



Monday, June 29, 2009

Exclusive articles on state policy, politics and trends from the staff of Stateline.org

Thursday, June 25, 2009

Ga. hotline aims to cut mental health costs

By Rob Silverblatt, Special to Stateline.org

Even as the recession chips away at mental health services across the country, Georgia's around-the-clock psychiatric hotline is finding a way to weather the storm — and other states are watching closely.

The Peach State's Crisis and Access Line's philosophy is simple: By making it easier and faster for patients to get the psychiatric care they need, states can address problems before they potentially lead to expensive hospitalizations and even incarcerations.

Launched in July 2006, the hotline has long been a model nationally, but its success has held even wider implications lately as soaring unemployment rates take their toll, experts say.

"When people lose their jobs, when people lose their homes, those are huge life stressors, and anyone who is predisposed to a mental illness — the mental illness is normally triggered," said Sarah Schwartz, executive director of the support and advocacy organization Mental Health America of Georgia. Meanwhile, those who already suffer from an illness generally see their conditions deteriorate under such circumstances, she said.

But just as these demands for services accelerate, states have had to slash mental health budgets to close swelling deficits.

In this fiscal year, states have cut \$1.5 billion from mental health programs, and that number is expected to double for fiscal year 2010, according to the National Association of State Mental Health Program Directors. State mental health agencies are saying it is becoming increasingly difficult to do more with less money.

"We're rolling on a crisis," said Marion Poirier, executive director of Hawaii's chapter of the National Alliance on

Mental Illness (NAMI), a grassroots advocacy group based in Arlington, Va. “We are in a severe financial crunch.”

For David Covington, who until recently ran the Crisis and Access Line, that is precisely why the Georgia model is so appealing in the current environment.

“State governments across the country are facing significant cuts,” he said. “They’re looking to prioritize and they’re looking for effective and efficient ways to do better.”

What distinguishes Georgia from mental health programs in other states is that its hotline serves the whole state, is open at all hours and gets callers immediate help or timely medical appointments at participating clinics without referring them elsewhere. Callers can generally get an appointment in about five business days, compared to weeks-long waits in other states.

The service is “innovative and maybe unique,” said Dr. Kenneth Duckworth, NAMI’s national medical director.

“In most of the states, the care is very fragmented,” Duckworth said. “The idea of a statewide access (line) is not common at all.”

In Georgia, for example, before the current line launched, there were 25 separate psychiatric hotlines. Many callers attempting to navigate the old system simply gave up and sometimes would resurface in emergency rooms or prisons.

By derailing this cycle, officials at Behavioral Health Link, the company that runs the Georgia hotline, estimate that their service avoided more than \$1.7 million in costs to state mental health facilities last month alone, when 24,620 people called in.

While this compares favorably with the \$4 million to \$5 million the program costs the state annually, Gwen Skinner, the director of Georgia’s Division of Mental Health, Developmental Disabilities and Addictive Diseases, noted that it is difficult to determine the actual financial impact of the program.

The hotline could save the state a significant amount of money, Skinner said, if it resulted in psychiatric hospitals lowering staffing levels. Until then, she said, sustained operating costs at these facilities will largely wipe out any savings to the state.

Covington, who recently left his job as CEO of Behavioral Health Link to do similar work in Arizona, disagreed, saying that the hotline has already paid for itself “many times over.”

But even with the incentive of possible savings, states have struggled to replicate Georgia’s model.

Colorado, Tennessee and Louisiana have expressed interest in the Crisis and Access Line, and just this month, a Kansas official requested information. But budget shortfalls have stalled progress in all instances.

In Louisiana, for example, the Office of Mental Health's budget will be chopped by \$43 million for the fiscal year starting July 1, according to Lani Dupuis, program director at NAMI's Bayou State chapter.

"It's very troubling; it's horrible," she said. "We're all very concerned."

Meanwhile, mental health services in Tennessee are facing up to \$37 million in cuts. And Kansas officials aren't sure they can afford the program either, according to Becky Rinehart, disaster coordinator for the mental health section of the state's Department of Social and Rehabilitation Services.

So far, Colorado has had the most luck, but efforts there have largely circumvented state agencies. Instead of relying on shrinking governmental allocations, organizers have set up a non-profit initiative in the seven-county metro Denver area, and their plans include the creation of a crisis and access line under the Metro Crisis Services program.

