

# THE CALIFORNIA MENTAL HEALTH SERVICES ACT

## STAKEHOLDER PROCESS:

### Issues and Approaches

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### *EXECUTIVE SUMMARY*

#### **Overview**

In November of 2004, California voters passed Proposition 63, the Mental Health Services Act (MHSA), which initiated a 1% tax increase on personal income over \$1 million dollars. Emphasizing strategies to reduce suicide, incarceration, school failure, unemployment, prolonged suffering, homelessness and removing children from their homes, within the first four years the MHSA generated roughly \$3 billion dollars to be used throughout California for the expansion of the public mental health system (California Department of Mental Health, 2008). This funding represents a meaningful investment in a system that was dramatically under-resourced and widely regarded as broken. It has attracted national and international attention as a large-scale experiment that is expected to validate previous evidence that recovery from mental illness is possible, humane and cost-effective.

Although the new funding was critical to a starved system that served less than 40% of people who needed it, the initiative set into motion a process much more significant and larger in scope than simple funding. Acknowledging that dumping new money into an old system that was based on a "fail first" model was an unsatisfactory solution, the drafters of the MHSA envisioned large-scale reform of California's public mental health system. The reform agenda implicit in the MHSA calls for the mental health system to be transformed into a world-class, person-centered, prevention-oriented and outcome-generating system.

The key mechanism for effecting this change is the stakeholder process. Throughout the act, the input of consumers, parents, families and diverse underserved communities is given a central role. Intent language that frames the act states that MHSA decisions are to be made "in consultation with mental health stakeholders" (California Welfare & Institutions Code 5840(e)). The act further states that training and education programs shall promote the "meaningful inclusion of mental health consumers and family members and incorporating their viewpoint and experiences" (W&I Code 5822(h)). The Oversight and Accountability Commission created by the act is tasked with ensuring that "the perspective and participation of members and others suffering from severe mental illness and their family members is a significant factor in all of its decisions and recommendations." Local

county plans are required to "be developed with local stakeholders including adults and seniors with severe mental illness, families of children, adults and seniors with severe mental illness, providers of services, law enforcement agencies, education, social services agencies and other important interests" (W&I Code 5848(a)). At each stage of state and local decision making, the perspectives of community stakeholders are meant to be incorporated, to drive reform efforts and to exercise real influence on policy direction and funding decisions.

This requirement is so central to the MHSA that the act itself provides funding specifically for the purpose of supporting the stakeholder process. Setting aside 5% of the annual revenues for local planning, the act states that "the planning costs shall include funds for county mental health programs to pay for the costs of consumers, family members and other stakeholders to participate in the planning process . . ." (W&I Code 5892(c)). The act further specifies that state administrative costs "shall include funds to assist consumers and family members to ensure that the appropriate state and county agencies give full consideration to concerns about quality, structure of service delivery or access to services" (W&I Code 5892(d)).

This emphasis on the stakeholder process reflects a sea change in the delivery of mental health services, an approach outlined by the President's New Freedom Commission on Mental Health in their 2003 report. Citing this report, the California Department of Mental Health guidelines for Prevention and Early Intervention explain:

*In an individual/family-driven system, adults and families of children and youth identify their needs and preferences that lead to the programs and services that will be most effective for them. Their needs and preferences drive the policy and financing decisions that affect them. Increasing opportunities for participants to have greater choices over types of programs and interventions, providers, and how service dollars are spent, empowers participants, facilitates recovery and shifts incentives toward a system that promotes learning, self-monitoring and accountability. Increasing choice protects individuals and encourages quality.*

(California Department of Mental Health, Information Notice 08-23, 2008)

This analysis concludes that California's implementation of the Mental Health Services Act could benefit from further developing MHSA stakeholder processes in order to realize the potential for transformation inherent in robust input from those who are most affected by decisions.

## **Findings and Options**

The input of consumers, families and diverse communities is the engine for transforming the public mental health system, and this input is embodied in the MHSA stakeholder process. However, despite the critical role of this process to the success of the entire effort, the development of MHSA stakeholder processes has not received the attention that their importance would indicate. There are

at least three significant barriers to the progress and development of successful MHSA stakeholder processes:

- The lack of training in political skills;
- The failure to consider implementation challenges transparently during the decision making process; and
- The lack of an accessible framework for policy decisions.

