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## Suit seeks to restore funds for treatment of homeless mentally ill

Plaintiffs are seeking the restoration of money, cut by Schwarzenegger, for a program that targeted the homeless.

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Advocates for the mentally ill filed a lawsuit Thursday alleging that Gov. Arnold Schwarzenegger subverted the will of voters when he eliminated a \$55-million program for the homeless mentally ill -- a program he himself had touted as a success.

The suit asks a judge to restore the eliminated funding, order the state to continue paying for the program and declare that the governor acted illegally -- an important provision, the advocates said, in establishing precedent for future disputes over mental health system funding.

The suit was filed in Alameda County Superior Court, chosen because the plaintiffs include several mentally ill people in the county who credit the program with improving their lives -- helping them kick a drug habit, for instance, or move from the streets into their own apartment.

The legal dispute centers on the fine print of Proposition 63, the initiative approved by voters in 2004 that established a 1% "millionaires' tax" in an effort to overhaul California's cash-strapped mental health system.

Mental health advocates believe the cut violated a provision of Proposition 63 that prohibited the state from dropping below its 2004 funding levels for mental health -- funding that was in place, in other words, when voters approved the initiative. That portion of the law was designed to keep the state from using the new money to cover cutbacks elsewhere in the mental health system.

The money generated by Proposition 63 was intended to fund a modern, intensive style of treatment modeled largely after the program for the homeless mentally ill that is the focus of the lawsuit. The program is known as Integrated Services for Homeless Adults with Serious Mental Illness or AB 2034, after the bill that created it.

The program, run by counties, cities or government contractors, has served 13,000 people since 1999. There were about 4,700 participants at the time Schwarzenegger cut the funding in August.

The governor once singled out AB 2034 for creating "significant savings at the local level." The program had been

shown to sharply reduce homelessness and stays in jails and psychiatric hospitals among participants.

But Schwarzenegger eliminated the funds as part of \$700 million worth of vetoes made in an effort to break a budget impasse in Sacramento.

As a result of the cut, the suit says, about "4,700 adults with serious mental illness are likely to lose housing, employment and other support, thus destroying the progress they have made in managing their illness and re-integrating into society."

Officials in the 34 counties that offer the program have begun scaling back or eliminating services or scrambling to pay for them with existing funds.

State officials argue that despite the elimination of the program's funding, the state is in compliance with Proposition 63 because overall funding for mental health has increased since 2004. Statistics provided by the governor's office Thursday show that mental health funding has increased from \$558 million in 2003-04 to \$741 million in 2007-08.

"The requirement is met through a variety of sources of funding," said Department of Finance spokesman H.D. Palmer. "Even with the reduction in the AB 2034 funds, we are still meeting the . . . requirement."

But the advocates believe the funding provision of Proposition 63 should be interpreted strictly, meaning that money would be protected for every individual program in the mental health system.

That dispute is at the heart of the lawsuit.

"The concern was that if you bring more money into the system, you don't want them to pull money out from elsewhere, because then you are gaining nothing," said Kim Lewis, a staff attorney with the Los Angeles-based Western Center on Law & Poverty and one of the lawyers behind the suit.

"Part of the thinking of the authors was: Let's not lose ground," Lewis said. "That's what the voters thought they were agreeing to."

The lawsuit was filed against the governor and state Department of Mental Health Director Stephen W. Mayberg, who could not be reached for comment.

The suit was brought by several of California's leading advocacy groups, including the Mental Health Assn. in California, the California Network of Mental Health Clients and the National Alliance on Mental Illness California.