

Role of Local, State, and Federal Partners Research DRAFT Report

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Executive Summary

1. Budgets are moral documents and reflect our priorities as a society, including how we choose to neglect or address systemic racism. Utilizing all funding sources possible to ensure there are adequate safety nets for groups that have been historically marginalized is a critical way of promoting racially just outcomes. The programs discussed in this section will all improve needed services for Black and brown residents of Oakland while addressing upstream causes of policing.
2. Implementing alternatives to policing and addressing the root causes of violence needs to be done in partnership with the County, which controls critical financial resources and has legal responsibility to provide residents social services, including for behavioral health. (Pgs 3-6).
3. There are both direct and indirect ways in which the County can reduce Oakland Police Department calls for service, either through immediate investments in alternate responses or long-term investments that address root causes of violence (Pgs. 3-6).
4. In considering the advisory boards' recommendations, Task Force members should consider how recommendations may rely on or can leverage federal, state, and/or county funds to meet Oakland residents' needs. This is especially true for homelessness and behavioral health funding:
 - \$1 reallocated from police can result in \$2 of mental health funding for Medi-Cal recipients through the Federal Medical Assistance Percentage (Pg. 8-9).
 - Two state Medi-Cal initiatives will be available beginning 2022 to support the well-being of residents without relying on City funding (Pg. 9-10).
 - The 2021-22 State budget and several state bills may provide (or are providing) funding for behavioral health and/or homelessness (P. 11 and 15).
 - The Community Assessment and Transport Team (CATT) Program relies on state Mental Health Services Act (MHSA) funding along with county Measure A funding, exemplifying how programs combine funding streams from different levels of government to deliver services. (Pg. 13)
 - Alameda County Measure W sales tax revenue for homelessness, which was authorized through a ballot initiative in Nov. 2020, should be geographically allocated according to need as called for in the ballot measure, and efforts need to be made to ensure this funding is not diverted for uses other than homelessness (pg 14).
5. For state grant programs for which both Oakland and Alameda County are eligible recipients, both entities should apply for funding and Alameda County should direct funding to Oakland commensurate with its level of need for services.

¹ Acknowledgments: Several community members and public agency staff provided crucial input in shaping the direction and information presented in this report. Special thanks go out to Brooke Levin (Budget & Data Analysis advisory board) and Naomi Schiff (Shelter Oak).

What we explored:

This memo has three goals:

1. Demonstrate what County, state, and federal funding streams are responsible for providing crucial support services for Oakland residents
2. Highlight how key program areas require non-City funding
3. Identify additional funding streams the City can leverage to implement the Task Force recommendations.

We encourage the Task Force and City Council to remember there are additional funding streams available in addition to money reallocated from the OPD budget to better meet the needs of Oakland residents. We focus on two key areas: behavioral health and homelessness, to exemplify key county, state, and federal funding opportunities available. These focus points were identified because their funding and services are generally provided by a governmental entity other than the City of Oakland, there is widespread community agreement about the need, and there is significant impact on police time utilization, resulting in a large budgetary impact. Additionally, these focuses have obvious implications for racial justice, as the issues of behavioral health and homelessness disproportionately impact people of color, and failing to provide adequate services routinely leads to inappropriate interventions by the police. Finally, it important to note that homelessness and behavioral health are related to each other: 22% of Alameda County residents who were unhoused according to a 2019 point-in-time survey cited a behavioral health reason as their cause of homelessness.²

Lastly, we provide brief descriptions of the City, County, and State service responsibilities and budget processes so Task Force members understand where they differ and where they intersect. We hope this document can be used as a tool to help consider the proposed recommendations set forth by our Advisory Board colleagues.

Background Information: County and State Budget Context

Oakland will be most successful at reimagining public safety if it has the support of county, state, and federal partners. This section provides context for Task Force members to better understand the information provided in this research report regarding the behavioral health and homelessness funding and services.

The County: Utilizing revenue generated primarily through property taxes, Alameda County is responsible for providing critical safety net services to residents in Oakland, such as: unemployment benefits, foster care, CalFresh, Women, Infants & Children Supplemental Nutrition program (WIC), and mental and physical health services through Medi-Cal. Thus, the City will need to work closely and collaboratively with Alameda County to improve these services for Oakland residents. For example, according to the Legislative Analyst's Office (LAO), "the state directs about 80 percent of total funding for public community mental health

² Alameda County Home Together plan.

<https://homelessness.acgov.org/homelessness-assets/docs/Home-Together-Plan.pdf>

services to county behavioral health agencies.”³ If the Task Force aims to increase funding for behavioral health crisis response in Oakland, buy-in from the County’s Behavioral Health Department, which controls those funds, will be required to implement the changes sought.

While three different members of the County Board of Supervisors represent parts of Oakland, each of these three members also have jurisdiction over multiple other cities and no single member of the County Board of Supervisors is responsible for representing the interests of residents of Oakland. District lines cross city borders with the specific intention of making Board members think about how county funds can be used across cities.⁴ Because of this fragmented representation, Oakland residents’ control over County budget decisions is limited and it may be hard to redistribute significant funding to Oakland. However, thoughtful arguments and consistent pressure on the supervisors who do represent Oakland can go a long way in creating change that benefits the City.

As of the writing of this report (February 2021), the County Board of Supervisors is highly preoccupied with a budget crisis induced by the COVID-19 pandemic. The County will face challenges in providing substantial resources for new social services in the short-term if it does not dramatically change its own resource allocation across County program areas. Efforts to reallocate money away from policing and incarceration at the county level (Sheriff and Santa Rita jail) are needed to provide more adequate resources for addressing the County’s -- and Oakland’s -- needs for social services. That being said, the County will be receiving new revenue to address homelessness in the coming months through the voter-approved Measure W, which would benefit Oakland residents if it is rolled out according to the language that was presented to voters in November. For more information about issues with Measure W, see page 15 in the Homelessness section.