According to Heather Cameron, project director for Metro Crisis Services, the hotline is short some funding. All contributions to date have come from the private sector, but Cameron is hoping to secure state and federal money to close the gap.

"We were doing really well until we had the economic crisis hit, and then things slowed way down," she said. Still, Cameron expects the line to be up and running within three to six months.

Even in Georgia, the mental health budget is feeling the pinch. The state's mental health and addictive-diseases allocations are down by nearly \$47 million for the upcoming fiscal year — a reduction of almost 9 percent from the current year. The crisis line will absorb only about \$176,000 of these rollbacks.

"There are capacity deficits in almost every piece of the mental health puzzle," Duckworth, the medical director for NAMI, said. "And Georgia's certainly no exception to that."

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Friday, June 26, 2009

Weekly wrap: Feds release long-awaited stimulus job guidelines

By Stephen C. Fehr, Stateline.org Staff Writer

From the minute President Obama declared that the \$787 billion federal economic stimulus package would save or create 3.5 million jobs, state officials have been confused about how to count those jobs.

Now, four months later, the White House has offered states guidance. The advice includes a description of the programs subject to the job-reporting requirements.

"All we're asking them (states) to do is a simple headcount," Rob Nabors, deputy director of the White House Office of Management and Budget, told the Wall Street Journal.

In other words, he said, recipients of federal stimulus dollars should use their best guess as to whether a job would have been saved or created if the stimulus plan had not been approved.

Some critics say such leeway could lead to contractors and state officials inflating the job numbers, or undercounting. They also worry that employers, in reporting to states the number of jobs generated or saved, will not be diligent about including subcontractors.

"It also seems that OMB is not imposing strict rules on how employers measure the number of jobs retained as a result of stimulus funding and is willing to let them lump together jobs created and jobs retained," said Good Jobs First, a national jobs policy resource center in Washington, D.C.

Despite the steady rise in the unemployment rate, employers in many states said in a New York Times article that they are desperate to fill jobs in certain occupations in which workers have precise skills polished over many years.

Welders, special education teachers, geotechnical engineers for oil fields, civil engineers and respiratory therapists are among the jobs in high demand.

Meantime, the Obama administration has sent a letter to Pennsylvania Gov. Ed Rendell (D) warning that stimulus money intended for schools should not be used to cover budget gaps. "Each state has an obligation to play its part in spurring today's economy and protecting our children's education," wrote Education Secretary Arne Duncan.

The Pennsylvania Senate has been considering a plan to use stimulus money to help close a budget gap while trimming the state education budget and keeping its rainy day fund intact.. "We can only spend what we have, and the state should not increase taxes when so many hardworking families are already struggling to make ends meet," Erik Arneson, spokesman for Senate Majority Leader Dominic Pileggi, told the Associated Press.

Rendell, who sought the administration's opinion, disagreed. "The state must make sure we do not simply use stimulus funds to cut state funding for schools," Rendell spokesman Chuck Ardo told the AP.

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Sunday, June 28, 2009

An overdue breakout from 'silos,' borders

By Neal Peirce, syndicated columnist

WASHINGTON — For at least a half century, “silos” and borders have been tripping up effective governance in America.

The silos loom highest at the federal level, where massive departments from Transportation to Commerce to Labor rarely speak and almost never work together.

Borders proliferate closer to home, dividing our metro areas into hundreds of economically linked but separately governed cities and suburbs. And borders, as state lines, plunge straight through such massive citistate regions as New York, Philadelphia, Chicago and St. Louis.

But the Obama era is bringing glimmers of hope for change.

This spring the new president’s Transportation and Housing Secretaries—Ray LaHood and Shaun Donovan—made a public pledge to collaborate in joint field work of their departments. On June 16 the new Environmental Protection Agency chief, Lisa Jackson, joined in under the banner of advancing more “livable,” sustainable American communities. In the near future, it’s likely Energy Secretary Steven Chu will also align his department with the alliance.

The principles the group is enumerating are amazingly broad. Transportation choices are to go far beyond roadways, with a likely focus on transit to reduce foreign oil dependence, improve air quality and cut back greenhouse gas emissions. Government-assisted housing will be located near workplaces and/or transit to increase economic competitiveness and let hard-pressed families reduce high combined shelter and commuting costs. In lieu of sprawl subsidies, government assistance will be targeted toward support of existing neighborhoods and communities.

