



WELLNESS • RECOVERY • RESILIENCE



Commission Packet

Commission Teleconference Meeting
May 9, 2018
3:00 PM – 3:45 PM

1325 J Street, Suite 1700
Sacramento, CA 95814

Call-in Number: 1-866-817-6550
Participant Passcode: 3190377

Additional Public Locations

1315-10th Street,
Sacramento, CA 95814

3712 Apple Hill Road
Modesto, CA 95355

10474 Mather Blvd, Mather, CA
95655

2000 Embarcadero Cove, Suite 400
Oakland, CA 94606

3071 West Bullard Avenue
Fresno, CA 93711

315 Camino Del Remedio, Santa
Barbara, CA

91-2301 Old Fort Weaver Road
Ewa Beach, HI 96706

811 Wilshire Blvd, Suite 1000
Los Angeles, CA 90017

AGENDA ITEM 1

Action

May 9, 2018 Commission Meeting

Award Senate Bill 82 School-County Collaboration Triage Program Grants

Summary: The Commission has issued three separate Requests for Applications (RFA) for Senate Bill 82 Triage Program Grants. On March 22, 2018, the Commission awarded the first set of grants for a total of \$48 million to 15 counties to operate mental health crisis Triage intervention programs for adults and transitional age youth. On April 26, 2018 the Commission awarded the second set of grants for a total of \$29.6 million to operate Triage programs for children and youth age 0-21. At the May 9th Teleconference meeting the Commission will consider awarding the third and final set of Triage grants which will support School-County collaborations.

On March 2, 2018, the Commission released the third of the three RFAs. \$30 million has been made available to fund four School-County collaborations. These grants will fund programs aimed at crisis services for children and/or their parents/caregivers.

Applications for the School-County collaboration RFA were due on April 19, 2018. Applications were scored by Mental Health Services Oversight and Accountability Commission staff. An overview of the winning Applications will be provided to the Commission with a staff recommendation to approve those Applications.

Background

Senate Bill (SB) 82, (Committee on Budget and Fiscal Review, Chapter 34, Statutes of 2013), enacted the Investment in Mental Health Wellness Act (Act). Through a competitive grant process, the Act afforded California the opportunity to use Mental Health Services Act (MHSA) funds to expand crisis services for individuals who were experiencing a mental health crisis by increasing the number of crisis Triage personnel throughout the state. Often through collaborative relationships with community partners and entities such as hospitals and law enforcement, crisis Triage personnel provide linkages for services and direct services.

The main objectives of the Act are to decrease unnecessary expenditures of law enforcement personnel, decrease the overutilization of hospital emergency departments by individuals in a mental health crisis, and to divert individuals in crisis to more appropriate levels of care.

Round One

In February 2014, the Commission funded and administered contracts to implement Triage grant services for 24 counties. These counties received a total of \$32 million per year over the course of the grants, which were to run from fiscal years (FY) 2013-14 through 2016-17. Due to implementation delays, the Commission extended the time available to expend awarded Triage grant dollars by one fiscal year. This extension will end on June 30, 2018.

The first round of grants resulted in more than 70,000 instances of individuals utilizing the services provided through the Triage grants. Outcomes associated with these grants include an increase in access and linkages to services and resources and in the utilization of peers in crisis intervention, a reduction in psychiatric hospitalizations and in stigma associated with mental illness, and improved consumer well-being and coordination of services.

Despite these successes, children’s advocates expressed concern that the perception among providers and counties was that Triage funds were specifically authorized to serve adults, even though the authorizing legislation is silent on that issue. As a result of those concerns and the underrepresentation of children and youth in the first round of Triage grant programs, the Legislature modified the authorizing statute to clarify that Triage funds can be used to provide services that are specific to serving children and youth in schools and other settings. SB 833 (Committee on Budget and Fiscal Review, Chapter 414, Statutes of 2016) amended the Investment in Mental Health Wellness Act to specifically authorize the Triage grants to provide a complete continuum of crisis intervention services and supports for children aged 21 and under and their families and caregivers. The School-County collaboration grant is made up of \$27 million from SB 82 funds and \$3 million from SB 833 funds for a total of \$30 million. These funds are made available through the School-County collaboration Triage RFA.

Round Two

In mid-2016, Commission staff began the process of writing an RFA in preparation for a second round of grant funding, slated to begin in FY 2018-19. Interested parties, stakeholders, the California Hospital Association, California Sheriffs, law enforcement personnel, other collaborative partners, and Subject Matter Experts were engaged in forums, meetings, and/or presentations to garner information about the successes and challenges of the Triage Grant programs. These efforts included quarterly meetings with county Triage Grant Coordinators, on-site visits to active Triage grant programs, an informational meeting with law enforcement, a forum on Triage, an informational meeting in Berkeley, and meetings with the Commission’s Client and Family Leadership Committee and the Cultural and Linguistic Competence Committee.

During this time, Commission staff utilized the lessons learned from the information gathered and made a series of recommendations to the Commission related to the next round of grants that resulted in the following actions:

July 2017	The Commission adopted the staff-recommended principles derived from the June 29, 2017, SB 82 Triage Grant Information Gathering Meeting. These principles included the following: <ul style="list-style-type: none">o Statewide evaluation strategyo Set aside for children’s Triage fundingo Population based apportionment
August 2017	The Commission voted to make 50 percent of Triage funds available for children and youth ages birth to 21 years. The remaining 50 percent would be made available to transition aged youth and adults.
November 2017	The Commission authorized the Executive Director to release the SB 82 funds in a competitive manner and within that amount, no less than \$30 million be made available for School-County Mental Health collaborations.

Proposed Motion:

- The MHSOAC awards the School-County Triage Personnel Grants to the four recommended counties, each receiving funding in the amount of \$1,875 million per year for a four year total of \$7.5 million and directs the Executive Director to issue a Notice of Intent to make the recommended awards.
- The MHSOAC establishes May 23, 2018 as the deadline for unsuccessful applicants to submit an Appeal consistent with the ten working days standard set forth in the Request for Applicants.
- The MHSOAC directs the Executive Director to notify the Commission Chair and Vice Chair of any appeals within two working days of the submission and to adjudicate the appeals consistent with the procedure provided in the Request for Applications.
- The MHSOAC directs the Executive Director to execute the contracts upon expiration of the appeal period or consideration of the appeals, whichever comes first.

Presenters: Norma Pate, Deputy Director; Tom Orrock, Chief of Commission Operations and Grants; Kristal Antonicelli, Project Lead

Enclosure: None.

Handout: None.

AGENDA ITEM 2

Action

May 9, 2018 Commission Meeting

Legislation

Summary: The Commission will consider whether to support legislation related to mental health services under the Mental Health Services Act.

Enclosed for the Commission's review is a list of bills relating to the Mental Health Services Act that the Commission may wish to support.

Presenters:

- Toby Ewing Ph.D., Executive Director
- Norma Pate, Deputy Director

Enclosures: (1) Legislative Tracking Chart; (2) Copy of bills and committee analyses

Handout: None

Proposed Motion: The MHSOAC authorizes the Executive Director to pursue discussions with the Legislature consistent with the direction given by the Commission.

2018 Legislative Report to the Commission

May 9, 2018

Under Review

Assembly Bill 2287 (Kiley)

Title: Mental Health Services Act.