The state of California: The State General Fund (SGF) is primarily responsible for funding two key areas: public education (36% of the total SGF) and health and human services (33% of the total SGF).⁵ State Assembly Members Rob Bonta and Buffy Wicks, alongside State Senator Nancy Skinner, are responsible for representing Oakland’s interests and values through the State budget process. It is important to note that Senator Nancy Skinner presides over the State Senate Budget and Finance Committee, which is responsible for developing, evaluating, and modifying the budget on behalf of the State Legislature.

³ Legislative Analyst’s Office (August 21, 2019). “Overview of Public Community Mental Health Services Funding and the Mental Health Services Act.” Accessed here on 2/6/2021:

<https://lao.ca.gov/handouts/health/2019/Mental-Health-Services-Funding-082119.pdf>

⁴ Alameda County Board of Supervisors District Map available here:

<https://www.acgov.org/board/documents/districtmap.pdf>

⁵ Graves, Scott (December 2019). Dollars and Democracy: A Guide to the State Budget Process. California State Budget and Policy Center, accessed here on February 9, 2021:

<https://calbudgetcenter.org/resources/dollars-and-democracy-a-guide-to-the-state-budget-process-2019/>

Relationship Between City, County, and State Budgets

This section provides a brief overview of how Oakland typically receives resources from Alameda County and the state of California. While Oakland also receives funding from the federal government, federal government resources are not a focus of this section.

There are three main mechanisms through which Oakland receives state and county resources:

- The County provides direct services to Oakland residents alongside other Alameda County residents (for example, administering Medi-Cal or providing behavioral health treatment at County-run psychiatric facilities).
- The County funds community-based organizations (for example, providing contracts to Bonita House, Roots Community Clinic, and St. Mary's Center). If Oakland-based CBOs receive more county funding, they could focus on upstream preventative services and community-based solutions that reduce violence and increase public safety.
- The State and County provide grants or subsidies for specific City programs. These resources are almost always non-discretionary and are restricted for specific purposes, so they do not enter into the City's General Fund.⁶ Total grants and subsidies provided by the state and county accounted for about \$81.5 million in the FY 2019-2020 budget, or 4.7% of the total Oakland budget.⁷

Note also that the state offers certain grant programs that both cities and counties are eligible to apply for. For example, Project Homekey, the state program for acquiring hotels and motels during the pandemic for conversion into permanent housing for homeless individuals, is a program from which both Alameda County and the City of Oakland have received funding.

While counties and cities generally have distinct responsibilities, there is overlap as shown in the table below. There are certain program areas where increased County investments would directly reduce the workload that the Oakland Police Department is currently managing. For example, improving the quality and scale of resources for treating serious mental illness for residents of Alameda County would mean that fewer people with mental illness become subject to policing. Additionally, scaling up the County's programs for mental health crisis response (such as the MET and CATT programs, discussed in greater detail on page 14) would reduce the OPD's load of service calls.

⁶ Every city operates a budget with two major types of expenditures: Discretionary expenditures and Non-Discretionary expenditures. Discretionary expenditures make up the portion of the budget that the City Council and Mayor have *discretion* over, meaning they can choose where it goes and what it funds. Discretionary funds are administered through the General Fund. The General Fund can be understood as a "General purpose fund," or the fund to cover all functions the City has responsibility to run. The General Fund is roughly 40 percent of Oakland's overall budget. There are also Non-Discretionary funds, which make up the remainder of the city budget. Non-Discretionary funds include money that must be used for a specific department or program. This is money generated for, and restricted to, Special Purpose Funds.

⁷ FY 2019-2021 Oakland Budget Book.

<https://cao-94612.s3.amazonaws.com/documents/FY-2019-21-Adopted-Budget-Policy-Book-FINAL-WEB-VERSION.pdf>

Services Provided to Oakland Residents by Service Provider

City of Oakland	Alameda County
Police Protection	Courts of Law
Fire Suppression	Jails & Juvenile Hall
Recreation Programs	Coroner & Medical Examiner
Oakland Public Libraries	Probation
Violence Prevention Services	Registrar of Voters
Planning & Building	Property Tax Assessment & Collection
Economic Development	Public Defender
Head Start	District Attorney
Senior Centers and Services	Medi-Cal (Medicaid)
KTOP (Local government cable channel)	CalFresh (Food Stamps)
Housing development and referral services	CalWORKS (TANF)
Rent arbitration	Health Programs
Emergency medical response	Public Health Services
Children and youth services	Child Support and Protection
Parking management	Mental Health Services
Sewers and storm drains	Emergency Medical Transport (Ambulance)
Transportation planning	
Street and sidewalk maintenance (local)	
Parks, trees, and public spaces	
Street lights and traffic signals	
Recycling and solid waste	
Workforce and job training	

Note: Some program areas are managed by both the county and the city. Where this is the case, this table reports the primary service provider.

Source: City of Oakland FY19-21 Budget Book

Why should Oakland get more in resources and services from Alameda County?

The previous section explains the different ways in which Oakland's budget interacts with Alameda County's. It is important to note that some County resources are distributed geographically, generally by sub-regions within the County, while other services are shared

among all County residents regardless of where they live, such as mental healthcare services for people with severe mental illness. In both cases, the County can make changes that would positively affect both Oakland residents and the County's own financial outlook.