These issues are critical because frustration with this initial activity involved in implementing the MHSA is a serious impediment to the ability of stakeholders to influence and transform the mental health system, and a roadblock to the success of the act. These are some options that could be pursued with the goal of further developing and improving MHSA stakeholder processes:

- Counties could develop and provide training in political skills and processes.
- Implementation research and tools, such as Checklist of Known Program Risk Factors and the Matrix of the Number of Decisions and the Decreasing Probability of Program Success, could be adapted for and utilized in mental health stakeholder processes to make implementation challenges more transparent to stakeholders.
- Counties could develop and utilize a simplified Policy Analysis Framework to create a level playing field for stakeholders to develop and promote their ideas for improving the mental health system through the stakeholder process. This would require developing a simplified and workable methodology for cost-benefit analysis within county mental health systems.

## *INTRODUCTION*

*Hopes and prayers, the general desire to do good without knowing how,  
seem to us frail reeds on which to lean, though these are the bases on which many programs are begun.*

-Pressman and Wildavsky, Implementation

The Mental Health Services Act (MHSA) has created unprecedented opportunities for the engagement of stakeholders in direct decision making about priorities, programs and services that they define as most effective, most essential and most equitable to resolve the devastating impacts of mental illness and distress on people, families and communities. Bringing substantial new resources along with clear values and principles, and requiring a stakeholder and community planning and decision making process, the MHSA may be the most meaningful and large-scale exercise in direct democracy in California.

Underlying this unprecedented experiment is the theoretical assumption that people are the best judges of what is helpful to them. By setting in motion a large-scale stakeholder process, the MHSA has placed recipients of mental health services into the position of policy makers, in whose hands decisions for resource allocation, program planning and accountability have been placed. Based in the strengths perspective and the empowerment model, the MHSA stakeholder process inherently values lived experience, and translates it into the process of policy formation. There are also built-in assumptions that the inefficiencies of government and the pervasive stigma and discrimination that face recipients and prospective recipients of mental health services will be effectively combated by placing power and decisions into the hands of those most affected.

However, like all great endeavors, the MHSA is also filled with opportunities for chaos, fierce resource competition and widespread dissatisfaction. Although injecting resources into desperately underfunded mental health systems of care is essential, it also presents the danger of overwhelming and even destabilizing a mental health system built to oversee crisis rather than to support mental health, a system that was not previously operating from a democratic decision making model. With little preparation or energy from external systems, such as business, politics or law, the mental health system has been tasked with transforming into a world-class, person-centered, prevention-oriented, democratically governed and outcome-oriented system. The excitement of over a hundred thousand people statewide who have been engaged and inspired to give their time, passion, ideas and commitment speaks to the greatness of the endeavor as well as to the pent up hopes, dreams and aspirations that lay dormant prior to the advent of the MHSA.

But this very hope and excitement about the potential for change presents one of the greatest dangers to MHSA efforts when stakeholders feel that the promise of the act has been betrayed. In August of 2008, longtime mental health policymaker, activist and co-drafter of the MHSA, Rose King, wrote an Op-Ed piece for the Sacramento Bee declaring *Mental Health Act Doomed by Initiative Origin* (Appendix A). Blasting the slow start-up, the lack of coherent planning, the bureaucracy and

policy decisions of the state department of mental health, King wrote that "the wasted time and money are nothing less than heartbreaking to everyone anticipating a change for the better." State mental health officials rushed to defend the MHSA and refute King's assertions, but few discussed the long-term ramifications of this early and public denunciation of the act by one of its key proponents.

Although this critique was directed at the state level, it is equally a cautionary tale for county mental health divisions. Statewide as well as in individual counties, the future success and continued public support for the MHSA will depend to a great degree on the assessment of clients, families and underserved communities. If stakeholders do not feel that over the long term the MHSA is useful, successful and accomplishing its desired outcomes, the protestations of officials and bureaucracies will be meaningless. Public support for continued funding of the MHSA will be precarious at best without the positive assessment and support of mental health stakeholders.