“We will all be working off the same playbook to formulate and implement policies and programs,” Donovan said. “For the first time, the federal government will speak with one voice on housing, environmental and transportation policy.”

The most amazing statements come from LaHood, the former Republican congressman Obama recruited to head the Transportation Department. For 50 years, LaHood confesses, federal transportation outlays have heavily favored scattered road development that requires autos for most trips, even very short ones, undercutting transit and mixed-use communities. Another result he notes: auto congestion—an \$80 billion annual drain on the American economy also imperiling communities’ quality of life.

LaHood is enthusiastically backing the idea of “livable communities” including “complete streets” that encourage mobility for all users— “whether they are children walking or biking to school or commuters riding transit or driving motor vehicles.”

What explains this tectonic shift in federal approaches? The obvious explanation: Obama’s personal belief in community-sensitive design and planning, born of his Chicago experience.

But it’s now turning out Obama not only appointed progressive department heads with new missions, but is staffing those agencies with appointees who not only believe in the new gospel but started to implement it in their prior state and local government jobs. Lead examples are HUD Deputy Secretary Ron Sims (former King County, Wash., Executive and early climate change evangelist), DOT Undersecretary for Policy Roy Kienitz (former Maryland planning director and later chief aide to Pennsylvania Gov. Ed Rendell), and the EPA’s John Frece (a smart growth leader in the Maryland administration of then-Gov. Parris Glendening).

Their big collective challenge—to turn around large, entrenched, separate bureaucracies, making sure the collaboration celebrated in Washington gets reflected in actual field operations.

But even if silos are made less formidable, what of the thousands of borders that divide communities in our metro regions? Won’t smart growth, “livability” agendas run a cropper if new transportation, housing, environmental initiatives are splintered into thousands of small government pieces?

The new White House Office of Urban Affairs has yet to follow up on the metro-wide focus for federal initiatives that the Brookings Institution and others have advocated and Obama explicitly endorsed in his presidential campaign.

But it's known to be mulling one lead idea: challenging governments and civic leaders across regions to come up with their own ideas for joined-up metro-wide transportation, energy, housing and environmental projects. Federal departments could then negotiate the details and help fund proposals with the most impact for sustainability and livable communities.

Metro regions, says Seattle Mayor Greg Nickels, new president of the U.S. Conference of Mayors, are such critical linchpins of the national economy that they need direct relationships with the federal government to bolster their livability and global competitiveness.

Nickels and Tom Cochran, the Mayors Conference's veteran executive director, favor going outside center city boundaries to create political alliances with executives of the large suburban counties. It's time, says Cochran, "to form a political operation to demand" more effective federal response to entire metros' needs.

There'll be plenty of political and bureaucratic obstacles to combined city-suburb approaches.

But a new politics, based on the metro economic reality and the country's huge new energy, climate, transportation and housing needs, is clearly coming into focus. Silos and borders—they won't go away soon. But they may be in for a healthy, long-overdue challenge.

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Monday, June 29, 2009

Tracking the recession: Budget deadline looms

By Stephen C. Fehr, Stateline.org Staff Writer

Nearing the Wednesday (July 1) start of a new fiscal year, several states still are struggling to cover substantial budget gaps that will leave governors and legislators no choice but to cut spending and or raise taxes and fees.

If legislatures don't approve budgets on time, some states could be forced to shut down all but essential government services. Mississippi Attorney General Jim Hood (D) is weighing a court order to maintain key services after July 1 if Republican Gov. Haley Barbour (R) hasn't called a special session by then for lawmakers to vote on a budget agreement.

As of Sunday (June 28), governors had not signed, or lawmakers still had not approved, spending plans in Arizona, California, Colorado, Connecticut, Delaware, Illinois, Indiana, Mississippi, North Carolina, Ohio, Oregon and Pennsylvania. The Kentucky, New Jersey, Louisiana, Massachusetts, New Hampshire, Rhode Island and Wisconsin legislatures approved budgets in recent days and are awaiting action by the governors.

One reason for the budget stampede to the deadline is the difficulty in accurately pinpointing the drop in state tax revenue. Throughout the year, state economists and revenue specialists have made their best estimates of tax revenue, only to see those numbers change significantly as the economy worsened. Lawmakers have had to adjust budgets accordingly, and it hasn't been easy.