There is significant data showing that Oakland has a disproportionate amount of the Countywide need for community-based services, justifying County prioritization of funding community-based services in Oakland. The data presented in this section indicate that in terms of its poverty rates, share of the homeless population, and the share of residents on Medi-Cal, Oakland residents have a very high level of need and are disproportionately users of public healthcare and social service infrastructure. However, multiple knowledgeable interviewees who have worked for the city and county have remarked that Oakland does not receive funding commensurate with its level of need relative to overall countywide need.

For County services that are not geographically distributed, the overall level of resources and quality of services provided is more important than where facilities or services are located. For example, the County currently provides inadequate resources for behavioral health, a problem which affects Oakland residents acutely because the City's residents disproportionately rely on public services, as shown by the data in the next section. When people with mental illness are unable to receive adequate treatment, they are more likely to experience crises that lead to involvement with the criminal justice system. Providing adequate funding for behavioral healthcare services could lead to a reduction in the number of service calls OPD responds to.

Alameda County's additional investments in social services in Oakland could have a strong positive impact on the County's financial outlook. Currently about half of the Alameda County's discretionary budget goes towards criminal justice-related services, including the Sheriff's Department, District Attorney, and the Probation Department. Because the presence of an adequate social safety net is the critical upstream factor for preventing violence and crime, directing grants to Oakland or directly providing social services in Oakland -- where need is greatest -- means that Alameda County would save itself money in the long run that would otherwise be funneled into the county's criminal justice system.

Key Data on Oakland's Need for Services Relative to Countywide Need

- Despite having only a quarter of the County's population,⁸ Oakland is home to nearly half of the total households living in poverty in Alameda County. Of approximately 24,000 households with incomes below the federal poverty line in Alameda County, approximately 11,500 of them live in the City of Oakland. For reference, the federal poverty limit was \$25,750 for a household of four people in 2019, meaning that these figures do not capture a large number of households whose incomes are still well below a living wage. The number of households below the poverty line in Oakland is five times greater than in any other city in Alameda County.⁹

⁸ There were 425,079 people living in Oakland as of 2019 and 1,671,000 living in Alameda County.

⁹ American Community Survey, 2019

- Oakland additionally has the highest rate of poverty out of any city or unincorporated area in Alameda County. 12.9% of Oakland households were living in poverty in 2019, more than any other city or unincorporated area in Alameda County.¹⁰
- Oakland had 50% of the County's unhoused residents according to the 2019 Homelessness Point-in-Time survey. 4,071 out of 8,022 unhoused Alameda County residents lived in Oakland in 2019. The City and County numbers have both likely increased significantly since 2019 due to the continued regional housing crisis and the economic fallout of the COVID-19 Pandemic.¹¹
- Nearly 40% of the total Medi-Cal enrollees in Alameda County live in Oakland, indicating that Oakland residents rely heavily on county-administered services for behavioral healthcare.¹² Almost 30 percent of Oakland residents (120,000 people) are enrolled in Medi-Cal. Medi-Cal users who are diagnosed with severe mental illness rely on County psychiatric services run through Alameda County Behavioral Health.

Mental Health *A note on terminology: the term “behavioral” health encompasses both mental health and substance use treatment. The term “Mental health” refers to diagnoses or conditions related to a person’s psychological and emotional well-being.*

People with mental health concerns face increased risk of experiencing violence at the hands of the police. Since 2015, the Washington Post reports that “at least 25% of people shot and killed by police displayed signs of mental illness.” Further, “people who are experiencing mental illness or a disability are 16 times more likely to die during an encounter with police.”¹³ Thus, better addressing the mental health needs of Oakland residents is directly connected to reimagining and improving public safety. While there is significant behavioral health need across communities in California, there is very little access to behavioral health services. In FY 2018-2019, only 43% of eligible Medi-Cal enrollees with any mental illness actually received services in California.¹⁴ Within Managed Care Plans, which are responsible for providing mild to moderate mental health services for adults, white enrollees received significantly more mental health services than Black, Latinx, Asian-Pacific Islander, Native American, or multiracial enrollees.¹⁵ By dedicating more discretionary funding to improving access and availability of behavioral health services, the Task Force can improve the safety and wellbeing of residents as well as reduce racial disparities in care.

¹⁰ American Community Survey, 2019

¹¹ The biannual homelessness point-in-time survey is an undercount of homelessness because it does not capture people who are staying with friends or friends on a temporary basis, or people who sleep or dwell in very hidden locations. While the point-in-time survey for 2021 has been postponed for at least one year due to COVID-19 health concerns for both unhoused residents themselves and for volunteers who participate in the count.

¹² American Community Survey, 2019.

¹³ Fatal Force. Washington Post, accessed here on February 12, 2021:

<https://www.washingtonpost.com/graphics/investigations/police-shootings-database/>

¹⁴ California Pan-Ethnic Health Network (November 17, 2020). “Mental Health Disparities by Race and Ethnicity for Adults on Medi-Cal.” California Health Care Foundation.

¹⁵ California Pan-Ethnic Health Network (November 17, 2020). “Mental Health Disparities by Race and Ethnicity for Adults on Medi-Cal.” California Health Care Foundation.

What we know about police cost and time

Recent data analyzed by other Budget & Data Advisory Board members shows that in 2019, there were 14,653 calls for service involving behavioral health-related codes, requiring 23,445 hours of OPD officer time.¹⁶ Research shows that a police response is generally more expensive than a community-based behavioral health worker response. The Center for American Progress estimates that “between 33 and 68% of police calls for service could be handled without sending an armed officer to the scene; between 21 and 38% could be addressed by Community Responders; and an additional 13 to 33% could be dealt with administratively without sending an armed officer to the scene.”¹⁷ Focusing funds on behavioral health intervention at the community level instead of incarcerating residents with mental illness or substance use disorder can generate significant cost savings. The Stanford Justice Advocacy Project reports that while “the annual cost of incarcerating an average state prisoner in California is over \$70,000 (not including behavioral healthcare costs), the cost of treating a person with mental illness in the community is approximately \$22,000.”

