



COUNTY OF DEL NORTE
DEPARTMENT OF HEALTH AND HUMAN SERVICES

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September 11, 2023

The Honorable Gavin Newsom, Governor
1021 O Street, Suite 9000
Sacramento, CA 95814

Re: SB 326 (Eggman) The Behavioral Health Services Act (BHSA) – Concerns with Amendments

Dear Governor Newsom:

On behalf of the County of Del Norte Department of Health and Human Services (DHHS), I write to express our concerns about recent amendments to SB 326 (Eggman), which proposes significant changes to the Mental Health Services Act (MHSA). Our concerns align with those expressed by our county counterparts and respective county associations, including the California State Association of Counties (CSAC), Rural County Representatives of California (RCRC), County Welfare Directors Association (CWDA), County Behavioral Health Directors Association (CBHDA), County Health Executives Association of California (CHEAC) and the County Probation Officers of California (CPOC). Although, we appreciate the recent amendments, based on the local impacts of the changes, the County of Del Norte still has the following concerns:

Reduced funding for existing services

With the proposed adjustments to the funding percentages and categories, the County of Del Norte will experience reduced funding in critical areas. In FY 21/22, the county's MHSA funding totaled \$2,474,931. Currently, this amount is divided into the 5 existing MHSA components: 1.) Community Services and Supports – Full Service Partnership (CSS-FSP) \$368,780, 2.) Community Services and Support – General System Delivery (CSS-GSD) \$1,572,169, 3.) Prevention and Early Intervention (PEI) \$486,321, 4.) Innovation (INN) \$7,063 and 5.) Workforce Education and Training (WET) \$40,598.

The proposed MHSA adjustments, would allocate a 3% set aside of \$74,248 to the State to address Behavioral Health workforce, 35% or \$840,239 to the Full Service Partnership Program, 30% or \$720,205 to Housing, 5% or \$117,933 to Population-based prevention, and finally \$722,306 or 30% to Behavioral Health Services and Supports, which is further broken down into Prevention and Early Intervention and Community Services & Supports. With the proposed reform, the amounts in each category shift considerably, which negatively impacts the community. The CSS component funding alone is reduced by 65%. With this reduction, the county's ability to fund various programs, such as DHHS' Coastal Connections, Del Norte County's Recreation programs (e.g. Youth Basketball, Teen League, & KIDS Camp), Family Resource Center of the Redwoods (e.g. Parent Café, Breastfeeding Support, Safe Place Space, etc.), the Yurok Tribe Boys and Girls Club, and others is severely limited. In addition, the possible loss of funding for contracted licensed professionals to provide oversight of BH

services is concerning. It is extremely challenging to recruit licensed professionals to our team. Over the past couple of years, we relied on contracted clinicians to provide the needed services to our clients. This is a costly solution, but currently the only one available to obtain the needed providers to administer services. Reduction in the funding available to cover these costs would be detrimental to our programs and the community. We value the States commitment to address significant Behavioral Health issues, but we want to emphasize the need for counties to have local oversight of the funds to address each community's unique needs.

Housing funding set aside

With MHSA reform, the housing funding set aside requirement is significant for the County of Del Norte. Currently, there is a housing crisis in the county, specifically for affordable housing, and there are multiple other housing programs competing for the limited housing stock. Although we value the focus on addressing housing needs, establishing a specific set aside amount/percentage for housing costs would tie up funds that could be used to support other needed programs within the county. Based on previous year's expenditures on housing needs, Del Norte County would have difficulty expending the 30% set aside amount for this area. Counties should be given flexibility in how much to spend on housing costs based on the needs and resources in their communities. More robust conversations about this requirement and the ability to apply a small county exemption for this requirement would be appreciated.

Specific expenditure categories & realignment funding

The proposed bill divides the funding into specific, non-flexible categories or buckets. This removes control from the local communities to address specific needs in their counties. Currently, the County of Del Norte serves 1020 open Behavioral Health clients; 45 of those clients are Full Service Partnership with \$22,285 on non-housing costs and only \$138,246 expended on specific housing needs. Both of these amounts are below the proposed MHSA reform structure, which means the county would leave unused dollars on the table in those areas and still need to reduce programs in other areas. In addition, without flexibility in funding categories, the county will not have the funds to continue core services, like Same Day Service and crisis response or establish new mandated programs, such as the Mobile Crisis Unit. Allowing flexibility between categories, especially for small, rural counties, would enable them to address the unique needs of their residents. In addition, significant changes to 1991 and 2011 realignment without providing adequate funding or engagement with counties would be detrimental to our local programs. Our Behavioral Health programs depend heavily on realignment dollars to fund costs not covered by the State/grants.

Substance Use Disorder Funds

While we value the commitment to address the needs of individuals with Substance Use Disorders (SUD), with MHSA reform, the expansion of the funding to cover SUD clients is concerning. Substance Use Disorder services are not accounted for in the cost estimates of funding for the county. This requires us to estimate the cost for Substance Use Disorder treatment based on population prevalence rates. Without new funding to support these services, this essentially represents a cut to existing services. Funding for SUD services should be optional unless additional funding is provided for these services.

In conclusion, the County of Del Norte is committed to working with its partners to fight homelessness and mental health issues. We appreciate the opportunity to share specific concerns of the MHSA reform changes, and the local impacts to our community. As you are aware, MHSA funding is more volatile than the State General Fund, so the uncertainty of this type of funding is always a concern for counties. Thank you for hearing our concerns and your consideration of these improvements to SB 326.

Respectfully,



Ranell Brown, Director
County of Del Norte Department of Health and Human Services

Cc:

County of Del Norte Board of Supervisors
Honorable Members of the Assembly Health Committee
Honorable Assemblymember Jim Wood
Honorable Senator Mike McGuire
Honorable Senator Susan Eggman
Michelle Cabrera, California Behavioral Health Directors Association
Graham Knaus, California State Association of Counties