

MEASURE B RE-EXAMINED

SUMMARY

After a slow start, the funds generated under the Mendocino County Mental Health Treatment Act, known as the Measure B Ordinance No. 4387 (Measure B) have made considerable contributions to mental health services available in Mendocino County. The slow start actually contributed to the generation of an increased budget for new facilities and funding of pilot programs for four years.

Two of the three major planned facilities are operational and designs for the Psychiatric Housing Facility (PHF) are being completed. The Behavioral Health Department (BHD) is commended for their efforts in the completion and operation of two building projects: a Behavioral Health Training Center (BHTC) in Redwood Valley and the Crisis Residential Treatment Center (CRT) in Ukiah, recently named the Phoenix House. Additional crisis services were funded by Measure B, creating Mobile Outreach and Prevention Services (MOPS) and facilitating National Association of Mental Illness (NAMI) training.

In the past, required annual audits have not been performed for Measure B funds. Currently, audits for fiscal years 2019 and 2020 are being finalized. However, the audits will not cover the first 15 months of operation which include election and consultant costs.

Unfortunately, the Mendocino County Grand Jury (GJ) discovered the voter-approved ordinance directive for specific substance abuse programs were not funded with Measure B funds.

BACKGROUND

On June 19, 2019, the GJ issued a report on the progress of the Measure B Advisory/Oversight Committee. This committee was established by Ordinance No. 4387, passed by voters on November 7, 2017. The committee was charged with advising and reviewing actions of the County in utilizing funds raised by the one-half cent sales tax for developing facilities and programs for treating citizens with mental health and substance abuse problems. The community, represented by social posts, general discussion, media articles and BOS public comment, found the lack of timely recommendations for the utilization of the accruing funds during the first four years kept raising questions about the use of Measure B funds. The GJ was unable to determine a specific amount of accrued funds, its significance nor its impact on mental health programs, due to pending audits.

Following the recent construction of two recommended facilities financed under Measure B, the 2021-22 GJ chose to review the June 19, 2019 GJ report titled, *MEASURE B "Mental Health Treatment Act...Where Are We?"* and examined the progress. The GJ chose to determine why progress on utilization of the funds seemed slow and inefficient; and why it was solely focused on mental health problems while ignoring addiction treatment.

METHODOLOGY

The GJ interviewed past and present Board of Supervisors (BOS), members of the B Committee, and Behavioral Health administration and staff. Also interviewed were mental health and substance abuse advocates, as well as directors of community service agencies. The GJ attended the Open House of the CRT and visited the BHTC. The GJ reviewed the following websites and documents:

- Mendocino County Ordinance No. 4387 "*Mental Health Treatment Act*",
- June 19, 2019, GJ report titled, *MEASURE B "Mental Health Treatment Act...Where Are We?"*
- California Legislation Welfare and Institutions code § 5150,
- The Kemper Consulting Group Report dated September 2018,
- The Nacht & Lewis Report dated March 2022, regarding the proposed location of the Psychiatric Hospital Facility,
- The Ford Street Projects' proposed request for Measure B Substance Abuse Disorder funds for capital improvement,
- Mendocino County Behavioral Health website,
- Sonoma County Behavioral Health website,
- Local social media and print media,
- BOS and B Committee minutes and meetings.

Two members of the Grand Jury were recused from participation in the investigation.

DISCUSSION OF FACTS

The Measure B Ordinance states, "The Oversight Committee which shall review the independent annual audit of expenditures and the performance management plan for compliance with the Specific Purpose of this ordinance. This committee shall also provide recommendations to the BOS on the implementation of this ordinance..."

The GJ received testimony that Measure B was misunderstood by some of its members, who assumed authority not granted in the ordinance. Lack of direction from the BOS resulted in the B Committee assuming planning responsibilities rather than oversight. Additionally, very little attention has been devoted to substance abuse treatments.

Initially, the BOS did not hire a Project Manager to provide a plan of action. Also, the BOS did not authorize an audit during the first four years.

The B Committee had difficulty in developing a workable plan as there were conflicting priorities among members. One point of contention was creating a BHTC, one of two projects specified in the ordinance. Some members did not see this as a priority. Since December 2021, the BHTC has been used for training law enforcement and mental health staff and is also available for rental by community groups.

In addition, the attention of the BOS and some B Committee members were diverted by their responsibilities in the aftermath of the Redwood Complex Fire. The B Committee, meeting only two hours monthly, had difficulty reaching consensus on recommendations.

Making Measure B decisions is the purview of the BOS. The GJ received testimony and confirmed that in August 2020, four recommendations from the B Committee were on the BOS agenda. The only recommendation discussed and approved was enacted to prevent the loss of a grant for construction of the CRT facility.

The GJ received testimony that significant progress on Measure B projects occurred in May 2020 when the BHD was given responsibility for the implementation of projects.

A BHD program funded by Measure B, is the Crisis Assessment and Psychiatric Hospitalization Aftercare Program. On July 1, 2021, this service was contracted to the Redwood Community Crisis Center for clients who do not have Medi-Cal.

In December 2021, the CRT facility was completed in Ukiah. This facility will serve up to eight clients in need of stabilization who do not meet the criteria for hospitalization under 5150. The BHD contracted with Redwood Community Services to provide staffing and crisis services. Due to licensing delays with the State, the Phoenix House was not operational until April 25, 2022. Utilizing Measure B funds, two community outreach programs were established. The MOPS Program provides for trained mental health technicians to be proactive in early intervention of clients to prevent further mental decompensation¹. The Mobile Crisis Dual Response Program provides a mental health technician to accompany patrol officers on calls regarding mentally ill persons in crisis.