Not only is a police response more expensive, but it is also the not appropriate response to meet the needs of mental health calls for service. In fiscal year (FY) 2015-16, the California Department of Health Care Services reported that Alameda County had the highest rates of involuntary 5150 detentions in the State, and over half of the total 5150 holds were from Oakland. According to the Marshall Project, “Black people make up over a third of those brought to the hospital’s emergency psychiatric ward, but just a tenth of the county population overall.”¹⁸ Upon closer look at the 5150 hold transferred to the psychiatric emergency services unit (PES), it was reported that “75-78% did not meet medical necessity criteria for inpatient acute psychiatric services.”¹⁹ In FY 2015-2016 these 5150 transports made up 11% of all ambulance transports. As of July 2019, the cost for an ambulance transport in Alameda County starts at a base rate of \$2,295.00, \$51.78 per mile and \$171.45 for oxygen.²⁰ Reducing reliance on 5150 holds that are often called in by police can lead to significant cost savings to the County and better responses by appropriate alternative emergency personnel.

There is also evidence from other cities that shows replacing police responders with behavioral health and crisis response specialists generates significant cost savings. The Center for American Progress reports that an estimated \$8.5 million in taxpayer dollars is saved every year in Eugene, Oregon from replacing police response with the CAHOOTS program, the model for Oakland’s own MACRO program. In Denver, the Support Team Assistance Response (STAR)

¹⁶ Belew, R., Binning, L., Mente, J., and Tulloch, C. Calls for Service Data Working Group, Budget and Analysis Advisory Board, City of Oakland Reimagining Public Safety Task Force. February 2021.

¹⁷ (Irwin and Pearl, Center for American Progress, October 2020)

¹⁸ Thompson, Christie (November 8, 2020). “When Going to the Hospital Is Just as Bad as Jail.” Marshall Project, accessed here on February 11, 2021:

<https://www.themarshallproject.org/2020/11/08/when-going-to-the-hospital-is-just-as-bad-as-jail>

¹⁹ Alameda County MHSA INN Plan FY 2019-2023. Pg. 4

²⁰ Alameda County Health Care Services Ambulance Transport Provider Agreement (October 17, 2018). Accessed here on February 8, 2021:

http://www.acgov.org/board/bos_calendar/documents/DocsAgendaReg_10_23_18/HEALTH%20CARE%20SERVICE/Regular%20Calendar/HCSA_272126.pdf

program consisting of dedicated behavioral health professionals cost \$208,141 to launch and is expected to save millions of dollars in cost savings.²¹

Key Funding Streams and Legislation to Watch

Many of the Advisory Board recommendations focus on preventing mental health crises, de-escalating mental health crises, or responding to mental health crises in a trauma-informed way. These efforts may be eligible for funding support from the county, state, and/or federal government. Below are key funding streams Task Force members can consider when evaluating the efficacy of recommendations that focus on the mental health of Oakland residents:

Medi-Cal Funding

Medi-Cal, the State's medicaid healthcare program for individuals experiencing poverty, is responsible for mental health service provision for almost half of Oakland's population. Medi-Cal is paid for by a combined source of funding: a non-federal contribution and a federal match. The Federal Medical Assistance Percentage (FMAP) is the percentage amount the federal government guarantees it will match the states for qualifying Medicaid expenditures. States are guaranteed at least \$1 in federal funds for every \$1 in state spending on the program.²² For any qualified Medicaid expenditure, the federal government match is limitless- if there is an increase in the non-federal share put in, then there will be an increase in the amount the federal government contributes. Sometimes the federal government will implement an enhanced FMAP to provide additional funding to states for Medicaid services. For example, as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) of 2020, the FMAP was increased by 6.25% in response to the COVID-19 pandemic.²³

Federal law does require that at least 40% of the non-federal share come from state funds. A vast majority of this non-federal Medi-Cal contribution from the state is from the State General Fund (SGF), meaning that it is discretionary funding. While most Medi-Cal dollars funneled to the County are from the federal and state government, jurisdictions can also fund the non-federal share of Medicaid with "other state funds" which may include funding from local governments or revenue collected from provider taxes and fees. This freedom is a crucial area in which we can see a redirection of funds away from law enforcement and into public safety that is focused on the wellbeing and health of Oakland residents.

To increase mental health services through recommendations proposed by the Task Force, the City can partner with Alameda County Behavioral Health and draw funding that is eligible for the federal match. Both the City and County may also take advantage of the new Medi-Cal billing structure proposed by the California Department of Health Care Services Advancing and Innovating Medi-Cal (Cal AIM) initiative to utilize an Intergovernmental Transfer (IGT) to increase funding for mental health services. This would be eligible for the federal match as long

²¹ (Irwin and Pearl, Center for American Progress, October 2020)

²² Snyder, L and Rudowitz, R (May 20 2015). Medicaid Financing: How Does it Work and What Are the Implications? Kaiser Family Foundation, accessed here on February 10, 2021:

<http://files.kff.org/attachment/issue-brief-medicaid-financing-how-does-it-work-and-what-are-the-implications>

²³ Pub. L. 116-136 (March 27, 2020), <https://www.congress.gov/116/bills/hr748/BILLS-116hr748enr.pdf>

as the original funding source was not federal in origin. An IGT would allow the City to redirect funds traditionally allocated to police to help fund the non-federal Medi-Cal contribution, which in turn will double the amount available for Medi-Cal services when the federal match is added. In this way, each \$1 re-allocated from police can result in \$2 in mental health funding.