The central role of the stakeholder process in the MHSA gives implementation of this program an unprecedented complexity. Previously the stewards of an overwhelmed system with continuously diminishing resources, county mental health officials have typically not been experienced in public policy analysis, new policymaking, or in managing and running grassroots experiments in direct democracy. Stakeholders, who are often coping with internal struggles of overcoming societal oppression, are also not yet experienced at politics, analysis or policymaking. Yet the success of this major initiative depends on stakeholder processes that are meaningful, effective and have credibility and value from a community perspective as well as the perspective of end users of mental health services.

This concept paper proposes systematic improvements to the stakeholder process and thus, to the implementation of the MHSA, by bringing forth policymaking tools such as political skills, consideration of implementation challenges, and policy analysis. The basic assumption is that the theoretical orientation of the MHSA is correct – end users and prospective end users of mental health services can make policy decisions that result in successful outcomes and public confidence in the MHSA. It is also assumed, however, that achieving these ends is a developmental process. Tools, skills and training in policymaking are essential for stakeholder processes to develop in order to result in wise and defensible policy decisions and to increase the empowerment and satisfaction of participants.

#### A Note On the Empowering Potential of the Stakeholder Process

With urgent pressures looming in a landscape that is complicated and often harrowing, there is a temptation to "survive" MHSA stakeholder processes rather than investing time and energy to prolong and develop them. There are several reasons to avoid this temptation.

The first reason is that giving voice to thoughts and feelings is one of the basic needs of people who have experienced disempowerment. As a result, just participating in a stakeholder process that allows for the opportunity to give voice is an empowering activity in and of itself. Although "satisfying the psychological and social needs of the participants, regardless of the actual policy

results," is certainly not an end unto itself (Pressman & Wildavsky, 1984, p. 167), the development of the stakeholder process should nevertheless be conceived of as a service, and the benefits of participation should be measured and reported as one of the accomplishments of the MHSA.

The second reason to invest in the stakeholder process is that being listened to (and actually heard) is nearly as powerful as speaking one's truth. Third and most importantly, thoughtful investments in the MHSA stakeholder process will result in more collaborative, cohesive, wise and implementable policy decisions.

Finally, many people with mental health problems have nowhere else to go. If deeply dissatisfied with the stakeholder process, they will direct a great deal of their energy into it. Academically, this has been called "high intensity, negative direction" – it represents people who will use up resources to control outcomes (Ibid, p. 117). In practical terms, these stakeholders will fight your efforts until hell freezes over. It is far preferable and more productive to develop a workable process.

## **I. Acquiring Political Skills: Staying at the Table**

There is understandable confusion about the role and value of political skills within stakeholder processes. If a stakeholder is the expert in what is best for him or her and brings that expertise to the process, it is a natural assumption that life experience will translate in to policy decisions. It may seem that what is best for the individual person is also always best for groups of people. And fighting for self-autonomy in one's own life may engender an expectation that one's views will prevail in political decisions.

However, in politics and particularly in those situations involving conflicting interests and resource competition, political skills are essential. One political insider summed up the issue succinctly: "I can get you to the table, but I can't keep you at the table. Staying at the table depends on you." In other words, success in political matters depends on having political skills. However, training in these skills is not conceived of as an important activity to support MHSA stakeholder processes.

Stakeholders may view political situations with suspicion. However, political skills can be a legitimate means of gaining power to shape ideas into policy. While all human beings are entitled to respect and dignity just by virtue of being human, staying at the table where real decisions are made is achieved by effort and by winning the respect of others, not by entitlement. Stakeholders who have struggled with great discrimination in their lives may experience confusion about that distinction, and so may miss opportunities to develop the skills that move their ideas forward.

People with good ideas who make a positive contribution to the group are valued in politics. People who can work well with others prosper in political situations, and those who can do that while holding onto their own truth are particularly successful. Listening, seeing others' perspectives, collaborating, being prepared and thinking strategically are all critical tools. Negotiation,

compromise, persuasion and building alliances are essential qualities that allow people to craft their ideas into successful policy initiatives.