Summary: Would establish the Office of Mental Health Services within the California Health and Human Services Agency, as specified. The bill would transfer various functions of the State Department of Health Care Services under the act to the office. Under this bill, the office would succeed to, and be vested with, all the duties, powers, responsibilities, and jurisdiction, vested in the department, regarding oversight of the Mental Health Services Fund, as specified. The bill would also require the office to assume certain duties, including, among others, initiating investigations, advising counties, conducting research, and reporting to the Legislature, by December 31, 2020, of any additional authority it deems necessary to complete its duties and to ensure county compliance with the act, as specified.

Assembly Bill 2843 (Gloria)

Title: Mental Health Services Fund.

Summary: Would state the intent of the Legislature to enact legislation that would require a county that receives reallocated funds from the Mental Health Services Fund to spend those funds within 2 years of adopting an expenditure plan for those funds. It would further state the intent of the Legislature that any funds not expended by a county within those 2 years would revert to the Mental Health Services Fund to be redistributed to cities, special districts, school districts, or other public entities for the provision of mental health services consistent with the intent of the MHSA.

Senate Bill 1101 (Pan)

Title: Mental health.

Summary: In addition to the Commission's existing duties, this bill would require the commission, on or before January 1, 2020, to establish 5 statewide objectives for the treatment and prevention of mental illness and metrics by which progress toward each of those objectives may be measured.

Budget Item

AB 114: Technical Cleanup for Treatment of Innovation Funds

The California Behavioral Health Directors Association requests trailer bill language to clarify the treatment of Innovation funds subject to reversion prior to July 1, 2017, pursuant to the provisions of AB 114 (Committee on Budget, Chapter 38, Statutes of 2017). According to CBHDA, the provisions of AB 114 are unclear whether counties are required to spend these Innovation funds before July 1, 2020, particularly when the timeframe for expending Innovation funds is based upon when a county's proposal has been approved by the MHSOAC. CBHDA requests an amendment to Welfare and Institutes Code Section 5892.1 (c) to clarify that each county with unspent Innovation funds subject to reversion that are deemed reverted and reallocated by AB 114 prepare and receive approval from the MHSOAC before July 1, 2020.

AMENDED IN ASSEMBLY APRIL 17, 2018

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 2287

Introduced by Assembly Member Kiley

February 13, 2018

An act to ~~amend Sections 5813.5, 5821, 5840, 5840.2, 5845, 5846, 5847, 5848, 5878.3, 5890, 5891, 5892, 5897, 5898, and 5899 of, to amend the heading of Part 3.7 (commencing with Section 5845) of Division 5 of, and to add Section 5841 to, add Section 5845.3 to the Welfare and Institutions Code, relating to mental health services.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 2287, as amended, Kiley. Mental Health Services ~~Act. Act:~~ *transparency and accountability.*

Existing law, the Mental Health Services Act (MHSA), an initiative measure enacted by the voters as Proposition 63 at the November 2, 2004, statewide general election, establishes the continuously appropriated Mental Health Services Fund to fund various county mental health programs. Existing law requires the State Department of Health Care Services to, among other things, implement specified mental health services through contracts with county mental health programs or counties acting jointly. Existing law requires the department to conduct program reviews of performance contracts to determine compliance, as specified. If a county mental health program is not in compliance with its performance contract, existing law authorizes the department to request a plan of correction with a specific timeline to achieve improvements. *Existing law authorizes the act to be amended by a ²/₃ vote of the Legislature if the amendments are consistent with, and further*

the intent of, the act. Existing law authorizes the Legislature to add provisions to clarify procedures and terms of the act by majority vote.

Existing law establishes the Mental Health Services Oversight and Accountability Commission to oversee various parts of the act, as specified. Existing law authorizes the commission to, among other things, obtain data and information from specified entities to utilize in its oversight, review, training and technical assistance, accountability, and evaluation capacity regarding projects and programs supported with MHSA funds.

Existing law requires each county mental health program to prepare and submit a 3-year program and expenditure plan, and annual updates, as specified, to the commission and the department within 30 days after adoption. Existing law authorizes the commission, if it identifies a critical issue related to the performance of a county mental health program, to refer the issue to the State Department of Health Care Services. Existing law authorizes the department to withhold mental health funding, upon a determination of noncompliance by the county, as specified, or if a county does not submit a specified annual revenue and expenditure report by the required deadline.

Existing law requires that funds be reserved for administrative costs, not to exceed 5% of the total of annual revenues received for the Mental Health Services Fund, for the department and the commission, among other specified entities, to implement duties pursuant to programs under the act, as specified. Existing law requires that those funds be subject to appropriation in the annual Budget Act.

This bill would establish the Office of Mental Health Services within the California Health and Human Services Agency, as specified. The bill would transfer various functions of the State Department of Health Care Services under the act to the office. Under this bill, the office would succeed to, and be vested with, all the duties, powers, responsibilities, and jurisdiction, vested in the department, regarding oversight of the Mental Health Services Fund, as specified. The bill would also require the office to assume certain duties, including, among others, initiating investigations, advising counties, conducting research, and reporting to the Legislature, by December 31, 2020, of any additional authority it deems necessary to complete its duties and to ensure county compliance with the act, as specified. The bill would make conforming changes to other provisions to reflect the transfer of those mental health responsibilities.

~~Existing law authorizes the act to be amended by a $\frac{2}{3}$ vote of the Legislature if the amendments are consistent with, and further the intent of, the act. Existing law authorizes the Legislature to add provisions to clarify procedures and terms of the act by majority vote.~~

~~This bill would make legislative findings and declarations relating to mental health services in California and stating that the provisions of this bill are consistent with, and further the intent of, the act. By amending the provisions of the act, this bill would require a $\frac{2}{3}$ vote of the Legislature.~~

This bill would require the commission to develop a local government transparency and accountability strategy for local mental health programs that includes fiscal, program and outcome components, as specified. The bill would also require the commission to develop a transparency and accountability strategy for state government that includes fiscal information, and information on programs and outcomes related to mental health. The state and local plans would include developing elements, information tools, materials, or other efforts that allow for public awareness and monitoring of state level mental health spending, activities, and outcomes, as specified. With respect to the program component of the local transparency and accountability strategy, the bill would require the State Department of Health Care Services to adopt, by January 1, 2020, and periodically update, regulations regarding demographic reporting or other requirements, that are consistent with regulations adopted by the commission and support the transparency and accountability strategy developed by the commission. The bill would require the commission to assess the adequacy of existing statutory and regulatory data reporting requirements, strategies, and practices, and make recommendations to the Governor and Legislature for streamlining and strengthening those strategies. The bill would require the commission, in developing the transparency and accountability strategy, to prepare and report to the Legislature on or before March 31, 2020, and periodically thereafter, on the commission's progress in complying with the requirements of the bill, and any funding, personnel, authority, or other resources the commission may need to achieve the bill's intent.

