

RESOLUTION NO. 68,530-N.S.

MENTAL HEALTH SERVICES ACT (MHSA) REVERSION EXPENDITURE PLAN

WHEREAS, Mental Health Services Act (MHSA) funds are allocated to mental health jurisdictions across the state for the purposes of transforming the mental health system into one that is consumer and family driven, culturally competent, wellness and recovery oriented, includes community collaboration, and implements integrated services; and

WHEREAS, MHSA includes five funding components: Community Services & Supports; Prevention & Early Intervention; Innovations; Workforce, Education & Training; and Capital Facilities and Technological Needs; and

WHEREAS, the City's Department of Health, Housing & Community Services, Mental Health Division, receives MHSA Community Services & Supports, Prevention & Early Intervention, and Innovations funds on an annual basis, and received one-time distributions of MHSA Workforce, Education & Training and Capital Facilities and Technological Needs funds; and

WHEREAS, in order to utilize funding for programs and services, the Mental Health Division must have a locally approved Plan, Annual Update, or Three Year Program and Expenditure Plan in place for the funding timeframe; and

WHEREAS, on May 7, 2013 by Resolution No. 66,107-N.S., the City Council authorized the City Manager to approve the MHSA Fiscal Years 2012 and 2013 Annual Update; and

WHEREAS, on June 24, 2014 by Resolution No. 66,668-N.S., the City Council authorized the City Manager to approve the MHSA Fiscal Years 2013 and 2014 Annual Update; and

WHEREAS, on May 26, 2015 by Resolution No. 67,026-N.S., the City Council authorized the City Manager to approve the MHSA Fiscal Years 2015 through 2017 Three Year Program and Expenditure Plan; and

WHEREAS, on June 28, 2016 by Resolution No. 67,552-N.S., the City Council authorized the City Manager to approve the MHSA Fiscal Years 2015 through 2016 Annual Update; and

WHEREAS, on January 24, 2017 by Resolution No. 67,799-N.S., the City Council authorized the City Manager to approve the MHSA Fiscal Years 2016 through 2017 Annual Update; and

WHEREAS, on July 25, 2017 by Resolution No. 68,109 -N.S., the City Council authorized the City Manager to approve the MHSA Fiscal Years 2018 through 2020 Three Year Program and Expenditure Plan; and

WHEREAS, City Council has previously approved MHSA funding for local housing development projects and for contracts with community-based agencies to implement: mental health services and supports; housing and vocational services, and translation services; and

WHEREAS, in order to comply with state requirements the MHSA Reversion Expenditure Plan must be approved by City Council.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the MHSA Reversion Plan, incorporated herein as Exhibit A, is hereby approved.

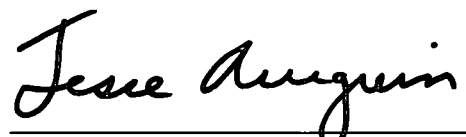
BE IT FURTHER RESOLVED that the City Manager is authorized to forward the MHSA Reversion Plan to appropriate state officials.

The foregoing Resolution was adopted by the Berkeley City Council on July 24, 2018 by the following vote:

Ayes: Bartlett, Davila, Droste, Hahn, Harrison, Maio, Wengraf, Worthington and Arreguin.

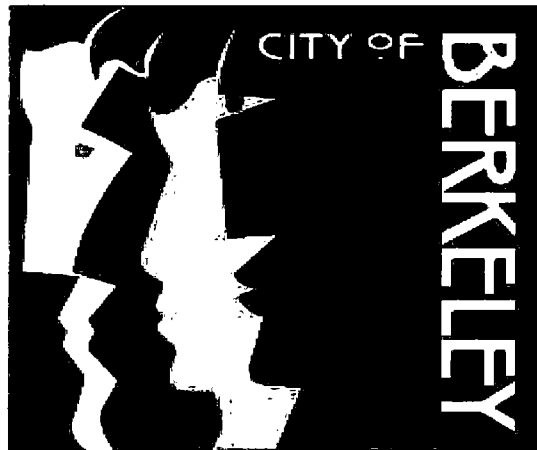
Noes: None.

