

29

Executive Budget Actions

The New York State budget process relies upon an Executive Budget model. Under this system, the Executive develops and prepares a comprehensive balanced budget proposal, which the Legislature modifies and enacts into law. The Governor is required by the State Constitution to seek and coordinate requests from agencies of State government, develop a plan of proposed expenditures and the revenues available to support them, and submit a budget to the Legislature along with the appropriation bills and other legislation required to carry out budgetary recommendations.

The Legislature, primarily through its fiscal committees—Senate Finance and Assembly Ways and Means—analyzes the Executive spending proposals and revenue estimates, holds public hearings on major programs, and seeks further information from the staff of the Division of the Budget and other State agencies. Following the review, the Legislature acts on the appropriations bills submitted with the Executive Budget to reflect its decisions.

The 2007–2008 Executive Budget builds upon initiatives from previous years to promote the mental health of all New Yorkers, with a particular focus on providing hope and recovery for adults with serious mental illness and children with serious emotional disturbances and their families. The Strategic Plan Framework and systematic, inclusive planning processes have been integral to the development of a set of strategic priorities that is serving as the foundation for advancing mental health care in New York State. As noted previously, strategic priorities are determined by assessing the gaps between the direction set forth in the OMH Strategic Plan Framework and the realities of the day-to-day environment in which the public mental health system operates. Currently, there are eight strategic priorities:

- Enhancing access to effective community-based services for children and families
- Promoting public health by reducing the risk of suicide
- Providing access to safe and affordable community housing
- Enhancing community-based program models to recruit and retain a qualified workforce and respond to other inflationary pressures
- Enhancing access to effective community-based services for older adults
- Providing access to efficient and high-quality mental health services
- Implementing an effective performance and accountability infrastructure
- Increasing public safety through the civil commitment of sexually violent persons, where appropriate, to secure treatment facilities for care and treatment

What follows is an overview of the Executive Budget Recommendations, each aimed at meeting one of these eight strategic priorities. Actions on these Executive Budget items are organized under one of the categories of State Operations, Children, Housing, Aid to Localities, Miscellaneous, and Legislative Additions. Each description also indicates the specific strategic priority being addressed by the Budget Recommendation.

A. State Operations

Improving Prescribing Practices

Implementing an effective performance and accountability infrastructure

The Executive Budget provided \$1.3 million, including 11 full-time equivalent (FTE) positions, to support the expansion of the successful medication and prescription management program, PSYCKES (Psychiatric Clinical Knowledge Enhancement System), beyond its current use in Adult State Psychiatric Centers to include Children's Psychiatric Centers. Funding also supported collaboration with the Department of Health (DOH) to adapt PSYCKES for use by mental health providers in community-based settings, thereby expanding community provider best practices in the area of antipsychotic and antidepressant prescribing practices.

- ✓ This Executive Budget recommendation was enacted as proposed.

Research Capacity for Improving Outcomes

Providing access to efficient and high-quality mental health services

The Executive Budget provided \$1.5 million for the addition of 15 FTEs to OMH's Research Institutes (10 at the Nathan Kline Institute for Psychiatric Research and 5 at the New York State Psychiatric Institute). This Recommendation was designed to support OMH efforts to enhance mental health services for children and families, while at the same time better positioning the Institutes to attract external grant funding and develop new, effective treatment protocols.

- ✓ This Executive Budget recommendation was enacted as proposed and the Legislature added \$900,000 to support the addition of 10 Research Scientist positions (including 5 at the New York State Psychiatric Institute for the Magnetic Resonance Imaging Facility and 5 at the Nathan Kline Institute).

Advancing Demonstration Projects for Persons with Co-occurring Disorders

Implementing an effective performance and accountability infrastructure

The Executive Budget recommended collaboration between OMH, the Office of Alcoholism and Substance Abuse Services (OASAS), and DOH to develop and implement pilot programs to promote coordinated and cost-effective health care delivery to populations with co-occurring disorders. Consistent with this effort, the Budget recommended a transfer of \$1.5 million from

OMH's 2006–2007 project funding to support demonstration projects totaling \$4 million in DOH's budget.

- ✓ This Executive Budget recommendation was enacted as proposed.

Enhancing Services to Department of Corrections Inmates

Providing access to efficient and high-quality mental health services

The Executive Budget recommended an increase of \$2 million, including 38 FTEs, to phase in enhanced services for State prison inmates with mental illness. Funding for these services was set to increase to \$6 million in FY 2008–2009 and to \$9 million when fully annualized. These funds were targeted for initial support of mental health screening for all incarcerated individuals and to augment psychiatric evaluations of persons currently confined to Special Housing Units (SHUs). OMH and DOCS were also to collaborate on the expansion of appropriate alternative programming designed to transition inmates with mental illness from SHUs.