California Advancing and Innovating Medi-Cal (Cal AIM) Initiative

Set to roll out on January 1, 2022, Cal AIM is a multi-year initiative led by the California Department of Health Care Services to implement reforms to the Medi-Cal program to improve care, service delivery, and the Medi-Cal financing system. Areas of particular interest to the Task Force are In Lieu of Services (ILOS) and Enhanced Care Management (ECM).²⁴

In Lieu of Services (ILOS)

In lieu of services (ILOS) are flexible wrap-around services provided to a Medi-Cal recipient to substitute or avoid other more costly and intensive services Medi-Cal covers, such as a hospital or psychiatric facility admission. The current list of covered ILOS include services specific to addressing behavioral health needs, housing insecurity, and homelessness, such as: housing navigation services, housing deposits, housing tenancy and sustaining services, short-term post-hospitalization housing, recuperative care (medical respite), day rehabilitation programs, meal assistance and delivery, respite services and sobering centers.²⁵ The ILOS proposal will be available to Medi-Cal recipients deemed at high levels of risk, which include individuals who are high service utilizers, individuals experiencing homelessness or are at risk of homelessness, and individuals who have behavioral health needs.

Medi-Cal Managed Care providers in Oakland, such as Kaiser Permanente, will be responsible for implementing and delivering ILOS to Medi-Cal recipients. The City can partner with these Managed Care plans to receive ILOS funding for Task Force recommendations that may replace or avoid more intensive medical services. Potential Task Force recommendations that may be eligible for ILOS include: expanding the MACRO program, creating a Behavioral Health Unit, developing additional supports for survivors of commercial sexual exploitation (CSE) and domestic violence, and creating a community-led behavioral health crisis hotline.²⁶

Enhanced Care Management (ECM)

Through Enhanced care management (ECM), certain Medi-Cal target populations will be eligible to receive intensive and comprehensive care management services. This benefit helps clients address both clinical and non-clinical needs that affect their health and wellbeing. This can include housing instability, exposure to trauma, unmet behavioral health needs, and limited employment opportunities. In Alameda County,

²⁴ Department of Health Care Services California Advancing and Innovating Medi-Cal webpage, accessed here on February 11, 2021: <https://www.dhcs.ca.gov/provgovpart/Pages/CalAIM.aspx>

²⁵ Department of Health Care Services (January 8, 2021). California Advancing and Innovating Medi-Cal Executive Summary and Key Changes. State of California, Health and Human Services Agency. Accessed here on February 10, 2021: <https://www.dhcs.ca.gov/provgovpart/Documents/CalAIM-Executive-Summary-1-8-21.pdf>

²⁶ Recommendations summarized from Draft Advisory Board Recommendations as of January 15, 2021.

the ECM benefit will be implemented by Managed Care Plans, building upon the Alameda County Care Connect pilot.²⁷

As written by DHCS in the most recent Cal AIM proposal, target populations include:

- Children or youth with complex physical, behavioral, developmental and oral health needs (including youth in foster care).
- Individuals experiencing homelessness, chronic homelessness or who are at risk of becoming homeless.
- High utilizers with frequent hospital admissions or emergency room visits.
- Individuals at risk for institutionalization, children with serious emotional disturbance (SED) or substance use disorder (SUD) with co-occurring chronic health conditions.
- Individuals transitioning from incarceration who have significant complex physical or behavioral health needs

In 2018, the budget for Alameda County Care Connect was \$28.4 million in annual federal funds, matched by Alameda County Health Care Services Agency (HCSA). Through Cal AIM, we can expect both the budget and access to this program to expand. The City of Oakland can work with Managed Care Plans in Oakland to ensure Oakland residents get equitable access to this new benefit, without utilizing the City's own general purpose funds.

Mental Health Services Act (MHSA)

Using MHSA funds, the County allocates funding specifically to prevention efforts to address trauma and improve the likelihood that the behavioral health needs of children and youth are met. These preventative services can help reduce the number of Oakland residents who will experience mental illness and can promote public safety for youth who are eligible for treatment, but may not get access to it unless provided through a community-based organization. MHSA funding is flexible and intended to fund prevention and innovation. HCSA, the entity that distributes MHSA funding, will often create a pilot program in one city before scaling it through the County. Thus, it is highly likely that MHSA funding could be allocated for programs dedicated to preventing or addressing behavioral health needs, including the following Task Force recommendations: supporting youth and young adults impacted or at risk of commercial sexual exploitation; increasing the number of counselors, violence interrupters, and social workers at school sites; staffing community-led crisis hotlines, or expanding MACRO.

The Governor's FY 2021-22 Budget

Governor Newsom has proposed an allocation for \$400 million in the FY 2021-22 budget, "to address the behavioral health needs of our students, especially as a consequence of trauma and the pandemic." Newsom claims that these funds will be prioritized for students "disproportionately impacted by the pandemic, with funds strongly weighted toward schools serving students from low-income families, foster youth, homeless students, English learners