Vote: $\frac{2}{3}$ -majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. The Legislature finds and declares all of the*
2 *following:*

3 *(a) The federal Substance Abuse and Mental Health Services*
4 *Administration (SAMHSA) reports that some 18 percent of*
5 *Americans experience some form of mental health need, but many*
6 *of those in need do not receive services.*

7 *(b) SAMHSA reports that about 43 percent of adults with some*
8 *level of need receive care, suggesting more than half of adults who*
9 *could benefit from care do not receive care. For adults with severe*
10 *mental illness, the federal government reports that just 65 percent*
11 *receive mental health services to meet their needs.*

12 *(c) Research suggests that half of adult mental illness begins*
13 *before 14 years of age, and three-fourths before 24 years of age.*
14 *More than 40 percent of youth between 13 and 17 years of age*
15 *experience a mental health or related need before seventh grade.*
16 *Suicide is the third leading cause of death among youth from 15*
17 *to 24 years of age.*

18 *(d) Research also suggests that unaddressed mental health*
19 *issues can lead to homelessness, criminal justice involvement,*
20 *school failure, and unemployment. For young people, mental health*
21 *needs have the greatest impact in terms of disability. Yet research*
22 *from 2014 indicates that among youth with a major depressive*
23 *episode, which accounts for about 11.4 percent of all youth from*
24 *12 to 17 years of age, just four in ten received treatment or support.*

25 *(e) Despite the importance of accessible, culturally competent,*
26 *and effective mental health services and supports, California has*
27 *not developed an integrated strategy to support transparency and*
28 *accountability for the state’s public mental health system that*
29 *allows the public and policymakers to better understand the*
30 *services that are in place, how well they are functioning, and the*
31 *outcomes that are achieved.*

32 *SEC. 2. Section 5845.3 is added to the Welfare and Institutions*
33 *Code, to read:*

34 5845.3. *(a) The commission shall develop a transparency and*
35 *accountability strategy that includes fiscal, program, and outcome*
36 *components, as follows:*

37 (1) (A) *In developing a fiscal transparency and accountability*
38 *strategy for local governments, the commission shall develop*

1 *elements, information tools, materials, or other efforts, as*
2 *determined by the commission, that allow for public awareness*
3 *and monitoring of local government mental health spending,*
4 *statewide, by county, counties acting jointly, or other jurisdictions*
5 *as determined by the commission. The commission shall make*
6 *information available historically, to the extent possible, but at*
7 *least for the most recently completed fiscal year, as required by*
8 *Section 5899.*

9 *(B) In support of local government fiscal transparency and*
10 *accountability, the commission shall make fiscal information*
11 *available that reflects total mental health revenues, expenditures,*
12 *and unspent funds, from the Mental Health Services Fund, as well*
13 *as other funding sources, to support public understanding of how*
14 *mental health services are funded, revenue and expenditure trends,*
15 *and the availability of mental health funds to support the needs of*
16 *mental health consumers and California's communities.*

17 *(C) In developing the fiscal transparency and accountability*
18 *strategy, the commission shall consult with the Department of*
19 *Finance, the State Department of Health Care Services, the State*
20 *Controller's Office, the California State Auditor, and other entities*
21 *as needed, to develop an approach that supports public*
22 *accountability. Upon request, the State Department of Health Care*
23 *Services, the Department of Finance, and the State Controller's*
24 *Office shall make available to the commission all information,*
25 *data, or other materials that are subject to public disclosure, to*
26 *support this requirement.*

27 *(2) (A) In developing a program transparency and*
28 *accountability strategy for local mental health programs, the*
29 *commission shall develop elements, information tools, materials,*
30 *or other efforts, as determined by the commission, that allow for*
31 *public awareness and monitoring of publicly funded or supported*
32 *mental health programs statewide, by county, counties acting*
33 *jointly, or other jurisdictions as determined by the commission.*
34 *To the extent possible, the commission shall make information on*
35 *mental health programs available historically and for the most*
36 *recently completed fiscal year.*

37 *(B) In support of the local government program transparency*
38 *and accountability strategy, the commission shall make information*
39 *publicly available that reflects the nature of services available,*

1 *how those services are organized and provided, the geographic*
2 *location of services, and the intended population being served.*

3 *(C) As part of the program transparency and accountability*
4 *strategy, the commission shall make information publicly available*
5 *on the number of persons served, with information on demographic*
6 *characteristics, including, but not limited to, age, race, ethnicity,*
7 *gender, sexual orientation, language spoken, veteran status, and*
8 *other characteristics intended to improve public understanding of*
9 *who is being served by mental health programs.*

10 *(D) To the extent possible, the commission shall make*
11 *information publicly available on funding and persons served, by*
12 *program, strategy, or service, to support public understanding of*
13 *how people are accessing services and care, and how those*
14 *services are funded.*

15 *(E) In developing this strategy, the commission shall consider*
16 *whether existing regulatory reporting requirements are adequate,*
17 *and revise those requirements, on a basis determined by the*
18 *commission, to support enhanced reporting, transparency and*
19 *accountability.*

20 *(F) To support this effort, the State Department of Health Care*
21 *Services shall adopt and periodically update regulations regarding*
22 *demographic reporting or other requirements, that are consistent*
23 *with regulations adopted by the commission and support the*
24 *transparency and accountability strategy developed by the*
25 *commission. The department shall adopt those regulations by*
26 *January 31, 2020. If the department is unable to adopt regulations*
27 *by that date, the department shall provide the relevant budget and*
28 *policy committees of the Legislature, and the commission, a*
29 *detailed explanation of the delay and a proposed deadline for the*
30 *adoption of those regulations. The department shall provide this*
31 *information in compliance with Section 9795 of the Government*
32 *Code.*

33 *(3) (A) In developing a transparency and accountability strategy*
34 *for local mental health programs, the commission shall develop*
35 *elements, information tools, materials, or other efforts, as*
36 *determined by the commission, that allow for public awareness*
37 *and monitoring of outcomes achieved by publicly funded or*
38 *supported mental health programs, statewide, by county, counties*
39 *acting jointly, or other jurisdictions as determined by the*
40 *commission. To the extent possible, the commission shall make*

1 *information on mental health outcomes available historically and*
2 *for the most recently completed fiscal year.*

3 *(B) The commission shall develop a strategy for reporting and*
4 *monitoring mental health outcomes that is consistent with*
5 *subdivision (d) of Section 5840, including reporting on reductions*
6 *in homelessness, unemployment, removal of children from their*
7 *homes, suicide, incarcerations, school failure or dropout, and*
8 *prolonged suffering. For purposes of this section, “removal of*
9 *children from their homes” refers to involvement with the child*
10 *welfare system, the juvenile justice system, or other placement as*
11 *determined by the commission.*

12 *(C) In support of the outcome transparency and accountability*
13 *strategy for local mental health programs, the commission shall,*
14 *as it deems necessary, identify or develop other measures*
15 *associated with access to mental health services and supports, the*
16 *quality of those services and supports, and the outcomes that result*
17 *from accessing those services and supports.*

18 *(D) Notwithstanding any other statute, regulation, or*
19 *requirement, and subject to subparagraph (F), the commission*
20 *shall have access to data, information, policies, procedures, and*
21 *practices held or maintained by the departments within the*
22 *California Health and Human Services Agency, the Department*
23 *of Justice, the State Department of Education, the Employment*
24 *Development Department, and other state and local agencies, as*
25 *necessary, to comply with the requirements of this section.*

26 *(E) The departments within the California Health and Human*
27 *Services Agency, the Department of Justice, the State Department*
28 *of Education, Employment Development Department, and other*
29 *state and local agencies, shall cooperate and share data with the*
30 *commission, to support the intent of this section.*

31 *(F) In accessing data pursuant to this section, the commission*
32 *shall comply with all applicable federal and state privacy and*
33 *confidentiality laws.*

34 *(b) The commission shall develop a transparency and*
35 *accountability strategy for state government that includes fiscal*
36 *information, and information on programs and outcomes related*
37 *to mental health. The commission shall develop elements,*
38 *information tools, materials, or other efforts, as determined by the*
39 *commission, that allow for public awareness and monitoring of*
40 *state level mental health spending, activities, and outcomes, by*

1 department, program, or other organizing unit, as determined by
2 the commission. In developing this strategy, to the extent possible,
3 the commission shall make information available historically and
4 for the most recently completed fiscal year.