- ✓ This Executive Budget recommendation was enacted as proposed.

Strengthening Fiscal Oversight Capacity

Implementing an effective performance and accountability infrastructure

The Executive Budget included \$300,000 for six FTEs to enhance OMH's fiscal oversight capacity, including the establishment of a Fiscal Oversight Unit responsible for quality management, regulatory compliance and enforcement activities. These activities were to take place in concert with the Office of the Medicaid Inspector General (OMIG).

- ✓ This Executive Budget recommendation was enacted as proposed.

Supporting the Sex Offender Treatment Program (SOTP)

Increasing public safety through the civil confinement of sexually violent persons, where appropriate, to secure treatment facilities for care and treatment

The Executive Budget included an increase of \$19.2 million, supporting an addition of 335 FTEs for the delivery of services to individuals committed to OMH secure treatment settings. This Recommendation brought staff support to 782 FTEs, with operational funding for SOTP totaling \$46 million.

- ✓ This Executive Budget Recommendation was modified, consonant with implementation of the Sex Offender Management and Treatment Act. Funding in the OMH budget was reduced to \$33.2 million, and 634 FTE's, with the provision that as much of this funding as necessary be available for transfer to the Office of Mental Retardation and Developmental Disabilities.

Other Budget Actions

Children's Evidence-based Treatment Dissemination Center

Providing access to effective community-based services for children and adolescents and their families

The Executive Budget annualized funding (\$0.6 million) for the Center, which trains clinicians across the State in evidence-based practices (EBPs), including cognitive-behavioral therapy and trauma treatment in children and adolescents.

- ✓ **This Executive Budget recommendation was enacted as proposed.**

Workforce

Providing access to efficient and high-quality mental health services

The Executive Budget supported 17,670 FTEs as of the end of FY 2007–2008, reflecting a net increase of 405 positions from adjusted 2006–2007 levels.

- ✓ **This Executive Budget recommendation was modified to 17,532 FTE's, consistent with SOMTA (-148 FTE's) and Research (+10 FTE's) changes reflected in the enacted budget.**

Non-personal Service

Providing access to efficient and high-quality mental health services

The Executive Budget provided increases of \$8.4 million in non-personal service funding to address increased pharmacy and medical costs (\$5.2 million), as well as support for major cost increases experienced by OMH psychiatric centers for fossil fuels and electricity (\$3.2 million). The Recommendation also reflected an across-the-board reduction of more than 3 percent in non-personal service appropriations (\$8.8 million), consistent with a statewide initiative to achieve non-personal service savings.

- ✓ **These Executive Budget recommendations were enacted as proposed.**

Census/Bed Levels

Providing access to efficient and high-quality mental health services

The Executive Budget supported the continuation of funded inpatient bed levels in the Adult (4,030 beds), Children and Youth (526 beds), and Forensic programs (695).

- ✓ **This Executive Budget recommendation was enacted as proposed.**

Capital

Providing access to efficient and high-quality mental health services

New capital appropriations for State Facilities totaling \$326.5 million included funds to support facility activities of building preservation, design and construction, health and safety, accreditation, energy conservation and environmental protection.

- ✓ This Executive Budget recommendation was enacted as proposed.

B. Aid to Localities

Achieving the Promise Annualized Funding

Providing access to effective community-based services for children and adolescents and their families

The 2006–2007 Enacted Budget provided an investment of \$62 million (annualized gross) for an interrelated set of services that support early recognition of emotional disturbances in children, improve access to interventions that have been proven by science to be effective, expand access to in-home and community-based services, provide the expertise of child psychiatrists to rural areas and ensure that evidence-based treatments are widely available across New York State. The 2007–2008 Executive Budget provided continued support and full annualization for these initiatives.

- ✓ This Executive Budget recommendation was enacted as proposed.

Home and Community-based Waiver Funding

Providing access to effective community-based services for children and adolescents and their families

The 2007–2008 Executive Budget included \$2.4 million (\$4.6 million annualized) in funding to permit OMH to add 180 Home and Community-based Waiver (HCBW) slots effective January 2008. This new funding for expanded HCBW services was designed to enhance the provision of an array of comprehensive, well-coordinated services in the most integrated setting appropriate to individual need. The program enables children at risk for institutional placement to remain at home and in school while receiving needed services.

- ✓ This Executive Budget recommendation was enacted as proposed.

