

gram for the development of community mental health centers to care for both the alcoholic and the emotionally disturbed. The program also will include a significant expansion of presently limited State efforts to combat alcoholism.

The apparent cost of this comprehensive program, if fully implemented, could run as high as \$20 million, but this must be offset by the substantial savings in present institutional costs that the program will bring about. It can be started almost immediately and without a substantial drain on present State revenues with two affirmative steps:

1. By requiring that local governments assume a more realistic share of costs for in-patient care at our State mental hospitals.
2. By requiring that the alcoholic beverage industry help shoulder the burden for the major social problem of alcoholism.

At present, local governments pay only \$125 a year toward the cost of institutional care of indigent mentally ill patients. This figure was set in 1920 — when it represented 50 percent of the annual cost of such care. Today it represents only 5 percent of total in-patient costs. Accordingly, I will recommend that the local share be increased to 20 percent of actual costs, which is the same percentage that local governments now pay toward the cost of care for indigent patients in *general* hospitals. This should be done as a matter of equity and as part of a long overdue adjustment of fees and costs, which is occurring throughout our State government.

However, as an incentive to develop community mental health facilities — which would place the care of most mental patients in their home communities where it properly belongs — I will recommend further that the full 20 percent be returned to local governments for the construction and operation of such facilities. The proviso will be that the amount be matched by an equal effort. Third party resources such as Medicare, Medicaid, insurance payments and other patient resources will be available to local governments to assist in meeting the matching obligation.

In recognition of the immediate need to start this program, and the fact that subdivisions have already largely formulated their budgets, I will recommend that the local matching obligation be deferred for the first year of the program.

To finance the expanded treatment that would be given alcoholics under the program — and many can be helped to recovery with