Human beings are not born with political skills. Such skills are acquired through experience, mentoring and training. For some who may have had all their power taken away and then used against them, politics, or the use of power, may present some very real challenges. These challenges can be faced and overcome, but only with the opportunity to learn, practice and experience success in political situations.

To run stakeholder processes without providing training in political skills presents a range of difficulties. These skills make processes work. It is important and fundamentally respectful to give stakeholders the opportunity to acquire the skills that will give them success in promoting their ideas and translating their lived experience and their passion into policy. Such training would also make an enormous difference to the smooth running of stakeholder processes, so would be a benefit to individuals and to systems alike.

## **II. Considering Implementation Challenges**

A second critical component of improving stakeholder processes is considering implementation challenges with stakeholders during the policymaking phase. This is important in order to achieve better policy decisions and outcomes and to develop mutual accountability and a working partnership between stakeholders empowered with decision making authority and county mental health officials who have responsibility for implementation.

The importance of this issue cannot be overstated. There is widespread frustration among stakeholders because implementation challenges are not openly discussed, but they are a very real part of decision making and they influence final policy. When these issues are not considered openly by the group, stakeholders feel that decision making is distorted by county officials who have more power, that the "game is rigged," and that change efforts will not succeed. They feel that they are being told to "Pay no attention to the man behind the curtain," as their policy efforts are continually frustrated by the assertion of these "underground" implementation realities by county officials trying to manage fractious stakeholder processes toward implementation that is aligned with state policy direction, county political concerns, with workability, deadlines, available resources and measurability. The remedy for this issue is more openness and for stakeholders to share responsibility for these considerations.

It is worth noting that the MHSA is fundamentally designed to ensure that government shares some of its power, and to acknowledge that governments of all stripes and persuasions do not easily give up power. The struggle of stakeholders to achieve power is important and legitimate, and mental health officials who do not grasp this will not succeed in implementation of the MHSA. At the same time it is also true that officials bear great responsibility and accountability for a range of issues

that will affect implementation, including political issues, compliance with law and regulation, and for exercising good stewardship over public resources.

Considering these implementation challenges openly during the policymaking process would provide critical information to stakeholders to assist them to make good policy decisions, and would create better partnership, mutual accountability and shared responsibility between stakeholders and county officials.

Two examples of practical tools that can be used for considering implementation issues during the policymaking process are a Checklist of Known Program Risk Factors (Appendix B) and a Statistical Analysis of the Number of Decision Points and Clearances (Appendix C) that demonstrate how too many of these factors predictably and dramatically decrease the probability of program success (Pressman & Wildavsky, 1984). Although these tools need to be adapted for use in the MHSA stakeholder process, they could prove invaluable in making decisions that lead stakeholders and county officials to a stronger working relationship and ultimately to their shared goal of implementing successful MHSA programs.

### **III. Policy Analysis: Bringing it All Together**

Policy analysis can be described as a disciplined method of considering complex variables, weighing them against one another, and arriving at the best possible alternative based on the information available. In his Practical Guide to Policy Analysis (2000), Eugene Bardach outlines the basic steps involved in policy analysis:

- 1) Define the problem
- 2) Assemble some evidence
- 3) Describe potential options or interventions
- 4) Select the criteria that will define success (including cost effectiveness)
- 5) Project the outcomes of various alternatives (giving careful consideration to unintended consequences)
- 6) Confront the trade-offs (also called a cost-benefit analysis)
- 7) Decide between options
- 8) Communicate and explain your analysis in simple, understandable terms

*A short white paper describing Bardach's eight-step process for policy analysis has been adapted into a simplified form for the use of mental health stakeholders and officials. It is included as Appendix D.*

Policies imply theories – assumptions that there is a clear problem that responds to intervention, and that the intervention planned will mitigate or resolve the problem (Pressman & Wildavsky, 1984). There are many advantages for county mental health divisions to learn, adopt and provide training to stakeholders to utilize a policy analysis framework for MHSA stakeholder processes. A decision making process that uses policy analysis starts from a clear definition of the problem. This is

sometimes called "framing the question" and it can help avoid the common pitfall of designing solutions that do not solve the identified problem. From a clear statement of the problem flows a logical sequence of analysis, beginning with research, evidence and experience, and leading to consideration of alternative interventions that could solve the problem. Each alternative is tested and weighed, a standard of success is established, and projections are made that anticipate the outcomes of each different kind of intervention.