Transitional Care

Providing access to effective community-based services for children and adolescents and their families

In certain instances, the State Education Department (SED) places children with serious emotional disturbance into out-of-state facilities. When children reach 22 years of age, OMH assumes responsibility for services to these children. To permit continuity of care and a smooth

transition as additional young adults move between the children's and the adult service systems in out-of-state facilities, the 2007–2008 Executive Budget included an increase of \$500,000 to accommodate this need.

- ✓ This Executive Budget recommendation was enacted as proposed.

School Support

Providing access to effective community-based services for children and adolescents and their families

The 2007–2008 Executive Budget included a State Aid increase of \$295,000 to offset a reduction in federal Individuals with Disabilities Education Act (IDEA) funds previously received from the SED.

- ✓ This Executive Budget recommendation was enacted as proposed.

Suicide Prevention

Promoting public health by reducing the risk of suicide

The 2007–2008 Budget continued to provide \$1.5 million in support of the 2006–2007 initiative to implement the New York State Suicide Prevention Plan and related County suicide prevention plans aimed at increasing public awareness. Ongoing funding was targeted toward implementing local prevention and planning efforts to reduce suicide among high-risk populations, providing culturally competent training and public awareness projects, and making available translation and dissemination of public education materials and evaluation data.

- ✓ This Executive Budget recommendation was enacted as proposed, and the Legislature added an additional \$1 million specifically focused on suicide prevention among young Latina and elderly Asian women.

Supported Housing

Providing access to safe and affordable housing

The 2007–2008 Executive Budget included \$9.1 million in funding for 1,000 new Supported Housing beds effective October 2007. When fully annualized, the total funding for these beds will be approximately \$12 million. The addition of Supported Housing units to the overall residential system facilitates opportunities for movement toward integrated community housing for individuals with mental illness. The budget continued to support of the previous year's addition of 60 Supported Housing beds targeted to persons being discharged from adult homes.

- ✓ This Executive Budget recommendation was enacted as proposed.

New Bed Authority Capital

Providing access to safe and affordable housing

The Executive Budget provided capital appropriations of \$200 million for 1,000 new single-room occupancy (SRO) efficiency apartments throughout New York State. These resources were to be targeted toward development of units for adults with mental illness who prefer housing that incorporates independence, while also providing a limited amount of on-site services on an as-needed basis.

- ✓ **This Executive Budget recommendation was enacted as proposed.**

New York/New York III – Supportive Housing Agreement (NY/NY III)

Providing access to safe and affordable housing

NY/NY III is a component of community bed development. The Executive Budget continued the development of the NY/NY III agreement, which provides 9,000 units of supportive housing (of which 5,550 are for individuals with mental illness) over 10 years for individuals and families who are homeless, at risk for homelessness, or living in emergency shelters. Specifically, the Budget supported operating funds of \$12.9 million for 425 Supportive Housing beds and 25 SRO efficiency apartments that began development in 2006–2007 and, effective January 1, 2008, 525 new supportive housing beds and 50 new SRO efficiency apartments, as well as 50 SRO efficiency apartments beds to be developed by New York City. The \$211 million in local capital commitment for NY/NY III OMH beds provided in the previous year's budget had been re-appropriated in 2007–2008.

- ✓ **These Executive Budget recommendations were enacted as proposed.**

Existing Bed Authority Capital

Providing access to safe and affordable housing

The Executive Budget called for an increase of \$107 million in local capital appropriation for existing bed authority (excluding NY/NY III) for the acquisition of property, facility construction and rehabilitation and/or relocation of existing community mental health facilities.

- ✓ **This Executive Budget recommendation was enacted as proposed.**

Cost-of-Living Adjustment (COLA)

Enhancing community-based program models to recruit and retain a qualified workforce and respond to other inflationary pressures

The 2006–2007 Enacted Budget included provisions for a three-year U.S. consumer price-indexed COLA effective October 1, 2006, and each April 1 thereafter. The intent of the COLAs is to promote the recruitment and retention of staff and/or to respond to other critical non-personal service costs. The COLAs apply to State Aid and/or Medicaid reimbursement for certain residential and non-residential community-based programs.

The 2007–2008 Executive Budget included full annualization and initial reconciliation of the October 1, 2006, COLA (\$23.5 million). In addition, the Budget provided full annual support for the second COLA (effective April 1, 2007) in the amount of \$25.5 million, as well as phase-in funding for the State Aid component of the third COLA (effective April 1, 2008) in the amount of \$4.5 million.

- ✓ These Executive Budget recommendations were enacted as proposed.

Community Residence and Family-based Treatment

Enhancing community-based program models to recruit and retain a qualified workforce and respond to other inflationary pressures

The 2007–2008 Executive Budget included increases of \$12.6 million in full annual funding for existing adult and children’s Community Residence and Family-based Treatment programs effective January 1, 2008. The Recommendation advanced a three-year initiative to strengthen both programs by addressing current staffing requirements, salary and other staff recruitment and retention issues.

