

# Mental health care could hit jackpot

*Prop. 63: 'People are responding because this issue hits home'*

BY PHIL TRACY

**T**HE surprisingly bright picture for Proposition 63 – it imposes a 1% tax surcharge on anyone with taxable income of more than \$1 million and directs the proceeds to California's pitifully underfunded mental health services – is like a bolt from the blue.

Since passage of Proposition 13 in 1978, Californians have been loath to raise taxes. Suddenly, this year, the electorate appears to be backing with gusto a progressive measure to fund mental health services on the shoulders of the rich. An Aug. 18 poll by the Public Policy Institute of California showed Prop. 63 leading 66% to 26%.

"This issue is personal to people, personal to California," said Darrell Steinberg, Democratic assemblyman from Sacramento and author of the measure. "People are responding because this issue hits home."

The Public Policy poll asked people how many had a family member or friend with serious mental illness. Nearly half said they did.

The legislative analyst estimates the surcharge revenue – collection would kick in Jan. 1 – could come to \$275 million in 2004-05, \$750 million in 2005-06 and \$800 million or more annually thereafter.

Jon Coupal, of the Howard Jarvis Taxpayers Association, disputes that figure. Citing Federal Reserve Chairman Alan Greenspan, Coupal said, "It is well-known that there is nothing more mobile than wealthy people and capital." Coupal foresees a huge exodus of super-rich should Prop. 63 pass. "Targeting the 'rich' in California," he claims, "will merely result in more rich people moving to Nevada."

Under the terms of the initiative, the money would go to county mental health departments to expand services for children and adults, as well as prevention and early treatment. The initiative forbids the Legislature from cutting existing county mental health budgets.

Steinberg said the money would be distributed to counties according to need and apportioned on a competitive basis. "It's going to go to the counties that can demonstrate a plan to work closely with nonprofits and consumer groups. Those counties are the ones that will get the money, both for the children's programs and on the adult side. We're not just going to hand this money out by formula. We're not going to just throw money at the problem."

[The Study Center, a nonprofit, publishes The Extra and holds contracts with the San Francisco Department of Mental Health.]

Decades ago, the state began emptying its mental hospitals, with the promise that patients would be treated in their local communities and the state would send money it saved to help the counties finance the programs. That pledge lasted into the first budget crisis in the early '70s, and funds for mental health services have been shrinking at all levels since.

Steinberg has made funding for mental health a major concern since being elected in

1998. He sponsored a 1999 bill that gave a token \$10 million to select cities for support services for severely mentally ill homeless people. The state Department of Mental Health estimated that saved millions by reducing hospitalization and incarceration. It currently costs \$40,000 per year to treat a person with a disabling mental illness in state prison and \$120,000 for treatment in a hospital.

In 2000, that program was extended to 34 cities, including San Francisco. According to a state report, some 4,700 people were treated, resulting in an estimated \$23 million in savings to state and local government, through reduced jail time and hospital days. Additionally, 13% of those so treated found full-time employment and are no longer on the streets. In 2003, President Bush's mental health commission cited AB34 as a "model program."

Prop. 63 has endorsements from 11 physicians' organizations; 12 hospitals, health care and treatment professionals groups; 25 mental health and substance abuse treatment programs; seven labor unions statewide; cities, counties and elected officials – in all an endorsement list of more than 100 organizations and prominent individuals, according to measure backers.

The Yes on 63 Committee's disclosure statement covering the period up to June 30 said that \$1.2 million had been raised. Margaret Merritt, the committee's media coordinator, would not say how much the campaign has raised since then or what it hopes to collect in October.

Merritt estimates that 200 to 300 volunteers, many of them members of city-based mental health associations, are working to pass Prop. 63. On Aug. 18, the campaign organized 24 house parties, which featured the showing of "People Say I'm Crazy," a 90-minute account of one person's decadelong bout with mental illness. Approximately 500 people saw the film and raised \$25,000 for Prop. 63 on that night alone.

David Yow of the Matsonian Group has the unenviable task of trying to stop this popular juggernaut. "This campaign is a little like David and Goliath," he said from his Sacramento office. "Between in-kind contributions and cash donations, Prop. 63 has already raised almost \$3 million."

Yow, who works for a campaign consulting outfit whose

motto is "Winning is everything and everything we do is focused on that one goal," says he is running "a grass-roots campaign." This is election-speak for we don't have enough money for TV or radio.

When reminded that the August Prop. 63 poll showed a 5-point swing since May from opposition to undecided, while support remained at two-thirds, Yow said, "We think that poll reflects an uninformed electorate. You have competing Initiatives, Props. 60 and 62, which are opposite each other, yet the poll shows people supporting both of them."

The Matsonian Group has yet to file any campaign disclosure statements, because, although it is the committee of record, it was hired after the June 30 filing deadline.

Yow's parting lines: "We will do whatever we can to make sure the message [against Prop. 63] gets to the voters." A swift boat-type attack statement against Prop. 63 is expected any day.

It may be that in picking this November ballot, in which a ton of Democrats who don't normally vote are expected to vote against President Bush, Steinberg has made one of the shrewdest decisions of his political career. Asked if that was the case, Steinberg demurred. "We had a choice of this November or the 2006 primary. We thought 36 years of broken promises was long enough." ■

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*Assemblyman  
Darrell Steinberg*

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