Weighing the alternatives includes careful consideration of unintended consequences, asking the question: "If people actually were to follow my advice, what might be the costs of having been wrong, and who would bear them?" (Bardach, 2000, p. 35). Once these issues have been carefully considered, it is possible to confront the strengths and weaknesses of each proposal, sometimes called a "cost-benefit analysis," allowing one to see which intervention does the most good while at the same time costing the least money and causing the least harm.

The final steps are to decide on the option your analysis has revealed is the most beneficial, and to be able to communicate and explain the analysis in simple, understandable terms. This will be possible if the analysis has been thorough and each step flows logically from the previous step. The process should result, as much as is possible in program planning, in sound, evidence-based, equitable and well-considered policy decisions that have credibility and buy-in from stakeholders.

### ***Conclusion: Why Use Policy Analysis for MHSA Decision Making?***

The recommendation to utilize a simplified policy analysis framework for MHSA decision making is not intended to professionalize policymaking even further, taking it out of the realm of stakeholder influence altogether. Rather, it is intended to de-mystify the process, to establish and make transparent "ground rules" that everyone can utilize to develop, test and promote their ideas for improving the mental health system.

By and large, stakeholders feel that information is privileged and that the process of real policy decisions occurs beyond their grasp – they feel that they are included at Step Number 7), given only pre-determined options to choose between. Stakeholders have difficulty de-constructing the process to understand where things went awry, but they feel strongly that their choices, participation and decisions are marginal. These are some of the key sources of tension and dissatisfaction in MHSA stakeholder processes. However, with practice, training and access to research and information, stakeholders can learn to use the tools of politics, implementation research and policy analysis in order to translate their lived experience into effective policy ideas that result in good outcomes, community benefits and successful implementation of the Mental Health Services Act.

## Mental health act doomed by initiative origin

By Rose King

Special to The Bee

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Proposition 63, the Mental Health Services Act passed by voters in 2004, may make its mark not as a turning point in California mental health but as a classic illustration of the pitfalls of "ballot box budgeting."

The failure to deliver results for the state's mental health system argues against problem-solving through initiative – no matter the expertise of those crafting the law, or how worthy the cause and well-intentioned the proponents.

As a member of the drafting committee for the measure, with professional and personal experience in mental health reform, I believed the proposal was clear in its intent. Voters thought so too and signed on to a special tax to expand successful programs. The public intended to make good on decades of unfulfilled promises to fund community mental health, taking action where legislators and governors had not.

Almost four years after passage, however, there is little evidence that the system has improved, and an infinitesimal number of clients are getting better treatment. What ails this new law?

For starters, the problem is that too much money is sitting in Sacramento instead of being allocated to counties. Second, there is still no coherent, systematic implementation plan. Third, the state Department of Mental Health decided to direct the major portion of funds to new programs for new clients, instead of raising the standard of treatment in the existing system, which was never adequately funded or staffed.

Proposition 63 funding is stalled by a complicated, expensive, and unnecessary bureaucracy invented by the DMH – starting with 67 pages of requirements for the first application form in 2005. Five different components of the new law are operating independently, each on a different timetable, and all requiring different progress reports.

These problems are politely understated in a June performance audit by the Department of Finance, pointing out to the DMH that approximately \$3.2 billion in new revenue had been collected by March 31, but that the state had distributed only \$726 million to counties. Auditors also noted the wholesale inefficiencies involved in operating without a documented plan, while the DMH reported a \$45 million budget for two years of Proposition 63 administration.