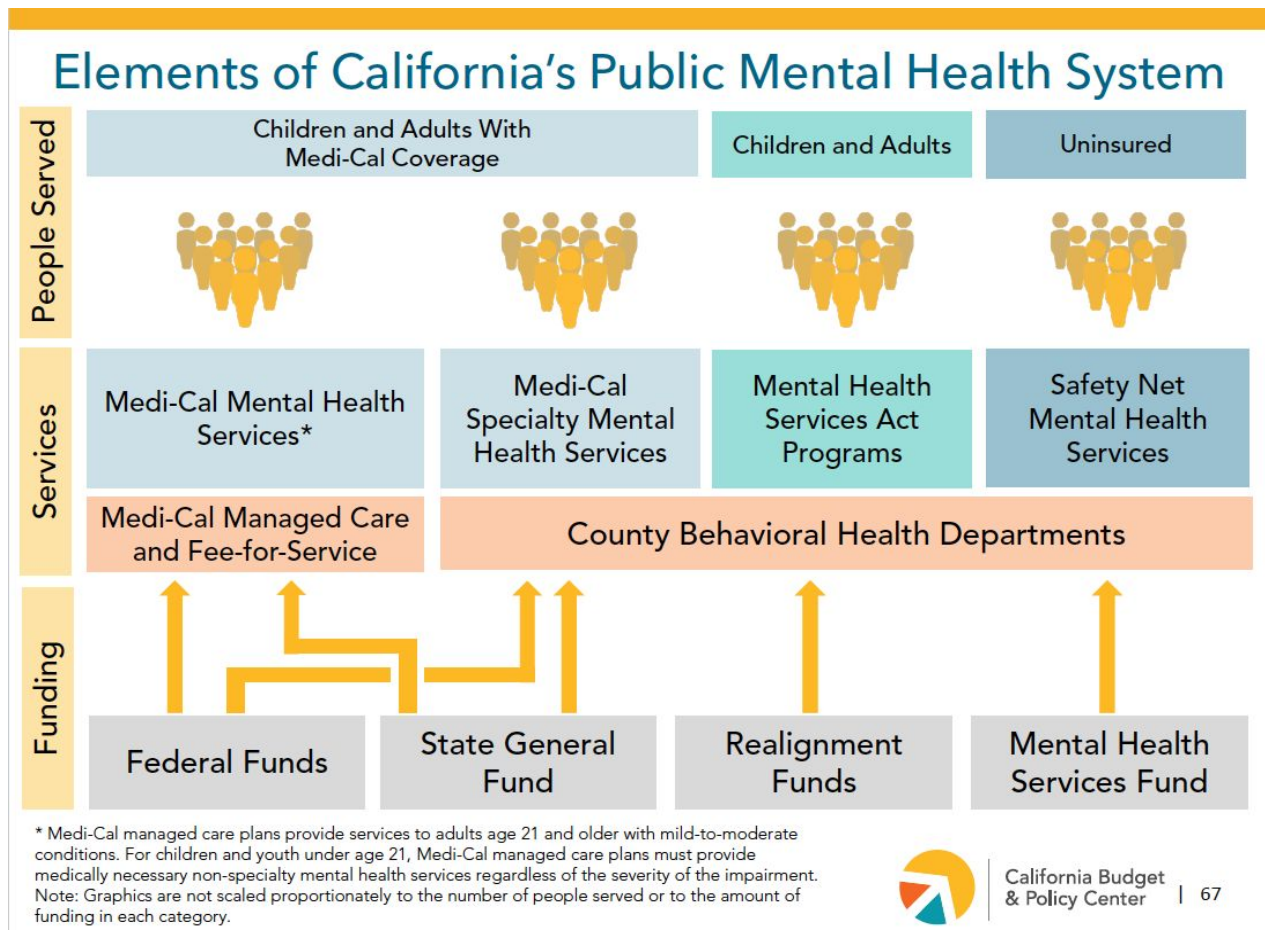
²⁷ Whole Person Care Alameda County brief (July 12, 2018). California Association of Public Hospitals and Health Systems. Accessed here on February 11, 2021:

<http://caph.org/wp-content/uploads/2018/07/alameda-wpc-pilot-7.12.18.pdf>

and others disproportionately impacted by the pandemic.”²⁸ During the 2018-2019 school year, the Oakland Unified School District (OUSD) enrolled 53,118 students, of which 73% were eligible for free and reduced lunch and 31.2% were identified as English learners.²⁹ Only 10.1 % of OUSD students identified as White; 46.6% identified as Latinx, 23.1% of OUSD students identified as Black or African American, and 12.9% identified as Asian or Filipino, and 4.2% identified as multiracial. These demographic statistics clearly align with who this budget allocation intends to serve. The Task Force should utilize this funding to help fund recommendations such as: 1) supporting the healing from traumas experienced by commercially sexually exploited youth and 2) increasing the number of counselors, violence interrupters, and social workers at schools dedicated to health and wellness needs of students.

Background: How services are funded and require other levels of government

Mental health services are mostly funded through a complex combination of federal and state funds, often making health care hard to access for Medi-Cal recipients in need.



²⁸ Office of Governor Gavin Newsom (January 8, 2021). "Governor Newsom Proposes 2021-22 State Budget." Accessed here on February 12, 2021:

<https://www.gov.ca.gov/2021/01/08/governor-newsom-proposes-2021-22-state-budget/>

²⁹ Education Data Partnership, accessed here on February 12, 2021:

<http://www.ed-data.org/district/Alameda/Oakland-Unified>

In Alameda County, the Behavioral Health Services (ACBHS) budget was \$556.97 million dollars, or roughly 58% of the total Health Care Services Agency (HCSA) overall budget. 17% of the total HCSA budget comes from the County's general fund. Key County programs aimed at serving residents in crisis are funded through the Mental Health Services Act, including the Mobile Evaluation and Crisis Response Team (MET) and Community Assessment and Transport Team (CATT).