- ✓ This Executive Budget recommendation was enacted as proposed.

Supported Housing Rent Stipends

Enhancing community-based program models to recruit and retain a qualified workforce and respond to other inflationary pressures

The Executive Budget recognized that investments to maintain the existing service system are critical. In response to marketplace concerns regarding rent and utility cost increases, the Budget provides funding for a third stipend increase of \$6.3 million in full annual funding for more than 10,000 beds.

- ✓ This Executive Budget recommendation was enacted as proposed, and the Legislature added an additional \$600,000 to increase stipends for program providers in certain geographic areas, specifically those not receiving a portion of the \$6.3M.

Community-based Services for Older Adults

Enhancing access to effective community-based services for older adults

The 2006–2007 Enacted Budget included \$2 million in funding for demonstration programs to address the mental health needs of older New Yorkers, a group dramatically increasing in size over the next 25 years. The 2007–2008 Executive Budget provided continued support at the same level to enhance access to effective community-based services for older persons.

- ✓ This Executive Budget recommendation was enacted as proposed.

Alternate Reimbursement Methodology (ARMS)

Providing access to efficient and high-quality mental health services

The 2007–2008 Executive Budget included \$600,000 in funding for the continuation of the ARMS Medicaid supplement to those hospitals that received such funding during the State FY 2006–2007. These funds, along with accompanying federal financial participation, were targeted toward Medicaid payments to each of these hospitals upon submission of a plan, approved by the Commissioners of Health and Mental Health, which specified how such funding would be used for purposes of reconfiguring or consolidating psychiatric inpatient services, or implementing quality assurance programs.

- ✓ This Executive Budget recommendation was enacted as proposed.

Other Budget Actions

Project Caring

Providing access to efficient and high-quality mental health services

The Executive Budget included \$480,000 in full annual funding, replacing expiring federal funding, to continue Project Caring, a program that provides women with mental illness a bridge between corrections- and community-based services.

- ✓ This Executive Budget recommendation was enacted as proposed.

Psychiatric Rehabilitation

Providing access to efficient and high-quality mental health services

The Executive Budget included \$574,000 in full annual funding for additional supported employment slots, with the intent of assisting persons with mental illness to become engaged in employment.

- ✓ This Executive Budget recommendation was enacted as proposed.

Comprehensive Psychiatric Emergency Programs (CPEPs)

Providing access to efficient and high-quality mental health services

The Executive Budget included \$900,000 in funding for the State share of Medicaid associated with CPEPs in response to program growth and expansion.

- ✓ This Executive Budget recommendation was enacted as proposed.

Center for Mental Health (CMHS) Services Block Grant

Providing access to efficient and high-quality mental health services

The Executive Budget included a State Aid increase of \$2.7 million to offset a reduction in federal Center for Mental Health Services block grant funds.

- ✓ This Executive Budget recommendation was enacted as proposed.

Residential Treatment Facilities (RTFs)

Providing access to efficient and high-quality mental health services

The Executive Budget included \$1.2 million (\$1.9 million annualized) to reflect trend factor increases.

- ✓ This Executive Budget recommendation was enacted as proposed.

C. Legislative Additions

In addition to the actions noted above, other budgetary additions sponsored by the Legislature are summarized below:

C1. State Operations

- \$2,000,000 – Funding to the New York State Psychiatric Institute and the Nathan Kline Institute for Psychiatric Research to develop a program at each facility promoting the best practices in the delivery of culturally and linguistically competent mental health services.

C2. Aid To Localities

- \$850,000 – Funding to support grants to community-based organizations providing support to parents with psychiatric disabilities. No less than \$200,000 and up to \$350,000 is authorized to be transferred to the Commission on Quality of Care and Advocacy for Persons with Disabilities to increase legal services for parents with psychiatric disabilities through a request for proposal process.
- \$500,000 – Funding to support community recovery providers expenses in the areas of physical plant improvements, transportation amelioration and/or renovation and rehabilitation enhancements.
- \$350,000 – Funding to increase the medical assistance reimbursement rate for Article 31 freestanding Children's Day Treatment services.
- Miscellaneous group or additions include:
 - \$150,000 – Mental Health Association in Rockland County
 - \$80,000 – Mental Health Association in Orange County
 - \$500,000 – New York University Child Study
 - \$300,000 – Relief Resources
 - \$200,000 – Hospital Audiences
 - \$200,000 – Farm Net
 - \$100,000 – Occupations, Inc.