A County-owned location for the PHF has been selected at 131 Whitmore Lane in Ukiah after the City of Willits denied use of the old Howard Hospital. The County contracted with consultants Nacht & Lewis who conducted a study that determined the existing building should be demolished and rebuilt.

State regulations for a PHF are dependent on the number of beds in a facility. Available funds have limited the new PHF to a 16-bed facility. Available beds may be rented to out-of-county clients to offset operational costs. The 2018 Kemper Report estimated the construction costs between \$5 and \$6 million, however, the Nacht & Lewis Report, released in February 2022, indicates the current costs at \$19 million. Concern has been expressed that the high cost of the new PHF will deplete the funds available for continuing programs.

The Kemper Report recommended 25 percent of Measure B funds, \$750 thousand annually, be devoted to Substance Use Disorder Treatment (SUDT). Despite this recommendation, no funds have been dedicated to addiction treatment. Untreated substance abuse has been known to lead to psychiatric disorders. The community currently is experiencing a crisis in opioid addiction. The GJ is aware a request has been made to use Measure B funds for an expansion of detoxification and residential treatment at the Ford Street Project. The organization is

¹ Mental decompensation is a breakdown of the psychic balance in a person following an emotional crisis, traumatic event, etc. It can imply a break with reality and most often occurs after the fact, once the "danger" has been averted.

requesting \$3.7 million from Measure B funds to match State funds to construct an additional facility for this purpose.

The GJ observed a lack of information on the BHD website regarding SUDT available in Mendocino County. Substance abuse programs in Mendocino County as well as six other small rural counties, are available through *Partnership HealthPlan*. This information is not readily accessible on the county's website. The Sonoma County Behavioral Health Department website lists all treatment options available, as well as contact information for their programs. Initially, the only information on the Mendocino County BHD website were telephone numbers for out-patient counseling, with no mention of detoxification or residential treatment options which are available to our citizens. Following an interview, the GJ was pleased to note the BHD website has been updated to include this information.

The half-cent sales tax to construct local mental health treatment facilities sunsets in April 2023. The tax rate will decrease to a permanent one-eighth cent sales tax and is dedicated for the continuance of projects and programs. One of the advantages of the ordinance is that unused funds may be accrued and carried forward. Several pilot programs, such as MOPS, are proving to be successful.

One of the major responsibilities of the B Committee is to audit the income and expenditures of Measure B funds. This requirement was not performed in the past four years. The first audit is anticipated to be completed in the Spring of 2022. This audit will cover fiscal years July 1, 2019, to June 30, 2020, and July 1, 2020, to June 30, 2021. For unknown reasons, this audit will not cover the first 15 months following passage of the ordinance. Mental Health advocates are concerned that the County has not yet released a future financial plan considering the decreased sales tax revenue.

FINDINGS

- F1. The wording of the Measure B ordinance was very precise on the collection of the taxes. The ordinance was imprecise about the execution of the programs. There is insufficient organizational direction in the Measure B Ordinance. This has resulted in a lack of ground rules for discussions and making recommendations to the BOS.
- F2. In the Measure B Ordinance, the responsibilities of the B Committee were unclear, resulting in members assuming authority which belonged to the BOS.
- F3. There has been no direct funding for SUDT as recommended in the Measure B Ordinance and the Kemper Report. The GJ determined this to be a serious oversight.
- F4. A required function of the B Committee is to review annual audits and to ensure transparent use of funds. Annual independent audits of taxpayers' money were not performed resulting in no definitive answer to what funds are available or have been expended.
- F5. The first 15 months of operations are excluded from the commissioned audits. Not starting from day one does not give a complete financial picture.

F6. The high vacancy rate of County employees, particularly for social service workers and nursing staff, has raised concern. Contractors for staffing the new programs and facilities may have difficulty employing sufficient local staff. This problem plagued the previous PHF facility which led to its closure.

F7. The GJ and service providers are concerned that SUDT programs will not receive adequate attention and funding under Measure B.

F8. The GJ is concerned that the high costs to construct the PFH facility may reduce funds available for other proposed services and programs.

RECOMMENDATIONS

The Grand Jury recommends that:

R1. in future ordinances prepared for ballot measures, the function and responsibility of County Departments, Advisory Boards and Committees be spelled out in greater detail. (F1, F2)

R2. the BOS fund SUDT programs as required by Measure B Ordinance No. 4387. (F3, F7)

R3. the County Auditor ensures annual independent audits be conducted of Measure B funds as required, commencing with the initial funding of the measure and to include election and consultant costs. (F4, F5)

R4. the BOS give direction to staff to identify and pursue additional funding to supplement the Measure B one-eighth cent sales tax by applying for grants and State funding. (F4, F8)

RESPONSES

Pursuant to Penal Code § 933.05, responses are required from the following board:

Board of Supervisors (All Findings) and (R1, R2, R4)

Pursuant to Penal Code § 933.05, responses are required from the following individual:

Auditor-Controller (F4, F5) and (R3)

Pursuant to Penal Code § 933.05, responses are requested from the following individual:

Director of the Behavioral Health Department (F3, F7, F8) and (R2, R4)

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code § 929 requires reports of the Grand Jury not containing the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.