Absent: None.

  
\_\_\_\_\_  
Jesse Arreguin, Mayor

Attest:   
\_\_\_\_\_  
Mark Numainville, City Clerk

**City of Berkeley  
Mental Health Services Act  
(MHSA)  
Reversion Expenditure Plan**



**Mental Health Division  
Health, Housing & Community  
Services (HHCS) Department**

## BACKGROUND AND OVERVIEW

California voters passed Proposition 63, the Mental Health Services Act (MHSA), in November 2004, to expand and transform the public mental health system. This legislation places a 1% tax on personal incomes above \$1 million dollars. Funds are deposited into the MHSA State Treasury Fund and allocations per each mental health jurisdiction are determined based on the total population in a given area. Through the following five funding components, the MHSA is designed to create the capacity for a broad continuum of prevention, early intervention and treatment services along with the necessary infrastructure, technology, and training elements to support effective mental health system transformation:

- Community Services & Supports (CSS): Primarily provides treatment services and supports for Severely Mentally Ill Adults and Seriously Emotionally Disturbed Children.
- Prevention & Early Intervention (PEI): For strategies to recognize early signs of mental illness and to improve early access to services and programs, including the reduction of stigma and discrimination and for strategies to prevent mental illness from becoming severe and disabling.
- Innovations (INN): For short-term pilot projects designed to increase new learning in the mental health field.
- Workforce, Education & Training (WET): Primarily for strategies to identify and remedy mental health occupational shortages, promote cultural competency and the employment of mental health consumers and family members in the workplace.
- Capital Facilities and Technological Needs (CFTN): For capital projects on owned buildings and on mental health technology projects.

MHSA CSS, PEI & INN funds are allocated annually and may be spent over a three year timeframe. MHSA WET & CFTN funds were allocated in lump sum amounts with expenditure timeframes of 10 years each. Funds that are not expended within the required timelines are deemed subject to reversion by the State of California.

This MHSA Reversion Expenditure Plan is in response to State legislation and Department of Health Care Services (DHCS) requirements to create a plan to expend local reverted and reallocated MHSA funds, through June 30, 2020. This plan serves as a separate update to the City of Berkeley's MHSA FY17/18 – 19/20 Three Year Program and Expenditure Plan which was approved by City Council on July 25, 2017.

## REVERSION OVERVIEW

On July 10, 2017 Assembly Bill (AB114) became effective. This bill amended sections of the Welfare and Institutions Code (WIC Section 5892.1 (a)) related to the reversion of MHSA funds. AB114 implemented provisions that funds subject to reversion as of 7/1/17 would be deemed reverted and reallocated to the county/city of origin for the purposes for which they were initially allocated, and that such funds be spent by 7/1/20. AB114 also required that by

7/1/18 each county/city should prepare a plan on how they will expend any reverted and reallocated funds from FY05/06 through FY14/15.

Summary of Reversion Information Notices\* (\*See Appendix):

- Department of Mental Health (DMH) Information Notice 11-15: On December 5, 2011, DMH issued Information Notice 11-15 which clarified how funds subject to reversion should be calculated by mental health jurisdictions.
- Department of Health Care Services (DHCS) Information Notice 16-026: On June 23, 2016, DHCS issued Information Notice 16-026 which rescinded Information Notice 11-15. This Information Notice deemed unspent funds from FY08/09 through FY15/16 subject to reversion if not spent within a three year timeframe of 7/1/16
- Department of Health Care Services (DHCS) Information Notice 17-059: On December 28, 2017, DHCS issued Information Notice 17-059 which provided guidance on AB114 including the appeals process, the plan to expend unspent funds, and the consequences for failing to expend MHSA funds within given timelines. This Information Notice superseded all previous DMH/DHCS Information Notices on reversion.

DHCS provided mental health jurisdictions with information on their local MHSA reverted and reallocated funding amounts and the opportunity to appeal the determined figures.

