

**OFFICE OF MENTAL HEALTH
STATE OPERATIONS -- ALL GOVERNMENTAL FUNDS
2013/2014 ENACTED BUDGET HIGHLIGHTS**

	MH Program Fund/PIA PS & NPS	MH Program Fund/PIA Fringe & Indirect	Other Funds	Total Operating	Capital Funds
2012/13 Estimated	\$1,366,120,000	\$605,963,000	\$7,685,000	\$1,979,768,000	\$324,123,000
2013/14 Enacted	\$1,383,639,000	\$656,233,000	\$7,348,000	\$2,047,220,000	\$162,598,000
CHANGE	\$17,519,000	\$50,270,000	-\$337,000	\$67,452,000	-\$161,525,000

Note: These highlights reflect Financial Plan cash spending projections for OMH State Operations funding in the 2013/14 Enacted Budget.

Overview

The 2013/14 Enacted Budget for Office of Mental Health (OMH) State Operations balances the competing challenges of cost-containment in response to fiscal conditions while ensuring that mental health obligations continue to be met through the provision of quality care and treatment. Net of employee fringe benefit growth, State Operations funding grows by about 1.3% from prior year estimates with the intent to support OMH’s network of psychiatric health care settings which are required to meet national accreditation standards set by The Joint Commission and the Centers for Medicare and Medicaid Services. This accreditation is necessary for maintaining about \$1.2 billion in patient revenue streams to the State.

All Programs

The 2013/14 All Governmental Funds Enacted Budget for OMH State Operations grows by \$67.5 M from FY 2012/13 estimated spending or 3.4%. The largest share of the growth is to accommodate the year to year fringe benefit rate increase. Specific actions include:

Regionalization of State-Operated Services (+\$0.0M): The Legislature rejected a 13/14 Executive Recommendation to create Regional Centers of Excellence for the diagnosis and treatment of complex behavioral health illnesses for adults and children. A portion of the \$24.2M in savings earmarked in 13/14 through regionalization would have been reinvested to support community-based services to facilitate earlier and better access to care, and prevent unnecessary institutionalization. Because the Legislature rejected this initiative, \$24.2M in planned State Operations spending reductions was restored in the 13/14 Enacted Budget to support continued hospital-based services at 12/13 levels.

Supporting Base Operations (+\$19.1 M): The 2013/14 Enacted Budget includes personal services and non-personal services adjustments related to salary increases for staff not paid at the job rate and inflationary increases.

SOTP Adjustments (+\$8.4 M): The 2013/14 Enacted Budget includes funding to support services growth for the Sex Offender Treatment Program (SOTP). Spending increases are to accommodate inpatient census growth along with the development of a treatment program to be operated by OMH for certain sex offenders while still in correctional settings. It is expected that positive treatment outcomes will reduce the number of respondents committed to OMH inpatient treatment which is more costly than in-prison treatment.

Collective Bargaining Annualizations (+\$5.9 M): Various Labor-Management agreements related to the end of deficit reduction leave, and the timing of the implementation of settlement negotiations with the Civil Service Employees Association, the New York State Correctional Officers & Police Benevolent Association and Council 82, results in a net increase of \$5.9 M in personal service costs.

Annualizations of Prior Year Actions (-\$0.9 M): The 2013/14 Enacted Budget includes the annualization of various prior year initiatives including statewide workforce efficiencies and programmatic restructuring.

Personal Service Re-estimate (-\$15.0M): Personal Services cash is adjusted based on the most recent re-projection of 2013-14 requirements to support State employee salaries.

Fringe Benefits & Indirect Costs (+50.3 M): The 2013/14 Enacted Budget includes PIA & Program Fund growth of \$38.1 M (or 8.3%) from 2012/13 related to fringe benefit and indirect cost rate adjustments which are passed on to OMH.

Other Funds (-\$0.3 M): Other operating funds are adjusted by a net -\$0.3 M.

Capital (-\$106.5M): Capital spending levels reflect trends that demonstrate spending to be less than projected levels in 12/13.

Workforce

OMH Workforce levels for the end of 2013/14 are projected to be 15,248 FTE.

Article VII Legislation

Article VII bills to allow for the implementation of the 13/14 Enacted Budget include the following:

- **New York City Children's Center Technical Amendments:** Provide technical amendments to make corrections to the language authorizing the New York City Children's Center (NYCCC) that was included in Chapter 56 of the Laws of 2012.
- **Single Appointing Authority:** Provide the Commissioner of OMH with statewide appointing authority concerning the assignment and reassignment of staff as needed to ensure the continuity of services provided to patients by OMH.
- **Streamlining Reporting Requirements:** Eliminated the requirement for the Family Care and Comprehensive Psychiatric Emergency Program (CPEP) annual reports and amended section 5.07 of the MHL (5.07 Plan) to require a description of the CPEP.