The other major ailment afflicting Proposition 63 – a subject of controversy not yet audited – is the DMH policy creating a parallel, two-tier mental health system, giving priority to funding new programs rather than improving the existing system. DMH progress reports for 2007-08 acknowledge this problem of its own making, but offer no fix and no satisfactory rationale.

Proposition 63 outreach funds recruit new clients for comprehensive services, while clinic waiting rooms remain full of people deprived of needed treatment and budget cuts further restrict services. This troublesome and suspect practice is largely unchallenged.

I believe the initiative process facilitated all this botched implementation. Because there is no paper trail documenting intent, the DMH is licensed to decide the priorities and purpose of Proposition 63. The only test of compliance is the language of the law and ballot arguments.

There are no public records of drafting committee meetings; provisions of the law were not amended in open, public hearings. Debate took place in private, and among stakeholders and prospective proponents. Political ambitions and policy differences escaped the scrutiny of any independent eyes and ears, and principals did not have to contend with news stories about conflict and contrary arguments.

Policy-making by initiative often minimizes accountability for the integrity of programs. Proposition 63 passed with little controversy or visibility, no well-financed opposition, and a simple appeal to fund community mental health. Thus, public expectations were vague, editorial reviews of the complex measure were cursory, and the DMH was not required to meet known objectives. The end result is that the DMH can determine policies, such as the decision to shortchange current programs.

I was provided a recent example of the result when a Sacramento psychiatrist treating a member of my family at a county clinic informed us that he has 800 clients; a follow-up appointment could take five months. County service coordinators have caseloads of at least 130 consumers with serious mental illnesses.

Unfortunately, the appointed Oversight and Accountability Commission created by the the proposition has yet to define an independent role for itself or critique the pace of implementation and DMH strategies. Proper management of the Mental Health Services Act now requires the bright lights of public review in order to meet voter expectations and the promises made in 2004 ballot arguments.

The wasted time and money are nothing less than heartbreaking to everyone anticipating a change for the better. The magnitude of the revenue and lives in jeopardy warrant serious investigation by major news sources.

## Appendix B

### Checklist of Known Program Risk Factors

Chase, G. (1979). Implementing a human services program: how hard will it be? *Public Policy*, 27 [Fall], 385-436.

Each factor can be assigned a designation of Easy, Medium or Hard.

Predictable program problems and difficulties should be considered during the planning and policy making process in order to increase program success.

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#### *A. Difficulties Arising from Operational Demands*

1. People to be Served
  - (a) Number of client transactions
  - (b) Ease of reaching client
2. Nature of Services
  - (a) Number of discrete functions
  - (b) Complexity of discrete functions
  - (c) Coordination among functions
  - (d) Replication
3. Likelihood and Costliness of Distortions or Irregularities
  - (a) Involving clients
  - (b) Involving services
4. Controllability of Program
  - (a) Measurability
  - (b) Uncontrollable critical elements

#### *B. Difficulties Arising from Nature and Available Resources*

1. Money
  - (a) Flexibility
  - (b) Obtaining additional funding
2. Personnel
  - (a) Nature of personnel in place
  - (b) Numbers, kinds and quality needed
  - (c) Availability of personnel in market
  - (d) Attractiveness of program to personnel
3. Space
  - (a) Nature of current facilities
  - (b) Availability of facilities
  - (c) Special problems in acquiring or using space
4. Supplies and Technical Equipment
  - (a) Availability and usability

(b) Importance of technology

*C. Difficulties Arising from Need to Share Authority*

1. Overhead Agencies
  - (a) Number of transactions
  - (b) Likelihood of favorable response
2. Other Line Agencies
  - (a) Extent of involvement
  - (b) Critical nature of involvement
  - (c) Likelihood of harmonious working conditions
  - (d) Ability to pinpoint responsibility
3. Elected Politicians
  - (a) Capacity to be helpful or obstructive
  - (b) Inclination to be helpful or obstructive
4. Higher Levels of Government
  - (a) Extent of authority
  - (b) Number of transactions
  - (c) Nature of politics
  - (d) Likelihood of favorable response
5. Private-Sector Providers
  - (a) Need
  - (b) Availability
  - (c) Control
  - (d) Political problems
6. Special-Interest Groups
  - (a) Kinds and inclinations
  - (b) Strength
  - (c) Inclination to be helpful or obstructive
7. The Press
  - (a) Level of visibility
  - (b) Power of the press
  - (c) View of the administration
  - (d) Controversial dimensions

