorder, which results in behavior inappropriate to the child's age according to expected developmental norms. Members of this target population shall meet one or more of the following criteria:

(A) As a result of the mental disorder, the child has substantial impairment in at least two of the following areas: self-care, school functioning, family relationships, or ability to function in the community; and either of the following occur:

(i) The child is at risk of removal from home or has already been removed from the home.

(ii) The mental disorder and impairments have been present for more than six months or are likely to continue for more than one year without treatment.

(B) The child displays one of the following: psychotic features, risk of suicide or risk of violence due to a mental disorder.

(C) The child has been assessed pursuant to Article 2 (commencing with Section 56320) of Chapter 4 of Part 30 of Division 4 of Title 2 of the Education Code and determined to have an emotional disturbance, as defined in paragraph (4) of subdivision (c) of Section 300.8 of Title 34 of the Code of Federal Regulations.

(b) (1) Adults and older adults who have a serious mental disorder.

(2) For the purposes of this part, "serious mental disorder" means a mental disorder that is severe in degree and persistent in duration, which may cause behavioral functioning which interferes substantially with the primary activities of daily living, and which may result in an inability to maintain stable adjustment and independent functioning without treatment, support, and rehabilitation for a long or indefinite period of time. Serious mental disorders include, but are not limited to, schizophrenia, bipolar disorder, post-traumatic stress disorder, as well as major affective disorders or other severely disabling mental disorders. This section shall not be construed to exclude persons with a serious mental disorder and a diagnosis of substance abuse, developmental disability, or other physical or mental disorder.

(3) Members of this target population shall meet all of the following criteria:

(A) The person has a mental disorder as identified in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders, other than a substance use disorder or developmental disorder or acquired traumatic brain injury pursuant to subdivision (a) of Section 4354 unless that person also has a serious mental disorder as defined in paragraph (2).

