
MEMORANDUM

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2004 JUN -2 PM 12: 07

TO: OAKLAND CITY COUNCIL
FROM: COUNCILMEMBER NANCY J. NADEL, DISTRICT 3
SUBJECT: SUPPORT FOR "THE MENTAL HEALTH SERVICES ACT" ON THE NOVEMBER 2004
BALLOT
DATE: 6/2/2004

Summary

The Mental Health Services Act will expand mental health care programs for children and adults. The measure provides services to persons currently disabled by mental illness, persons showing signs of mental illness in need of prevention services, and to families and caregivers of those affected.

Fiscal Impact

Funds would be dispersed to counties based on a locally conducted needs assessment and identification of how many seriously mentally ill individuals require services. However, each county's "Realignment" base is being recommended as a rule of thumb to project potential funding levels.

Alameda County might anticipate approximately \$25 million in new funding for mental health services. If we assumed an annual expenditure of \$6,000-10,000 per seriously mentally ill client, this would provide services to 2500-4000 additional individuals.

Background

If approved by voters, the Mental Health Services Act would fund the expansion of services and programs for mentally ill children, adults and seniors. The Mental Health Services Act builds on proven integrated services models, such as the mental health "children's system of care" and the "integrated services" adult system of care (as introduced to California in AB 2034). Services would include outreach, mental health treatment, community support including case management, short and long-term housing and employment services, prescription drugs, and gap coverage for essential medical treatment. The initiative also funds innovative mental health promotion and prevention activities as well as provides for human resource capacity building to address shortfalls in mental health professions including psychiatrists, nurses and social workers.

The program would be administered through the existing County Mental Health Plans. Counties would receive funds based on a case rate for each individual in need of services as identified in an annual needs assessment and plan for services.

The Mental Health Services Act ballot initiative was developed by the California Mental Health Association, the Office of Assemblyman Darrell Steinberg, and numerous mental health organizations including: the California Mental Health Planning Council, the National Alliance for the Mentally Ill, and the California Mental Health Directors Association.

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The initiative would generate funding for the increased services through an additional 1% tax on taxable income in excess of \$1 million. It is expected that the initiative would generate over \$600 million dollars annually for mental health services in California. The initiative would prohibit new funding to supplant current funding to ensure an overall increase in mental health funding.

On March 19, the Campaign for Mental Health submitted over 643,000 signatures-nearly double the number needed to qualify (374,000) for the November 2004 ballot.

Key Issues and Impacts

Multiple state and national studies have found that only about 50% of necessary mental health services are available to our population. The World Health Organization's "Burden of Disease" study found that four of the top ten disabling conditions were mental disorders. Untreated mental illness results, not only in individual and family tragedies, but also in major social and economic costs to our communities and state.

Proponents contend the initiative would save the state and local government on costs for incarceration, medical care, social services and other services as a result of earlier, more comprehensive and better treatment of mental illness. Experience with programs such as the Mental Health Children's System of Care, the Mentally Ill Offenders Crime Reduction Act (MIOCR), and Integrated Services for Homeless Mentally Ill Adults (AB 34 & AB 2034) has demonstrated substantial savings in jail, criminal justice and out of home placement costs when adequate and effective mental health services are provided.

In addition to existing state and local review and audit mechanisms, the initiative would create the Citizens Oversight and Accountability Commission which would provide annual reviews of counties' expenditures.

Recommendation

Adopt this resolution in support of the Mental Health Services Act, which will appear on the November 2004 statewide ballot.

OAKLAND CITY COUNCIL

2004 JUN -2 PH 12: 06

RESOLUTION No. _____ C. M. S.

INTRODUCED BY COUNCILMEMBER NADEL

DRAFT

Resolution endorsing the California Mental Health Services Act Initiative for the November 2004 statewide ballot

WHEREAS, An estimated 20% of all Americans will experience a diagnosable serious mental illness sometime in their lifetime; and

WHEREAS, According to State of California statistics from 2000, 5.4% or 1.3 million Californians have a serious mental illness; and

WHEREAS, California spends more than \$1 billion to incarcerate and treat 15% of the inmate population – or roughly 24,000 California inmates with mental illness, not including local corrections costs; and

WHEREAS, California's prisons and jails have become de-facto mental institutions – the latest data available indicates that California spends an estimated \$1.2 to 1.8 billion on criminal justice law enforcement dealing with people with mental illness; and

WHEREAS, Comprehensive mental health services, such as those available through the Integrated Services Program (AB 34), demonstrate that for roughly \$35 to \$50 per day, these same individuals can access needed services that for most ultimately lead to a return to employment and an ability to get off of public assistance (Source: California Department of Correction 2002 and the Department of Mental Health 2002); and

WHEREAS, An estimated 20 to 40% of the homeless population suffer from mental illness; more than 50,000 individuals with disabling mental illness live on and off the streets of California; and
WHEREAS, Individuals that have disabling mental illness and are homeless are often incarcerated for nuisance and petty crimes but when offered comprehensive community based treatment and safe housing – the incarceration and homeless rate drops to less than 2% (Source: AB 34 2002 Report, State Department of Mental Health); and

WHEREAS, The President's New Freedom Commission on Mental Health, released in July of 2003, sited the AB 34 program as a "model program" worthy of emulation by others states and Governor Davis' Interagency Taskforce on Homelessness in 2002 recognized AB 34 as one of the few effective programs that addresses the vulnerable population of homeless individuals with mental illness; and

WHEREAS, A coalition of mental health advocates and providers statewide drafted and is preparing to circulate the California Mental Health Services Act (the "Act") for the November 2004 ballot; and

WHEREAS, The Act, if approved by voters, will provide for the following:

Expanded mental health care programs for children and adults, including services to persons currently disabled by mental illness, persons showing signs of mental illness in need of prevention services, and to families and caregivers of those affected; and

An “integrated services” model to provide a range of services, an approach proven through programs created under AB 34, including outreach, medical care, short and long-term housing, prescription drugs, vocational training, and self-help and social rehabilitation; and

Services to persons and families without insurance, or for whom insurance coverage of mental health care has been exhausted; and

Children’s services targeted to those not covered by existing programs, particularly those with untreated mental disorders placing them at risk of severe mental illness, removal from home, suicide or violent behavior; and

Assurance that parents will not be required to relinquish custody of a child in order to make the child eligible for medically necessary mental health care services; and

Funding for expanded programs through a surcharge on income above \$1 million per year, by establishing a 1% surcharge applied to each dollar earned over \$1 million, yielding approximately \$600 million annually; and

An oversight and accountability commission to supervise new mental health care programs; and

Hundreds of millions of dollars in savings, based on experience with AB 34 programs that demonstrate that by treating mental illness earlier and more effectively, savings are generated in reduced hospital costs, jail costs, and medical and welfare costs; and

WHEREAS, The California Mental Health Services Act, if approved by voters in November 2004, will greatly enhance funding for local mental health treatment, including DPH recommended strategies to improve homeless housing and services; now, therefore, be it

RESOLVED, That the City Council of the City of _____ hereby endorses the California Mental health Services Act and encourages registered voters of the city to sign the petition in order to qualify the measure for the ballot.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2004

PASSED BY THE FOLLOWING VOTE:

AYES– BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, WAN AND
PRESIDENT DE LA FUENTE

NOES–

ABSENT–

ABSTENTION–

ATTEST:

CEDA FLOYD
City Clerk and Clerk of the Council
of the City of Oakland, California

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