5 (c) To support enhanced transparency and outcome
6 accountability, the commission shall assess the adequacy of
7 existing statutory and regulatory data reporting requirements,
8 strategies, and practices, and make recommendations to the
9 Governor and Legislature for streamlining and strengthening those
10 strategies to reduce costs and improve the use of information to
11 guide program, fiscal, and related decisions.

12 (d) (1) In developing the transparency and accountability
13 strategy required by this section, the commission shall prepare
14 and report to the relevant policy and fiscal committees of the
15 Legislature on or before March 31, 2020, and periodically
16 thereafter, as needed, on its progress in complying with this
17 section, and any funding, personnel, authority, or other resources
18 the commission may need to achieve the intent of this section.

19 (2) A report submitted pursuant to this paragraph shall be
20 submitted in compliance with Section 9795 of the Government
21 Code.

22 ~~SECTION 1. The Legislature finds and declares all of the~~
23 ~~following:~~

24 ~~(a) Proposition 63 (2004) is an important initiative to improve~~
25 ~~the lives and health of Californians by reducing the adverse impacts~~
26 ~~from untreated serious mental illness.~~

27 ~~(b) Left untreated, mental illness may result in prolonged~~
28 ~~suffering and is the leading cause of suicide and disability. Without~~
29 ~~intervention, those suffering from untreated mental illness may be~~
30 ~~incarcerated, drop out of school, or become unemployed or~~
31 ~~homeless.~~

32 ~~(c) Since 2004, the Mental Health Services Act has generated~~
33 ~~\$14.6 billion and now comprises almost one-quarter of the state's~~
34 ~~mental health care budget.~~

35 ~~(d) Currently, over 2.2 million Californians have a mental health~~
36 ~~need, and just over one-half of those with these needs reported~~
37 ~~that they did not receive any treatment from a primary care doctor~~
38 ~~or a mental health professional.~~

39 ~~(e) Since 2013, and as recently as September 2016, the~~
40 ~~California State Auditor's Office and the Little Hoover~~

1 Commission, respectively, have reported a continued failure to
2 keep promises made to voters in 2004 with the passage of
3 Proposition 63, the Mental Health Services Act, largely due to an
4 ineffective governance system that has no oversight or
5 accountability structure.

6 (f) The State Department of Health Care Services has been slow
7 to publicly post county plans and reports of fiscal transparency.
8 Currently, no state agency reviews, analyzes, or summarizes
9 information supplied by local governments to ensure compliance
10 with the Mental Health Services Act.

11 SEC. 2. Section 5813.5 of the Welfare and Institutions Code
12 is amended to read:

13 5813.5. Subject to the availability of funds from the Mental
14 Health Services Fund, the state shall distribute funds for the
15 provision of services under Sections 5801, 5802, and 5806 to
16 county mental health programs. Services shall be available to adults
17 and seniors with severe illnesses who meet the eligibility criteria
18 in subdivisions (b) and (c) of Section 5600.3. For purposes of this
19 act, seniors means older adult persons identified in this part.

20 (a) Funding shall be provided at sufficient levels to ensure that
21 counties can provide each adult and senior served pursuant to this
22 part with the medically necessary mental health services,
23 medications, and supportive services set forth in the applicable
24 treatment plan.

25 (b) The funding shall only cover the portions of those costs of
26 services that cannot be paid for with other funds including other
27 mental health funds, public and private insurance, and other local,
28 state, and federal funds.

29 (c) Each county mental health program's plan shall provide for
30 services in accordance with the system of care for adults and
31 seniors who meet the eligibility criteria in subdivisions (b) and (c)
32 of Section 5600.3.

33 (d) Planning for services shall be consistent with the philosophy,
34 principles, and practices of the Recovery Vision for mental health
35 consumers:

36 (1) To promote concepts key to the recovery for individuals
37 who have mental illness: hope, personal empowerment, respect,
38 social connections, self-responsibility, and self-determination.

39 (2) To promote consumer-operated services as a way to support
40 recovery.

1 ~~(3) To reflect the cultural, ethnic, and racial diversity of mental~~
2 ~~health consumers.~~

3 ~~(4) To plan for each consumer's individual needs.~~

4 ~~(e) The plan for each county mental health program shall~~
5 ~~indicate, subject to the availability of funds as determined by Part~~
6 ~~4.5 (commencing with Section 5890) of this division, and other~~
7 ~~funds available for mental health services, adults and seniors with~~
8 ~~a severe mental illness being served by this program are either~~
9 ~~receiving services from this program or have a mental illness that~~
10 ~~is not sufficiently severe to require the level of services required~~
11 ~~of this program.~~

12 ~~(f) Each county plan and annual update pursuant to Section~~
13 ~~5847 shall consider ways to provide services similar to those~~
14 ~~established pursuant to the Mentally Ill Offender Crime Reduction~~
15 ~~Grant Program. Funds shall not be used to pay for persons~~
16 ~~incarcerated in state prison or parolees from state prisons. When~~
17 ~~included in county plans pursuant to Section 5847, funds may be~~
18 ~~used for the provision of mental health services under Sections~~
19 ~~5347 and 5348 in counties that elect to participate in the Assisted~~
20 ~~Outpatient Treatment Demonstration Project Act of 2002 (Article~~
21 ~~9 (commencing with Section 5345) of Chapter 2 of Part 1).~~

22 ~~(g) The Office of Mental Health Services shall contract for~~
23 ~~services with county mental health programs pursuant to Section~~
24 ~~5897. After the effective date of this section, the term grants~~
25 ~~referred to in Sections 5814 and 5814.5 shall refer to those~~
26 ~~contracts.~~

27 ~~SEC. 3. Section 5821 of the Welfare and Institutions Code is~~
28 ~~amended to read:~~

29 ~~5821. (a) The California Behavioral Health Planning Council~~
30 ~~shall advise the Office of Statewide Health Planning and~~
31 ~~Development on education and training policy development and~~
32 ~~provide oversight for education and training plan development.~~

33 ~~(b) The Office of Statewide Health Planning and Development~~
34 ~~shall work with the California Behavioral Health Planning Council~~
35 ~~and the Office of Mental Health Services so that council staff is~~
36 ~~increased appropriately to fulfill its duties required by Sections~~
37 ~~5820 and 5821.~~

38 ~~SEC. 4. Section 5840 of the Welfare and Institutions Code is~~
39 ~~amended to read:~~

