

## **Assembly Housing & Community Development Committee**

### **Hearing:**

### **“Coordinating State and Federal Resources to Address Homelessness”**

Testimony of

Dr. Stephen Mayberg, Director, California Department of Mental Health

February 9, 2010

Thank you Madame Chair and members of the committee for inviting the Department of Mental Health to address our efforts to reduce homelessness in California.

While there are many programs throughout California to address homelessness, it is important to acknowledge that the largest funding source for homeless programs for people with mental illness is the Mental Health Services Act. The Act is structured into five components that fund various elements of local services, including prevention and early intervention, community services and supports, workforce education and training, capital facilities and technological needs, and innovation.

There are a wide range of people who benefit from MHSAs programs, including veterans, transition-age youth, seniors, people with co-occurring substance abuse disorders, families, children, and foster youth. More than 12 state departments and agencies receive MHSAs funding to carry out their mission in serving these populations, including the Department of Aging, Social Services, Veterans Affairs, Alcohol and Drug Programs, OSHPD, MRMIB, the Department of Rehabilitation, Department of Education, the Military Department, and the Departments of Healthcare Services and Developmental Services to name a few.

While the state does play an important leadership role in administering the MHSAs, the Act was specifically designed to give local communities maximum flexibility in determining local needs and priorities. The services and programming decisions are made at the local level with the input of stakeholders. Programs to address homelessness are a critical element of MHSAs funding and have been identified as top priority by almost every county in the state.

We know there are significant costs associated with people living on the street or in shelters, including the frequent cost for emergency room services, hospitalization and incarceration, which dramatically impact the local community and economy. Several studies have documented the cost effectiveness of providing housing support and other comprehensive services to these individuals, resulting in dramatic reduction in hospitalization, arrests, and incarceration of people with mental illness who are chronically homeless.

The MHSAs provide funding and resources to expand successful and innovative local mental health service programs for children, adults and seniors with a focus on increasing access for un- and underserved populations especially the homeless and those at-risk of homelessness. With MHSAs funding, counties throughout California have been successful in developing programs that served more than 420,000 people in

'08/'09 with programs designed to provide an integrated approach for recovery-focused, community-based services. These programs have also reduced the workload and fiscal impact on emergency rooms and the criminal justice system.

California is a leader in establishing effective public/private partnerships to develop housing as an integrated element of mental health service and support funded by the Mental Health Services Act. California is setting the example by designing effective and appropriate services that include housing to better meet the needs of persons with mental illness.

In the Community Services and Supports Component, counties dedicate the majority of funding to Full Service Partnerships (FSPs), which provide integrated, holistic services. FSP services are specifically intended for persons with the most complex needs who are often the hardest to serve and the most costly to public systems. These are individuals with chronic severe mental illness who have never received services and

- Are homeless or at-risk for homelessness;
- Are involved with the criminal justice system;
- Who have been or are at risk for involuntary institutionalization; and
- Youth aging out of foster care or juvenile justice systems.

Over 24,000 people are served by FSP programs, including more than 6,000 Transition Age Youth (16-25 yr). Full Service Partnerships have dramatically improved the lives of those in these programs. This is evidenced by the percentage of people who are showing improvement over a two-year period. We have noted the following:

- A 39% reduction in the number of people with serious mental illness who have been arrested, and when it comes to Transition Age Youth, we have seen 56% reduction in arrests;
- A 30% reduction in the number of people with serious mental illness who are homeless. We have also seen a 29% reduction in homelessness among Transition Age Youth;
- A 42% reduction in the number of Transition Age Youth with physical health-related emergency medical interventions;
- A 15% reduction in the number of people with mental health-related emergency interventions, and for Transition Age Youth, we have seen a 21% reduction. There is also a startling 60% reduction in the number of people with co-occurring mental health and substance abuse disorders receiving mental health related emergency interventions.

These data highlight only a portion of a larger system of mental health programs funded by the MHSA that are leading to not only positive impacts on those receiving services, but also on local economies and public services. This is the proof that the promise of the MHSA is being delivered

While much good work has been done, there is much more to do. As you know, the issue of homelessness is complex. The homeless population in California includes veterans, people with mental illness, children, families, seniors, the disabled, people

with substance abuse disorders, and transition-age youth. To meet the myriad of needs these populations present, we have partnered with sister departments and agencies on both the state and local level to modify existing programs and policies, which allow us to leverage resources and provide essential services for our shared populations.

I'd like to highlight a few programs to give you an idea how these partnerships can make the most of limited resources and better serve those in need:

The Governor's Homeless Initiative (GHI) is an innovative inter-agency effort to develop affordable housing for homeless individuals with mental illness. It was established in November 2005 and created a housing finance model that ties together \$44 million of Proposition 46 capital funding, which is administered by the State Department of Housing and Community Development (HCD) and \$3.15 million of MHSA funds to encourage local development of supportive housing projects that target chronically homeless individuals with serious mental illness. To date, nine permanent supportive housing projects have been approved under this program; four more applications are in the approval process.

Governor Schwarzenegger's Executive Order S-07-06 designated the use of MHSA funds for the development of permanent supportive housing units for persons who are homeless and have serious mental illness. In partnership with the California Housing Finance Agency and county mental health departments, the MHSA Housing Program was implemented in August 2007. The MHSA Housing Program provides both capital funding and operating subsidies necessary to develop new, affordable housing units along with necessary services and supports. In the last 2 years, over \$154 million in MHSA funds have been used to leverage nearly \$1 billion in resources to develop over 2,700 units of affordable housing of which almost 1,000 units are dedicated for the homeless people with mental illness. Detail regarding some of those served includes:

- Transition Age Youth – as an example, approximately 119 units have been designated for TAY in Alameda, Los Angeles, and Kern counties. With more programs in the approval pipeline;
- Seniors - 41 units have been set aside specifically for seniors in Santa Cruz, Santa Clara, San Francisco and Marin counties. More of these projects are in the planning stages;
- Los Angeles County, which has the largest homeless population in the nation, received over \$115 million in funding (the largest amount of MHSA Housing Program Funds for one county) and to date has submitted 16 applications, which will provide over 460 units of permanent supportive housing for their county's homeless mentally ill and more projects are in the pipeline.

Local communities are rolling out \$500 million of MHSA Prevention and Early Intervention programs. This funding can be used to prevent homelessness for the mentally ill. Since 2005, approximately \$2.9 billion of Prop 63/MHSA funds (Community Services and Support Component) was provided to counties for direct and treatment services for Californians who have mental illness. This particular funding has provided

targeted outreach activities, wrap-around direct treatment and services and supported housing for Californians who are mentally ill and homeless or at risk of homelessness.

As noted earlier, the MHSA provides funding for programs that serve many populations, including California veterans. Through a public/private partnership, MHSA funds helped to create a Veterans Network of Care website, which provides a one-stop resource for access to community mental health services in all 58 California counties for veterans and their families. The Department of Mental Health is one of several departments working with California Veterans Affairs to develop services under California's Welcome Home program for veterans, which will provide services ranging from mental health care to housing and employment.

As we have noted, there is not one face to California's homeless population. Whether it is children, families, seniors, veterans, or individuals with mental illness, California's homeless population is benefitting from MHSA funded programs. Despite the current economic crisis, we have been able to make a positive impact on the lives of thousands of homeless individuals who now have the services and support needed to succeed in their community. In light of this success, we remain dedicated to our partnerships with many other state and local agencies and committed to continuing and expanding the successful programs that address the many needs of California's homeless population and ensuring the MHSA promise of improved local mental health care services continues.