Mobile Evaluation and Crisis Response Team (MET)

Beginning in 2014, behavioral health providers have teamed up with OPD officers to establish Mobile Evaluation Teams (MET) to reduce unnecessary 5150 holds. METs respond to mental health crisis calls and provide crisis intervention, conduct behavioral health assessments, and refer residents to services. Since implementation in 2014, METs have been established in other county jurisdictions, including Fremont, Hayward, and San Leandro. According to OPD, the METs in Oakland respond to 25-30 calls a day.³⁰ Alongside MHSA funding, the MET program also utilizes county Measure A funding.³¹

Community Assessment and Transport Team (CATT)

Launched in July 2020, the CATT Program currently operates in Fremont, Hayward, Oakland, and San Leandro to reduce the time law enforcement and ambulances spend on addressing psychiatric emergencies. The CATT program also connects people who are not eligible for psychiatric services to other resources they are eligible for. The CATT team includes a behavioral health provider and an EMT in an unmarked, non-emergency vehicle that can transport the resident to the appropriate support, such as a respite center, sobering center, or medical facility. The project currently staffs twelve teams from 7am until 11pm, seven days per week, in accordance with the times of day that the majority of 5150s are placed in Alameda County.³² Alongside MHSA funding, the CATT program also utilizes county Measure A funding.

Homelessness

This section focuses on how more permanent or temporary housing could be provided for people who are experiencing homelessness. These are investments that rely heavily on County

³⁰ Amalya Dubrovsky and Natalia Gurevich (December 18, 2019). "Combining clinicians and cops, Oakland's response program helps those in mental crisis." Oakland North, accessed here on February 12, 2021: <https://oaklandnorth.net/2019/12/18/combining-clinicians-and-cops-oaklands-response-program-helps-those-in-mental-crisis/>

³¹ Mobile Evaluation Team Project Update. Accessed here on February 12, 2021: http://www.acgov.org/board/bos_calendar/documents/DocsAgendaReg_9_26_16/HEALTH%20CARE%20SERVICES/Regular%20Calendar/BHCS_Oakland_Policy_Dept_Mobile_Evaluation_Team_9_26_16.pdf

³² Alameda County Behavioral Health Care Services Community Announcement. Accessed here on February 12, 2021: [http://www.acbhcs.org/Providers/News/2020/Announcement%20-%20New%20ACBH%20Programs%20\(CATT%20and%20%20Pre_Trial%20Pilot%20FINAL\).pdf](http://www.acbhcs.org/Providers/News/2020/Announcement%20-%20New%20ACBH%20Programs%20(CATT%20and%20%20Pre_Trial%20Pilot%20FINAL).pdf)

and state resources. Although the County also plays an important role in providing funding for homeless services and programming, this section does not include extensive information about street-level services and programs.

As of 2019 there were an estimated 4,071 unhoused residents in Oakland.³³ Unfortunately, this number is likely significantly today higher due to the COVID-19 crisis and a dramatic uptick in economic insecurity.

Addressing homelessness through adequately funded housing solutions is a racial justice issue. According to a 2019 homelessness survey, 70% of Oakland's unhoused residents were black. 13% were mixed-race, and 4% were Native American, even though Native Americans only constitute 1% of Oakland's total population.³⁴ (This survey did not report the share of the unhoused population that was Latinx). Black and brown Oaklanders are therefore disproportionately impacted by the collective failure of governing officials to address the City's crisis of homelessness and housing affordability more broadly.

What we know about impact on police time

Investing in housing solutions to address homelessness could lead to a significant reduction in several different categories of police service calls by providing stability for a highly vulnerable and heavily policed population. Although the share of OPD calls for service that are related to homelessness are not easy to interpret from the available data, many health issues that are common among the homeless population -- especially behavioral health issues³⁵ -- lead to a large volume of calls for service every year and are extremely difficult to address while individuals are unhoused. In recent years a growing body of evidence has shown that formerly homeless people who are housed through "Housing First" programs are less likely to become involved in the criminal justice system or be hospitalized.³⁶

Key Funding Streams and Legislation to Watch

Alameda County

In November of 2020 Alameda County voters passed Measure W, a sales tax measure that is anticipated to generate \$150 million per year for various types of homeless services, including

³³ Source:

<https://www.oaklandca.gov/news/2020/city-of-oakland-seeks-applicants-for-new-homeless-advisory-commission#:~:text=The%202019%20point%2Din%2Dtime,%23%23%23>

³⁴ City of Oakland Homeless Count and Survey, 2019.

https://everyonehome.org/wp-content/uploads/2019/12/2019HIRDReport_Oakland_2019-Final.pdf

³⁵ Nearly one quarter of people experiencing homelessness in Oakland in 2019 stated that they became homeless because of a mental illness or substance abuse disorders. Others who are homeless may additionally have a mental illness or substance abuse disorders, even if it was not the primary reason that they became homeless.

https://everyonehome.org/wp-content/uploads/2019/12/2019HIRDReport_Oakland_2019-Final.pdf

³⁶ National Alliance to End Homelessness, 2016, "Housing First Fact Sheet."

<https://endhomelessness.org/wp-content/uploads/2016/04/housing-first-fact-sheet.pdf>

many potentially including permanent supportive housing.^{37,38} The ballot measure called for distributing resources geographically based on the number of unhoused individuals in each jurisdiction. Oakland had half of the county's homeless population in 2019.³⁹ Because this measure was passed as a general revenue measure, the funding will be directed into the County's General Fund rather than into a restricted fund. This means there is some risk that the funding could be diverted for other uses, especially because the County is facing looming budget shortfalls due to the COVID-19 crisis.

As a result, Task Force members and Oakland residents need to pressure the Board of Supervisors to ensure that Measure W funding will be (a) in fact, directed to homelessness services, rather than being diverted for other financial needs during the COVID-19 crisis (b) distributed geographically according to the level of need, as described in the Everyone Home plan.