1 ~~5840. (a) The Office of Mental Health Services, in coordination~~
2 ~~with counties, shall establish a program designed to prevent mental~~
3 ~~illnesses from becoming severe and disabling. The program shall~~
4 ~~emphasize improving timely access to services for underserved~~
5 ~~populations.~~
6 ~~(b) The program shall include all of the following components:~~
7 ~~(1) Outreach to families, employers, primary care health care~~
8 ~~providers, and others to recognize the early signs of potentially~~
9 ~~severe and disabling mental illnesses.~~
10 ~~(2) Access and linkage to medically necessary care provided~~
11 ~~by county mental health programs for children with severe mental~~
12 ~~illness, as defined in Section 5600.3, and for adults and seniors~~
13 ~~with severe mental illness, as defined in Section 5600.3, as early~~
14 ~~in the onset of these conditions as practicable.~~
15 ~~(3) Reduction in stigma associated with either being diagnosed~~
16 ~~with a mental illness or seeking mental health services.~~
17 ~~(4) Reduction in discrimination against people with mental~~
18 ~~illness.~~
19 ~~(e) The program shall include mental health services similar to~~
20 ~~those provided under other programs effective in preventing mental~~
21 ~~illnesses from becoming severe, and shall also include components~~
22 ~~similar to programs that have been successful in reducing the~~
23 ~~duration of untreated severe mental illnesses and assisting people~~
24 ~~in quickly regaining productive lives.~~
25 ~~(d) The program shall emphasize strategies to reduce the~~
26 ~~following negative outcomes that may result from untreated mental~~
27 ~~illness:~~
28 ~~(1) Suicide.~~
29 ~~(2) Incarcerations.~~
30 ~~(3) School failure or dropout.~~
31 ~~(4) Unemployment.~~
32 ~~(5) Prolonged suffering.~~
33 ~~(6) Homelessness.~~
34 ~~(7) Removal of children from their homes.~~
35 ~~(e) Prevention and early intervention funds may be used to~~
36 ~~broaden the provision of community-based mental health services~~
37 ~~by adding prevention and early intervention services or activities~~
38 ~~to these services.~~
39 ~~(f) In consultation with mental health stakeholders, and~~
40 ~~consistent with regulations from the Mental Health Services~~

1 Oversight and Accountability Commission, pursuant to Section
2 5846, the Office of Mental Health Services shall revise the program
3 elements in this section applicable to all county mental health
4 programs in future years to reflect what is learned about the most
5 effective prevention and intervention programs for children, adults,
6 and seniors.

7 SEC. 5. Section 5840.2 of the Welfare and Institutions Code
8 is amended to read:

9 5840.2. The Office of Mental Health Services shall contract
10 for the provision of services pursuant to this part with each county
11 mental health program in the manner set forth in Section 5897.

12 SEC. 6. Section 5841 is added to the Welfare and Institutions
13 Code, immediately preceding Section 5845, to read:

14 5841. (a) The Office of Mental Health Services is hereby
15 established within the California Health and Human Services
16 Agency.

17 (b) The office is under the control of an executive officer, known
18 as the Director of the Office of Mental Health Services, who shall
19 be appointed by the Governor, subject to confirmation by the
20 Senate, and hold office at the pleasure of the Governor.

21 (c) The office shall succeed to, and be vested with, all the duties,
22 powers, responsibilities, and jurisdiction, vested in the State
23 Department of Health Care Services, regarding oversight of the
24 Mental Health Services Fund. All existing positions within the
25 State Department of Health Care Services concerning those duties,
26 powers, responsibilities, and jurisdiction shall be transferred to the
27 office. The director shall have authority to hire persons for those
28 positions.

29 (d) In addition to any duties set forth pursuant to subdivision
30 (c), the office shall assume the following duties:

31 (1) Oversee the allocation of funds from the Mental Health
32 Services Fund.

33 (2) Initiate investigations, at its own discretion or upon request,
34 concerning potential county noncompliance with the Mental Health
35 Services Act (MHSA) or concerning other critical issues related
36 to the performance of a county mental health program.

37 (3) Ensure that public transparency is provided for the Mental
38 Health Services Fund, that funding is allocated to those with mental
39 health needs, that the public's safety is protected, and that the

1 required data to track performance outcomes are reported to the
2 public in a practical and usable manner.

3 ~~(4) Perform outreach to counties, advise counties, and conduct~~
4 ~~research, relating to the Mental Health Services Fund.~~

5 ~~(5) (A) By December 31, 2020, report to the Legislature of any~~
6 ~~additional authority the office deems necessary to complete its~~
7 ~~designated duties and to ensure county compliance with the MHSA,~~
8 ~~including, but not limited to, broader authority to sanction, to~~
9 ~~withhold MHSA funds, or to assess a fine for misreported data or~~
10 ~~data reported late.~~

11 ~~(B) This paragraph does not grant the office the authority to~~
12 ~~create new types of penalties. It is the intent of the Legislature~~
13 ~~that, based on the findings and reporting by the office, future~~
14 ~~legislation be enacted to impose automatic, nondiscretionary~~
15 ~~penalties, to be gradually applied to noncompliant counties,~~
16 ~~beginning with minor penalties, and increasing in severity as~~
17 ~~noncompliance is continued after collaboration and technical~~
18 ~~assistance have been offered.~~

19 ~~(C) A report to the Legislature pursuant to this paragraph shall~~
20 ~~be submitted in compliance with Section 9795 of the Government~~
21 ~~Code.~~

22 ~~SEC. 7. The heading of Part 3.7 (commencing with Section~~
23 ~~5845) of Division 5 of the Welfare and Institutions Code is~~
24 ~~amended to read:~~

25

26 ~~PART 3.7. TRANSPARENCY, OVERSIGHT, AND~~
27 ~~ACCOUNTABILITY~~

28

29 ~~SEC. 8. Section 5845 of the Welfare and Institutions Code is~~
30 ~~amended to read:~~

31 ~~5845. (a) The Mental Health Services Oversight and~~
32 ~~Accountability Commission is hereby established to oversee Part~~
33 ~~3 (commencing with Section 5800), the Adult and Older Adult~~
34 ~~Mental Health System of Care Act; Part 3.1 (commencing with~~
35 ~~Section 5820), Human Resources, Education, and Training~~
36 ~~Programs; Part 3.2 (commencing with Section 5830), Innovative~~
37 ~~Programs; Part 3.6 (commencing with Section 5840), Prevention~~
38 ~~and Early Intervention Programs; and Part 4 (commencing with~~
39 ~~Section 5850), the Children's Mental Health Services Act. The~~
40 ~~commission shall replace the advisory committee established~~

1 pursuant to Section 5814. The commission shall consist of 16
2 voting members as follows:

3 (1) ~~The Attorney General or his or her designee.~~

4 (2) ~~The Superintendent of Public Instruction or his or her
5 designee.~~

6 (3) ~~The Chairperson of the Senate Health and Human Services
7 Committee or another member of the Senate selected by the
8 President pro Tempore of the Senate.~~

9 (4) ~~The Chairperson of the Assembly Health Committee or
10 another member of the Assembly selected by the Speaker of the
11 Assembly.~~