Colorado lawmakers, for example, found out June 22 that sales tax revenue fell far below projections, leaving them with a \$384 million shortfall in the budget year that starts Wednesday. "It will mean making even more difficult choices," Colorado Gov. Bill Ritter (D) said in a statement.

The last-minute race to complete difficult budgets during a recession has produced more than the usual tension between governors and lawmakers, especially those of the same political party.

Illinois Gov. Patrick Quinn (D) is battling Republicans — and Democrats — over his plan to raise income taxes to balance the budget. Oregon Gov. Ted Kulongoski (D) vetoed two education spending bills backed by his own party, which controls the House and Senate. Arizona Gov. Jan Brewer (R) took the GOP-controlled Legislature to court over their disagreement on how to close a \$3 billion budget gap, though the justices declined to intervene.

Some governors are using their bully pulpit to prod lawmakers into action. First year North Carolina Gov. Beverly Perdue (D) has been traveling across the state to generate support for a proposed \$1.5 billion tax increase to avoid cuts in education. Indiana Gov. Mitch Daniels (R) took a five-city road trip last week to build

statewide backing for a budget balancing plan offered by Senate Republicans instead of a tax increase proposed by the Democrat-controlled House.

At least one governor is abandoning long held views in an effort to persuade lawmakers to approve a budget, while another governor is firmly clinging on to past positions. Ohio Gov. Ted Strickland (D) reversed his opposition to allowing thousands of slot machines at the state's racetracks as the state tries to cover a \$3.2 billion gap over two years. Connecticut Gov. M. Jodi Rell (R) has said consistently this spring she opposes a tax increase, but lawmakers are sending her a budget plan that calls for \$2.8 billion in tax increases over the next two years.

"There's no question that when the choices are really hard, the political tension rises and it's hard to get the budget completed in quite a few states as the July 1st deadline approaches," said Scott Pattison, executive director of the National Association of State Budget Officers.

States vary tremendously, he said, as to what occurs if there is no spending plan after July 1. Some, like Virginia, have never had that problem so they don't have a plan. Others, like Kentucky, have failed in the past to meet the deadline but made it up as they went along — the governor ran government by executive order. Several states, Pattison said, have some type of provisions for operating beyond July 1 but few do so in the way Congress does by passing a resolution continuing government operations as if nothing had occurred.

"Those examining the financial management of states — namely bond rating agencies — don't see going beyond July 1 as a positive thing," Pattison said.

California, which has the lowest bond rating of any state, has the largest budget gap to make up by Wednesday: \$24 billion.

The four states that start their budget year before or later than July 1 are New York, Texas, Alabama and Michigan. Of those, only Michigan hasn't enacted a budget. Lawmakers are trying to approve the general outlines of their budget before taking a Fourth of July recess. Michigan's government shut down for about four hours on Oct. 1, 2007 when Gov. Jennifer Granholm (D) and the Legislature failed to approve a budget before the deadline.

Some state officials also are dealing with balancing the current year budget. In recent months, legislatures in 42 states had to go back into fiscal 2009 budgets and cut them because of greater-than-expected declines in tax revenue, according to the annual fiscal survey of the National Governors Association and National Association of State Budget Officers.

Until all of the budget numbers are in, officials won't know exactly how much spending will drop in fiscal 2010 compared to 2009. But according to the governors' recommended budgets submitted earlier in the year, general fund spending dropped 2.5 percent, the largest decline since the National Governors Association and

National Association of State Budget Officers began keeping track of state spending in 1979.

The spending cuts would have been worse without the \$787 billion federal economic stimulus package. If states take longer to recover from the recession than the nation as a whole, as is usually the case, governors and lawmakers may press the Obama administration for a second stimulus. Congress separately is expected to approve a new six-year transportation plan, probably next year, which would have the effect of being a second stimulus plan since it could be more than \$500 billion.

The next two budget years are also likely to be difficult, analysts say. The Nelson A. Rockefeller Institute of Government said June 18 that personal income taxes fell 26 percent in the first four months of the year, compared to 2008, which is further evidence that state legislators will be grappling with budget holes for years to come.

“States will have to continue looking at spending cuts, using rainy day funds and possible tax and fee increases in order to ensure balanced budgets,” the governors association said in its latest State Economic Review.

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