

## **NOTICE OF PROPOSED RULEMAKING**

### **TITLE 9, CALIFORNIA CODE OF REGULATIONS REPEAL SECTION 3520 REGARDING LOCAL MENTAL HEALTH SERVICES FUND CASH FLOW STATEMENT**

#### **NATURE OF PROCEEDING**

NOTICE IS HEREBY GIVEN that the Department of Mental Health (DMH) is proposing to take the action described in the Informative Digest.

Any interested person may submit written statements, arguments, or comments relating to this proposal by submitting them in writing no later than November 23, 2009, or at the conclusion of the public hearing, if any, whichever comes later, to the contact person listed below.

A public hearing regarding this proposal has not been scheduled; however any interested person or his or her duly authorized representative may request that one be held, no later than November 6, 2009, by contacting the person listed below.

Following the public comment period the Department of Mental Health may thereafter adopt the proposals substantially as described below or may modify the proposals if the modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption from the person designated in this Notice as contact person and will be mailed to those persons who submit written comments related to this proposal, or who provide oral testimony if a public hearing is held, or who have requested notification of any changes to the proposal.

#### **AUTHORITY AND REFERENCE**

Pursuant to the authority vested by Sections 4005.1, 4027 and 5898 of the Welfare and Institutions Code, and to implement, interpret or make specific sections 5847(e), 5804(d) and 5892(f) of the Welfare and Institutions Code, the Department of Mental Health (DMH) is seeking changes to Division 1 of Title 9 of the California Code of Regulations as follows: Repeal Section 3520.

#### **INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW**

The California voters approved Proposition 63 during the November 2004 General Election. Proposition 63 became effective on January 1, 2005 as the Mental Health Services Act (MHSA). The MHSA expands mental health services to children/youth, adults and older adults who have serious mental illness or serious emotional disturbance and whose service needs are not being met through other funding sources. Through imposition of a 1% tax on personal income in excess of \$1 million, the MHSA provides the opportunity for the Department of Mental Health (DMH) to offer increased funding, personnel and resources to support county mental health programs and monitor progress toward statewide goals for children/youth, adults, older adults and families.

The MHSAs direct the county mental health programs to develop and submit a three-year plan to DMH, which DMH has called the Three-Year Program and Expenditure Plan (Plan). The Plan is comprised of five components of activities and/or services for which the funding established under the MHSAs can be spent. The components are Community Services and Supports for children, transition-age youth, adults and older adults; Capital Facilities and Technological Needs; Workforce Education and Training; Prevention and Early Intervention; and Innovative Programs.

Given the scale of each component, DMH is implementing each component on a sequential and/or phased-in approach. Accordingly, regulations related to each component are being drafted through a concurrent process as the MHSAs components are developed. The Department drafted regulations governing the Community Services and Supports first and these were made final in February 2008. Since it was imperative that the Department begin to distribute funds to the Counties to allow the programs and services to commence, the Department included in this initial regulatory package, fiscal reporting requirements and implemented regulations based on its authority in the law and its current accounting system.

This Informative Digest accompanies the proposed repeal of Section 3520 of California Code of Regulations Title 9, Division 1, Chapter 14, Article 5, Reporting Requirements since the Department's distribution of MHSAs Funds to the County no longer requires completion of the semi-annual report, documented in CCR Section 3520, Local Mental Health Services Fund Cash Flow Statement.

#### **LOCAL MANDATE**

This proposal does not impose a mandate on local agencies or school districts.

#### **FISCAL IMPACT ESTIMATES**

This proposal does not impose costs on any local agency or school district for which reimbursement would be required pursuant to Part 7 (commencing with Section 17500) of Division 4 of the Government Code. This proposal does not impose other nondiscretionary costs or savings on local agencies. This proposal does not result in any costs or savings in federal funding to the state.

#### **COSTS OR SAVINGS TO STATE AGENCIES**

No additional costs or savings to state agencies are anticipated.

#### **BUSINESS IMPACT/SMALL BUSINESSES**

The Department of Mental Health has made a determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states. The proposal does not affect small businesses as defined by section 11342.610. The impact is limited to County budget offices who would have performed the financial calculations related to completing the Cash Flow Statement and does not require any significant change in their business practices.

**ASSESSMENT REGARDING EFFECT ON JOBS/BUSINESSES**

The Department of Mental Health has determined that this regulatory proposal will not have any impact on the creation of jobs or new businesses or the elimination of jobs or existing businesses or the expansion of businesses in the State of California.

**COST IMPACTS ON REPRESENTATIVE PERSON OR BUSINESS**

The Department of Mental Health is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

**EFFECT ON HOUSING COSTS:** None

**CONSIDERATION OF ALTERNATIVES:** The Department of Mental Health must determine that no reasonable alternative which it has considered or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which this action is proposed or would be as effective and less burdensome to affected private persons than the proposed action described in this Notice.

## **CONTACT PERSONS**

Inquiries concerning the proposed adoption of these regulations and written comments may be directed to:

Jon Cordova  
Department of Mental Health  
1600 9th Street, Room 435  
Sacramento, CA 95814  
(916) 651-1446

Backup Contact:

Mark Heilman  
Department of Mental Health  
1600 9th Street, Room 435  
Sacramento, CA 95814  
(916) 651-1443

Comments may also be submitted by facsimile (FAX) at (916) 651-3852 or by e-mail to [regulations@dmh.ca.gov](mailto:regulations@dmh.ca.gov). Comments must be submitted prior to 5:00 p.m. on November 23, 2009.

## **INITIAL STATEMENT OF REASONS AND INFORMATION**

The Department of Mental Health has prepared an initial statement of the reasons for the proposed action and has available all of the information upon which the proposal is based.

## **TEXT OF PROPOSAL**

Copies of the exact language of the proposed regulations and of the initial statement of reasons, and all of the information upon which the proposal is based, may be obtained upon request from the Department of Mental Health at 1600 9th Street room 435, Sacramento, CA 95814. These documents may also be viewed and downloaded from the DMH website at [www.dmh.ca.gov](http://www.dmh.ca.gov).

## **AVAILABILITY AND LOCATION OF THE FINAL STATEMENT OF REASONS AND RULEMAKING FILE**

All the information upon which the proposed regulations are based is contained in the rulemaking file which is available for public inspection by contacting the person named above.

You may obtain a copy of the final statement of reasons once it has been prepared, by making a written request to the contact person named above.

## **WEBSITE ACCESS**

Materials regarding this proposal may be found at [www.dmh.ca.gov](http://www.dmh.ca.gov).