12 (5) ~~Two persons with a severe mental illness, a family member
13 of an adult or senior with a severe mental illness, a family member
14 of a child who has or has had a severe mental illness, a physician
15 specializing in alcohol and drug treatment, a mental health
16 professional, a county sheriff, a superintendent of a school district,
17 a representative of a labor organization, a representative of an
18 employer with less than 500 employees and a representative of an
19 employer with more than 500 employees, and a representative of
20 a health care services plan or insurer, all appointed by the
21 Governor. In making appointments, the Governor shall seek
22 individuals who have had personal or family experience with
23 mental illness. At least one of the persons appointed pursuant to
24 this paragraph shall have a background in auditing.~~

25 (b) ~~Members shall serve without compensation, but shall be
26 reimbursed for all actual and necessary expenses incurred in the
27 performance of their duties.~~

28 (c) ~~The term of each member shall be three years, to be
29 staggered so that approximately one-third of the appointments
30 expire in each year.~~

31 (d) ~~In carrying out its duties and responsibilities, the commission
32 may do all of the following:~~

33 (1) ~~Meet at least once each quarter at any time and location
34 convenient to the public as it may deem appropriate. All meetings
35 of the commission shall be open to the public.~~

36 (2) ~~Within the limit of funds allocated for these purposes,
37 pursuant to the laws and regulations governing state civil service,
38 employ staff, including any clerical, legal, and technical assistance
39 as may appear necessary. The commission shall administer its~~

1 operations separate and apart from the Office of Mental Health
2 Services and the California Health and Human Services Agency.

3 (3) Establish technical advisory committees such as a committee
4 of consumers and family members.

5 (4) Employ all other appropriate strategies necessary or
6 convenient to enable it to fully and adequately perform its duties
7 and exercise the powers expressly granted, notwithstanding any
8 authority expressly granted to any officer or employee of state
9 government.

10 (5) Enter into contracts.

11 (6) Obtain data and information from the Office of Mental
12 Health Services, the Office of Statewide Health Planning and
13 Development, or other state or local entities that receive Mental
14 Health Services Act funds, for the commission to utilize in its
15 oversight, review, training and technical assistance, accountability,
16 and evaluation capacity regarding projects and programs supported
17 with Mental Health Services Act funds.

18 (7) Participate in the joint state-county decisionmaking process,
19 as contained in Section 4061, for training, technical assistance,
20 and regulatory resources to meet the mission and goals of the
21 state's mental health system.

22 (8) Develop strategies to overcome stigma and discrimination,
23 and accomplish all other objectives of Part 3.2 (commencing with
24 Section 5830), Part 3.6 (commencing with Section 5840), and the
25 other provisions of the act establishing this commission.

26 (9) At any time, advise the Governor or the Legislature regarding
27 actions the state may take to improve care and services for people
28 with mental illness.

29 (10) If the commission identifies a critical issue related to the
30 performance of a county mental health program, it may refer the
31 issue to the Office of Mental Health Services pursuant to Section
32 5655. For purposes of this paragraph, the office shall succeed to,
33 and be vested with, all the duties, powers, responsibilities, and
34 jurisdiction that are described in Section 5655 and vested in the
35 State Department of Health Care Services.

36 (11) Assist in providing technical assistance to accomplish the
37 purposes of the Mental Health Services Act, Part 3 (commencing
38 with Section 5800), and Part 4 (commencing with Section 5850)
39 in collaboration with the Office of Mental Health Services and in

1 ~~consultation with the California Mental Health Directors~~
2 ~~Association.~~

3 ~~(12) Work in collaboration with the Office of Mental Health~~
4 ~~Services and the California Behavioral Health Planning Council,~~
5 ~~and in consultation with the California Mental Health Directors~~
6 ~~Association, in designing a comprehensive joint plan for a~~
7 ~~coordinated evaluation of client outcomes in the community-based~~
8 ~~mental health system, including, but not limited to, parts listed in~~
9 ~~subdivision (a). The California Health and Human Services Agency~~
10 ~~shall lead this comprehensive joint plan effort.~~

11 ~~SEC. 9. Section 5846 of the Welfare and Institutions Code is~~
12 ~~amended to read:~~

13 ~~5846. (a) The commission shall adopt regulations for programs~~
14 ~~and expenditures pursuant to Part 3.2 (commencing with Section~~
15 ~~5830), for innovative programs, and Part 3.6 (commencing with~~
16 ~~Section 5840), for prevention and early intervention.~~

17 ~~(b) Any regulations adopted by the Office of Mental Health~~
18 ~~Services pursuant to Section 5898 shall be consistent with the~~
19 ~~commission's regulations.~~

20 ~~(c) The commission may provide technical assistance to any~~
21 ~~county mental health plan as needed to address concerns or~~
22 ~~recommendations of the commission or when local programs could~~
23 ~~benefit from technical assistance for improvement of their plans.~~

24 ~~(d) The commission shall ensure that the perspective and~~
25 ~~participation of diverse community members reflective of~~
26 ~~California populations and others suffering from severe mental~~
27 ~~illness and their family members is a significant factor in all of its~~
28 ~~decisions and recommendations.~~

29 ~~SEC. 10. Section 5847 of the Welfare and Institutions Code is~~
30 ~~amended to read:~~

31 ~~5847. Integrated Plans for Prevention, Innovation, and System~~
32 ~~of Care Services:~~

33 ~~(a) Each county mental health program shall prepare and submit~~
34 ~~a three-year program and expenditure plan, and annual updates,~~
35 ~~adopted by the county board of supervisors, to the Mental Health~~
36 ~~Services Oversight and Accountability Commission and the Office~~
37 ~~of Mental Health Services within 30 days after adoption.~~

38 ~~(b) The three-year program and expenditure plan shall be based~~
39 ~~on available unspent funds and estimated revenue allocations~~
40 ~~provided by the state and in accordance with established~~

1 stakeholder engagement and planning requirements as required in
2 Section 5848. The three-year program and expenditure plan and
3 annual updates shall include all of the following:

4 (1) A program for prevention and early intervention in
5 accordance with Part 3.6 (commencing with Section 5840).

6 (2) A program for services to children in accordance with Part
7 4 (commencing with Section 5850), to include a program pursuant
8 to Chapter 4 (commencing with Section 18250) of Part 6 of
9 Division 9 or provide substantial evidence that it is not feasible to
10 establish a wraparound program in that county.

11 (3) A program for services to adults and seniors in accordance
12 with Part 3 (commencing with Section 5800).

13 (4) A program for innovations in accordance with Part 3.2
14 (commencing with Section 5830).

15 (5) A program for technological needs and capital facilities
16 needed to provide services pursuant to Part 3 (commencing with
17 Section 5800), Part 3.6 (commencing with Section 5840), and Part
18 4 (commencing with Section 5850). All plans for proposed facilities
19 with restrictive settings shall demonstrate that the needs of the
20 people to be served cannot be met in a less restrictive or more
21 integrated setting, such as permanent supportive housing.

22 (6) Identification of shortages in personnel to provide services
23 pursuant to the above programs and the additional assistance
24 needed from the education and training programs established
25 pursuant to Part 3.1 (commencing with Section 5820).

26 (7) Establishment and maintenance of a prudent reserve to
27 ensure the county program will continue to be able to serve
28 children, adults, and seniors that it is currently serving pursuant
29 to Part 3 (commencing with Section 5800), the Adult and Older
30 Adult Mental Health System of Care Act, Part 3.6 (commencing
31 with Section 5840), Prevention and Early Intervention Programs,
32 and Part 4 (commencing with Section 5850), the Children's Mental
33 Health Services Act, during years in which revenues for the Mental
34 Health Services Fund are below recent averages adjusted by
35 changes in the state population and the California Consumer Price
36 Index.