## Appendix C

### **The Number of Decisions and the Decreasing Probability of Program Success**

Pressman & Wildavsky (1984) found that the number of participants involved in program implementation, and the number of clearances that were required by each for the program to continue, statistically predict the chances for program success. Many participants and perspectives combine to produce an overwhelming obstacle course for the program.

*What we hope to show is that the apparently simple and straightforward is really complex and convoluted. We are initially surprised because we do not begin to appreciate the number of steps involved, the number of participants whose preferences have to be taken into account, the number of separate decisions that are part of what we think of as a single one. Least of all do we appreciate the geometric growth of interdependencies over time where each negotiation involves a number of participants with decisions to make, whose implications ramify over time." (Ibid, p. 92)*

There are implications for MHSA stakeholder processes imbedded into this research. First, while stakeholder processes are complex and involve many players, implementation, to be successful, must be simple and straightforward. Continuing the complexity of the stakeholder process into the implementation phase will significantly reduce the probability of success of programs. Second, although the MHSA encourages collaboration and joint action with other systems, each decision maker and clearance point in program implementation decreases the probability of program success. Extremely high levels of agreement and a reduced number of players, decision points and clearances are required for program implementation to succeed. All of these factors should be considered during the MHSA policy making phase.

### **Program Completion Doubtful Unless Level of Agreement Among Participants is Terribly High**

*"The probability of agreement by every participant on each decision point must be exceedingly high for there to be any chance at all that a program will be brought to completion." (Ibid, p. 107)*

Probability of Agreement on each Clearance Point (in percent)	Probability of Success After 70 Clearances	No. of Agreements that Reduce Probability Below 50 Percent
80	.00000125	4
90	.000644	7
95	.00395	14
99	.489	68

## A MODEL FOR STRATEGIC POLICYMAKING

# Policy Analysis

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Resource: *A Practical Guide to Policy Analysis*

Eugene Bardach (2000)

New York: Seven Bridges Press, LLC

Adapted by Laurel Mildred, MSW

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*What Private Troubles Warrant Definition as Public Problems and So Legitimately Raise Claim for Mitigation by Public Resources?*

### 1. Define the Problem

This is sometimes called "framing" the question or knowing what are the "decision points." Often described in terms of deficits or excesses: for example, there are too many homeless people, or there are too few people with mental disabilities who are employed. Try to quantify these descriptions, for example: "The Housing and Urban Development Department estimates that there are 250,000 homeless families in our state." Missing an important opportunity can be defined as a problem. Avoid defining the solution into the problem: "There are too few shelters for homeless families." This implies solutions before analysis and can weaken the analysis.

You may wish to do your initial analysis and then come back and see if your understanding of the problem may have changed.

### 2. Assemble Some Evidence

This includes thinking carefully about the problem and "hustling" data – or facts -- that can be turned into evidence. Try to collect only data that can be turned into evidence that has bearing on your problem. Evidence helps to assess the nature and extent of the problem, assess relevant conditions and evaluate policies that have bearing on the problem. Some strategies for gathering evidence are to review literature on the topic, to survey "best practices," or to use analogies (use analogies with care to ensure that they are relevant). Be sure to collect evidence that addresses alternative points of view on the question: Who might strongly object to this point of view, and why?

Experiential evidence is very important in our work (the person's expertise based on his or her own experience). It is often undervalued compared to academic evidence, but when paired with academic research and evidence it is extremely powerful.

### **3. Describe Potential Options or Interventions**

What are some of the potential solutions that might address the problem? Start comprehensively (often "brainstorming" is used as a technique) and narrow down to three or four options. Consider interventions that key political players are proposing, invent new alternatives that might be superior to those currently discussed. Include the option of doing nothing in your analysis, and see where it takes you (this often demonstrates failure, which is helpful to point out the pitfall of not addressing the problem).