### CITY OF BERKELEY MHSA REVERTED/REALLOCATED FUNDS

The City of Berkeley MHSA reverted/reallocated funding amounts are outlined below:

FISCAL YEAR	PEI	INN	WET	CFTN
FY06-07			\$121,105	
FY07-08				\$1,322,116
FY08-09		\$214,800		
FY09-10	\$155,937			
FY10-11	\$87,906			
FY14-15		\$122,025		
<b>TOTAL</b>	<b>\$243,843</b>	<b>\$336,825</b>	<b>\$121,105</b>	<b>\$1,322,116</b>

The City of Berkeley plans to expend MHSA reverted/reallocated funds as follows:

- PEI Funds: Reallocated funds will be used on existing approved PEI programs. The Reallocated Funds will be the first funds spent.
- INN Funds: All reallocated funds will be used on the currently approved INN Trauma Informed Care (TIC) for Educators project or will be used on a combination of the TIC Project and a new yet to be determined INN project. The TIC Project was approved locally and by the Mental Health Oversight and Accountability Commission (MHSOAC) in May

2016. Through this project, TIC Trainings for Educators have been implemented in three Berkeley Unified School District (BUSD) schools. This INN project seeks to learn whether modifying the mental health approach of TIC Training for educators will increase access to mental health services and supports for students in need, (particularly for underserved ethnic groups), and increase the quality of mental health services, including providing better outcomes.

Through a separate process the City of Berkeley is currently seeking approval from the MHSOAC to extend the timeline of the TIC project through June 30, 2021. If approval is granted to extend the TIC project, the City of Berkeley will submit a proposal to the MHSOAC to add a portion (or all) of the reallocated funds to the TIC Project. It is anticipated that any funds that aren't proposed to be used on the TIC Project will be used on a new yet to be determined INN Project, the planning process of which will begin in FY19.

- **WET Funds:** A portion of the WET reallocated funds will be expended by 6/30/18, and the remaining reallocated Funds will be used on Graduate Intern Stipends.
- **CFTN Funds:** A large portion of the CFTN reallocated funds will be expended by 6/30/18, and the remaining reallocated funds will be expended on the Adult Clinic re-model.

### **COMMUNITY PROGRAM PLANNING (CPP)**

Community Program Planning (CPP) for the City of Berkeley's AB114 Expenditure Plan was conducted at the same time as the CPP for the FY19 Annual Update. The CPP process took place over a two month period enabling opportunities for input from the MHSA Advisory Committee members, consumers, family members, representatives from community-based organizations, individuals from unserved, underserved and inappropriately served populations; BMH Staff, City Commissioners, and other MHSA Stakeholders. During this process, two MHSA Advisory Committee meetings and four Community Input meetings were held. Information about what was being proposed to be included in the AB114 Expenditure Plan was also provided at the May Mental Health Commission meeting.

Feedback acquired during the CPP process on the proposed uses of reverted and reallocated funds was largely favorable. Input received included utilizing some of the INN funds on a new project that would implement a Trauma-Informed Dynamic Mindfulness Program for Early Childhood Education to reach early Childhood Educators, Families, and Children aged 0-5.

A 30-Day Public Review was held from Wednesday, May 30, through Thursday, June 28, 2018 to invite input on this MHSA AB114 Expenditure Plan. A copy of the Plan was posted on the BMH MHSA website and was available for reviewing in hard copy format at the downtown Public Library at 2090 Kittredge Street. An announcement of the 30-Day Public Review was mailed and/or emailed to community stakeholders. Immediately following the 30-Day public review period a Public Hearing was held at the Mental Health Commission on Thursday, June 28, 2018 at 7:00pm at the North Berkeley Senior Center. Comments received during the 30-Day Public Review and the Public Hearing were largely favorable, and didn't warrant a change to the Draft Plan. At the Public Hearing the Mental Health Commission made a motion to approve the MHSA Reversion Expenditure Plan,