37 (8) Certification by the county behavioral health director, which
38 ensures that the county has complied with all pertinent regulations,
39 laws, and statutes of the Mental Health Services Act, including
40 stakeholder participation and nonsupplantation requirements.

1 ~~(9) Certification by the county behavioral health director and~~
2 ~~by the county auditor-controller that the county has complied with~~
3 ~~any fiscal accountability requirements as directed by the Office of~~
4 ~~Mental Health Services, and that all expenditures are consistent~~
5 ~~with the requirements of the Mental Health Services Act.~~

6 ~~(e) The programs established pursuant to paragraphs (2) and~~
7 ~~(3) of subdivision (b) shall include services to address the needs~~
8 ~~of transition age youth 16 to 25 years of age. In implementing this~~
9 ~~subdivision, county mental health programs shall consider the~~
10 ~~needs of transition age foster youth.~~

11 ~~(d) Each year, the Office of Mental Health Services shall inform~~
12 ~~the County Behavioral Health Directors Association of California~~
13 ~~and the Mental Health Services Oversight and Accountability~~
14 ~~Commission of the methodology used for revenue allocation to~~
15 ~~the counties.~~

16 ~~(e) Each county mental health program shall prepare expenditure~~
17 ~~plans pursuant to Part 3 (commencing with Section 5800) for adults~~
18 ~~and seniors, Part 3.2 (commencing with Section 5830) for~~
19 ~~innovative programs, Part 3.6 (commencing with Section 5840)~~
20 ~~for prevention and early intervention programs, and Part 4~~
21 ~~(commencing with Section 5850) for services for children, and~~
22 ~~updates to the plans developed pursuant to this section. Each~~
23 ~~expenditure update shall indicate the number of children, adults,~~
24 ~~and seniors to be served pursuant to Part 3 (commencing with~~
25 ~~Section 5800), and Part 4 (commencing with Section 5850), and~~
26 ~~the cost per person. The expenditure update shall include utilization~~
27 ~~of unspent funds allocated in the previous year and the proposed~~
28 ~~expenditure for the same purpose.~~

29 ~~(f) A county mental health program shall include an allocation~~
30 ~~of funds from a reserve established pursuant to paragraph (7) of~~
31 ~~subdivision (b) for services pursuant to paragraphs (2) and (3) of~~
32 ~~subdivision (b) in years in which the allocation of funds for services~~
33 ~~pursuant to subdivision (e) is not adequate to continue to serve the~~
34 ~~same number of individuals as the county had been serving in the~~
35 ~~previous fiscal year.~~

36 ~~(g) The Office of Mental Health Services shall post on its~~
37 ~~Internet Web site the three-year program and expenditure plans~~
38 ~~submitted by every county pursuant to subdivision (a) in a timely~~
39 ~~manner.~~

1 SEC. 11. Section 5848 of the Welfare and Institutions Code is
2 amended to read:

3 5848. (a) Each three-year program and expenditure plan and
4 update shall be developed with local stakeholders, including adults
5 and seniors with severe mental illness, families of children, adults,
6 and seniors with severe mental illness, providers of services, law
7 enforcement agencies, education, social services agencies, veterans,
8 representatives from veterans organizations, providers of alcohol
9 and drug services, health care organizations, and other important
10 interests. Counties shall demonstrate a partnership with constituents
11 and stakeholders throughout the process that includes meaningful
12 stakeholder involvement on mental health policy, program
13 planning, and implementation, monitoring, quality improvement,
14 evaluation, and budget allocations. A draft plan and update shall
15 be prepared and circulated for review and comment for at least 30
16 days to representatives of stakeholder interests and any interested
17 party who has requested a copy of the draft plans.

18 (b) The mental health board established pursuant to Section
19 5604 shall conduct a public hearing on the draft three-year program
20 and expenditure plan and annual updates at the close of the 30-day
21 comment period required by subdivision (a). Each adopted
22 three-year program and expenditure plan and update shall include
23 any substantive written recommendations for revisions. The
24 adopted three-year program and expenditure plan or update shall
25 summarize and analyze the recommended revisions. The mental
26 health board shall review the adopted plan or update and make
27 recommendations to the county mental health department for
28 revisions.

29 (c) The plans shall include reports on the achievement of
30 performance outcomes for services pursuant to Part 3 (commencing
31 with Section 5800), Part 3.6 (commencing with Section 5840),
32 and Part 4 (commencing with Section 5850) funded by the Mental
33 Health Services Fund and established jointly by the Office of
34 Mental Health Services and the Mental Health Services Oversight
35 and Accountability Commission, in collaboration with the County
36 Behavioral Health Directors Association of California.

37 (d) Mental health services provided pursuant to Part 3
38 (commencing with Section 5800) and Part 4 (commencing with
39 Section 5850) shall be included in the review of program
40 performance by the California Behavioral Health Planning Council

1 required by paragraph (2) of subdivision (c) of Section 5772 and
 2 in the local mental health board's review and comment on the
 3 performance outcome data required by paragraph (7) of subdivision
 4 (a) of Section 5604.2.

5 (e) The Office of Mental Health Services shall annually post
 6 on its Internet Web site a summary of the performance outcomes
 7 reports submitted by counties if clearly and separately identified
 8 by counties as the achievement of performance outcomes pursuant
 9 to subdivision (c).

10 SEC. 12. Section 5878.3 of the Welfare and Institutions Code
 11 is amended to read:

12 5878.3. (a) Subject to the availability of funds, as determined
 13 pursuant to Part 4.5 (commencing with Section 5890), county
 14 mental health programs shall offer services to severely mentally
 15 ill children for whom services under any other public or private
 16 insurance or other mental health or entitlement program is
 17 inadequate or unavailable. Other entitlement programs include,
 18 but are not limited to, mental health services available pursuant to
 19 Medi-Cal, child welfare, and special education programs. The
 20 funding shall cover only those portions of care that cannot be paid
 21 for with public or private insurance, other mental health funds, or
 22 other entitlement programs.

23 (b) Funding shall be at sufficient levels to ensure that counties
 24 can provide each child served all of the necessary services set forth
 25 in the applicable treatment plan developed in accordance with this
 26 part, including services where appropriate and necessary to prevent
 27 an out-of-home placement, such as services pursuant to Chapter
 28 4 (commencing with Section 18250) of Part 6 of Division 9.

29 (c) The Office of Mental Health Services shall contract with
 30 county mental health programs for the provision of services under
 31 this article in the manner set forth in Section 5897.