Reduce and simplify the options.

### **4. Select the Criteria that Defines Success**

This is the criteria that will be used to evaluate success, and so help select the best option among the alternatives you've developed. It builds on the problem statement – frequently used criteria are efficiency, equality, equity, fairness, justice, and other criteria such as freedom and community. Also considered are practicality, such as legality, political acceptability, robustness and the real-life problems of implementation.

Efficiency is an essential consideration, and often includes a cost-effectiveness analysis. This is different than a cost-benefit analysis, conducting in Step 6. A cost-effectiveness analysis considers the value of the intervention for the money spent. A cost-benefit analysis takes into consideration intangible benefits, such as increasing fairness or justice.

### **5. Project the Outcomes of the Various Alternatives**

This is a process of using the problem, your careful thinking about the proposed interventions and careful use of the evidence to project the outcomes. You need to quantify the outcomes to the extent possible: "We want to increase the percentage of people with mental health disabilities who are employed from the current 10% to 50% over the next five years."

Sometimes you can do a "break-even" projection: "What is the minimum level of effectiveness this policy would have to achieve in order to justify our spending \$1 million?" If you can reasonably project more than the minimum successful outcome, you have demonstrated a sound rationale for pursuing the policy.

Although great ventures require optimism, excessive optimism in policy analysis can lead to problems. Try to factor in realistic problems, such as the rising cost of doing business, implementation problems, or a changing political environment.

***Give careful consideration to unintended consequences, (undesirable side-effects).*** Consider the question: "If people actually were to follow my advice, what might be the costs of my having been wrong, and who would bear them?" (Bardach, p. 35). Some typical kinds of undesirable side effects are insulating people inappropriately from the consequences of their actions (for example, "white collar crime"), overregulation that leads to bureaucracy, inefficiency or excessive costs, and allowing unfair competition or profiteering.

Ethical policy analysis requires a careful review to both avoid undue optimism and to consider undesirable side-effects. Analysts often construct a matrix of outcomes to demonstrate their projections.

## **6. Confront the Trade-Offs (Cost-Benefit Analysis)**

For each alternative (that is, for each policy option or intervention you are analyzing), carefully consider the positives and negatives. Sometimes one outcome is better than any of the other alternatives in every evaluative criteria. In such a case there are no trade-offs. More often, it is necessary to weigh the positive attributes of each alternative against its negatives, selecting the intervention that does the most good while costing the least and accomplishing the least harm.

The most common trade-off is between public money and a good or service that serves part of the citizenry. Another is between privately-born costs (for example, fees, or increased costs to employers) and social benefits.

The policy options must be converted to outcomes first in order to do a cost-benefit analysis.

## **7. Make a Decision**

Decide on the recommendations you believe in after you have thoroughly conducted your analysis. Make sure your recommendations stem directly from your analysis. Be prepared to answer the question: "If your favorite policy alternative is such a great idea, how come it's not happening already?"

The most common sources of failure on this test are neglecting to consider the resistance of bureaucracies and others invested in the status quo, and the lack of a leader or entrepreneur in the relevant policy environment who has the incentives to pick up what seems like a great idea and see it through.

## **8. Tell Your Story (Communications)**

Do a reality check (sometimes called a "smell test"). Can you summarize your analysis and justify your conclusion at the level of the person in the street in a couple of minutes? This will occur when your recommendations flow strongly and logically from your analysis. If you can pass the smell test and your analysis justifies your conclusions, develop a presentation for decision makers with a logical, narrative flow that builds, just like your analysis, from the problem, to the evidence, through the alternatives, confronting the trade offs and reaching a concluding recommendation. Don't interrupt the flow of the argument in order to display all the qualifications and uncertainties about some particular element of the argument.

Make your verbal presentation of the argument clear, logical and succinct, and back up the details in your written justification. Include references and sources at the end of the presentation. Think strategically about how an opponent might characterize your work. If relevant, develop a strategic advocacy and communications campaign to promote your recommendation.

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