One other source of potential future County funding described in the Home Together plan,⁴⁰ the County's plan for homelessness, calls for the creation of an "Innovation and Acceleration Fund." Oakland should pressure the county to create this fund and should apply for funding from this program for permanent supportive housing innovations if and when it is established.

Other ways that the County could help create more housing options to address homeless in Oakland include:

- Apply for Project Homekey-funded projects that are located in Oakland. Project Homekey is the state program that has been used to rapidly acquire properties to provide housing solutions for unhoused people during the pandemic. Both Oakland and the County are eligible to apply for this competitive funding program, which is funded using state resources and federal COVID-19 relief funds. The state government has announced that there will be another round of Project Homekey grants this year, with \$1.75 billion available statewide.
- Explore allowing temporary encampments on County-owned land. This would address the policing of homelessness in particular by ensuring that unhoused Oaklanders because police are regularly called in to forcibly move unhoused people from one location to another. While this is not a long-term solution to the homelessness crisis and legal barriers still need to be examined, making land available would represent a non-monetary contribution that would result in less policing.

State of California

³⁷ For more information, see <https://www.spur.org/voter-guide/oakland-2020-11/measure-w-county-sales-tax>

³⁸ Permanent supportive housing refers to housing projects for households that require an ongoing housing subsidy, often because of a physical or mental disability or history of homelessness, and they incorporate services that are specific to the population living in these housing projects.

³⁹ Originally, allocation of resources was expected to have been determined according to the homelessness point-in-time survey for 2021, but the 2021 survey was canceled due to COVID-19 safety concerns. According to County staff, the measure W resources will instead be approximately allocated based upon PIT counts for 2019.

⁴⁰ See <https://homelessness.acgov.org/homelessness-assets/docs/Home-Together-Plan.pdf>

Several noteworthy bills have been introduced that would provide significant funding for homelessness. These are important bills to monitor and Task Force members and Oakland residents should encourage the organizations that they represent to support these bills in the coming months:

- AB 71, The Bring California Home Act, would create the state’s first on-going source of funding for homelessness by taxing corporations earning more than \$5 million annually
- AB 328, Re-entry Housing Program, would provide funding for housing and services to homeless individuals who were recently incarcerated in state prisons, or who will soon be released from state prisons and are at high risk of homelessness. This funding would be administered through counties and continuums of care.
- SB 234, The SUPPORT Act, would allocate \$100 million to fund new housing for homeless youth, foster youth, and youth exiting the criminal justice system.

Background: How Services are Funded and Require Other Levels of Government

Housing is extremely expensive to build and as a result, Oakland, like all other California cities, relies heavily on county, state, and federal resources to build affordable housing⁴¹ and permanent supportive housing. Units in new affordable housing projects cost an average of \$600,000 per unit to build in the Bay Area but are likely even higher in Oakland,⁴² and most affordable housing projects utilize federal and state funding. During the COVID-19 crisis, both the City and the County were able to purchase hotels and motels through the state Project Homekey program and convert them to permanently supportive housing units at a significantly lower cost. In Oakland this program delivered 104 housing units - most of which were “single-room occupancy” (SROs) - for a cost of roughly \$170,000 per unit.⁴³ This figure may not be representative of typical per unit costs for projects in Oakland.

While reallocating OPD budget to street-level outreach and services for unhoused people could be a highly effective means of redistributing City resources to produce more racially just outcomes, the resources needed to house the City’s homeless far outstrip what the City is paying to police homelessness. For example, the Oakland Police Department’s budget for its homelessness unit of three officers is \$900,000 per year (although this does not represent all homelessness-related police response). Multiplying this \$900,000 figure by 30 years (the standard period of affordability for publicly-financed housing projects) the total money that

⁴¹ We are using the definition of “affordable housing” utilized by major federal and state housing programs, which are housing units reserved for households with incomes below a specified threshold. This limit is calculated in relationship to the County median income. Many major housing programs require that a share of units are reserved for households with incomes below 60% of the County median income and a share of units are reserved for households below 80% of the County median income. While the median income is recalculated every year, as of 2020 60% of the median income translated into an annual income of \$78,300 and 80% was \$104,400 for a family of four people in Alameda County. We acknowledge that these income thresholds are significantly higher than what most people would consider appropriate for “affordable housing.”

⁴² The \$600,000 figure accounts for all Bay Area counties, including those where the cost of building housing is much lower. For more information see

https://ternercenter.berkeley.edu/wp-content/uploads/2020/08/LIHTC_Construction_Costs_2020.pdf

⁴³ Source:

<https://www.oaklandca.gov/news/2020/city-of-oakland-granted-17m-to-develop-more-than-100-units-to-house-unsheltered-residents>

would become available by reallocating police funding to housing is \$27 million. In contrast, Alameda County estimates that \$820 million would be needed to zero out the countywide homeless population. Assuming that half of this money were spent to address homelessness in Oakland, where half of the County's homeless population lives, \$410 million would be needed to create sufficient housing solutions for Oakland's unhoused residents.

One further challenge to using the police budget to significantly address homelessness is that police budgets are funded by taxes and revenues generated on an annual basis, but housing requires that investments be made up front, at the time of acquisition or construction. In short, while police funding could be reallocated to creating housing units and there are notable national examples of this occurring,⁴⁴ the number of units that this reallocated budget would be able to create is small relative to Oakland's level of need. Oakland cannot make a serious dent in providing the needed amount of housing for homeless groups without significant contributions from the County and state.

⁴⁴ For an example, see

<https://www.statesman.com/story/news/2021/01/27/austin-city-council-set-buy-hotel-house-homeless/4285813001/>