32 SEC. 13. Section 5890 of the Welfare and Institutions Code is
 33 amended to read:

34 5890. (a) The Mental Health Services Fund is hereby created
 35 in the State Treasury. The fund shall be administered by the state.
 36 Notwithstanding Section 13340 of the Government Code, all
 37 moneys in the fund are, except as provided in subdivision (d) of
 38 Section 5892, continuously appropriated, without regard to fiscal
 39 years, for the purpose of funding the following programs and other
 40 related activities as designated by other provisions of this division:

- 1 ~~(1) Part 3 (commencing with Section 5800), the Adult and Older~~
2 ~~Adult Mental Health System of Care Act.~~
3 ~~(2) Part 3.2 (commencing with Section 5830), Innovative~~
4 ~~Programs.~~
5 ~~(3) Part 3.6 (commencing with Section 5840), Prevention and~~
6 ~~Early Intervention Programs.~~
7 ~~(4) Part 3.9 (commencing with Section 5849.1), No Place Like~~
8 ~~Home Program.~~
9 ~~(5) Part 4 (commencing with Section 5850), the Children's~~
10 ~~Mental Health Services Act.~~
11 ~~(b) The establishment of this fund and any other provisions of~~
12 ~~the act establishing it or the programs funded shall not be construed~~
13 ~~to modify the obligation of health care service plans and disability~~
14 ~~insurance policies to provide coverage for mental health services,~~
15 ~~including those services required under Section 1374.72 of the~~
16 ~~Health and Safety Code and Section 10144.5 of the Insurance~~
17 ~~Code, related to mental health parity. This act shall not modify the~~
18 ~~oversight duties of the Department of Managed Health Care or the~~
19 ~~duties of the Department of Insurance with respect to enforcing~~
20 ~~these obligations of plans and insurance policies.~~
21 ~~(c) The Office of Mental Health Services shall seek approval~~
22 ~~of all applicable federal Medicaid approvals to maximize the~~
23 ~~availability of federal funds and eligibility of participating children,~~
24 ~~adults, and seniors for medically necessary care.~~
25 ~~(d) Share of costs for services pursuant to Part 3 (commencing~~
26 ~~with Section 5800) and Part 4 (commencing with Section 5850)~~
27 ~~of this division, shall be determined in accordance with the~~
28 ~~Uniform Method of Determining Ability to Pay applicable to other~~
29 ~~publicly funded mental health services, unless this Uniform Method~~
30 ~~is replaced by another method of determining copayments, in which~~
31 ~~case the new method applicable to other mental health services~~
32 ~~shall be applicable to services pursuant to Part 3 (commencing~~
33 ~~with Section 5800) and Part 4 (commencing with Section 5850)~~
34 ~~of this division.~~
35 ~~(e) The Supportive Housing Program Subaccount is hereby~~
36 ~~created in the Mental Health Services Fund. Notwithstanding~~
37 ~~Section 13340 of the Government Code, all moneys in the~~
38 ~~subaccount are reserved and continuously appropriated, without~~
39 ~~regard to fiscal years, to the California Health Facilities Financing~~
40 ~~Authority to provide funds to meet its financial obligations pursuant~~

1 to any service contracts entered into pursuant to Section 5849.35.
2 Notwithstanding any other law, including any other provision of
3 this section, no later than the last day of each month, the Controller
4 shall, before any transfer or expenditure from the fund for any
5 other purpose for the following month, transfer from the Mental
6 Health Services Fund to the Supportive Housing Program
7 Subaccount an amount that has been certified by the California
8 Health Facilities Financing Authority pursuant to paragraph (3)
9 of subdivision (a) of Section 5849.35, but not to exceed an
10 aggregate amount of one hundred forty million dollars
11 (\$140,000,000) per year. If in any month the amounts in the Mental
12 Health Services Fund are insufficient to fully transfer to the
13 subaccount or the amounts in the subaccount are insufficient to
14 fully pay the amount certified by the California Health Facilities
15 Financing Authority, the shortfall shall be carried over to the next
16 month. Moneys in the Supportive Housing Program Subaccount
17 shall not be loaned to the General Fund pursuant to Section 16310
18 or 16381 of the Government Code.

19 SEC. 14. Section 5891 of the Welfare and Institutions Code is
20 amended to read:

21 5891. (a) The funding established pursuant to this act shall be
22 utilized to expand mental health services. These funds shall not
23 be used to supplant existing state or county funds utilized to
24 provide mental health services. The state shall continue to provide
25 financial support for mental health programs with not less than the
26 same entitlements, amounts of allocations from the General Fund
27 or from the Local Revenue Fund 2011 in the State Treasury, and
28 formula distributions of dedicated funds as provided in the last
29 fiscal year that ended prior to the effective date of this act. The
30 state shall not make any change to the structure of financing mental
31 health services, which increases a county's share of costs or
32 financial risk for mental health services unless the state includes
33 adequate funding to fully compensate for such increased costs or
34 financial risk. These funds shall only be used to pay for the
35 programs authorized in Sections 5890 and 5892. These funds shall
36 not be used to pay for any other program. These funds shall not
37 be loaned to the General Fund or any other fund of the state, or a
38 county general fund or any other county fund for any purpose other
39 than those authorized by Sections 5890 and 5892.

1 ~~(b) (1) Notwithstanding subdivision (a), and except as provided~~
2 ~~in paragraph (2), the Controller may use the funds created pursuant~~
3 ~~to this part for loans to the General Fund as provided in Sections~~
4 ~~16310 and 16381 of the Government Code. Any such loan shall~~
5 ~~be repaid from the General Fund with interest computed at 110~~
6 ~~percent of the Pooled Money Investment Account rate, with interest~~
7 ~~commencing to accrue on the date the loan is made from the fund.~~
8 ~~This subdivision does not authorize any transfer that would~~
9 ~~interfere with the carrying out of the object for which these funds~~
10 ~~were created.~~

11 ~~(2) This subdivision does not apply to the Supportive Housing~~
12 ~~Program Subaccount created by subdivision (e) of Section 5890~~
13 ~~or any moneys paid by the California Health Facilities Financing~~
14 ~~Authority to the Department of Housing and Community~~
15 ~~Development as a service fee pursuant to a service contract~~
16 ~~authorized by Section 5849.35.~~

17 ~~(e) Commencing July 1, 2012, on or before the 15th day of each~~
18 ~~month, pursuant to a methodology provided by the State~~
19 ~~Department of Health Care Services, the Controller shall distribute~~
20 ~~to each Local Mental Health Service Fund established by counties~~
21 ~~pursuant to subdivision (f) of Section 5892, all unexpended and~~
22 ~~unreserved funds on deposit as of the last day of the prior month~~
23 ~~in the Mental Health Services Fund, established pursuant to Section~~
24 ~~5890, for the provision of programs and other related activities set~~
25 ~~forth in Part 3 (commencing with Section 5800), Part 3.2~~
26 ~~(commencing with Section 5830), Part 3.6 (commencing with~~
27 ~~Section 5840), Part 3.9 (commencing with Section 5849.1), and~~
28 ~~Part 4 (commencing with Section 5850).~~

29 ~~(d) Counties shall base their expenditures on the county mental~~
30 ~~health program's three-year program and expenditure plan or~~
31 ~~annual update, as required by Section 5847. Nothing in this~~
32 ~~subdivision shall affect subdivision (a) or (b):~~

33 ~~SEC. 15. Section 5892 of the Welfare and Institutions Code is~~
34 ~~amended to read:~~

35 ~~5892. (a) In order to promote efficient implementation of this~~
36 ~~act, the county shall use funds distributed from the Mental Health~~
37 ~~Services Fund as follows:~~

38 ~~(1) In 2005-06, 2006-07, and in 2007-08, 10 percent shall be~~
39 ~~placed in a trust fund to be expended for education and training~~
40 ~~programs pursuant to Part 3.1.~~

1 ~~(2) In 2005–06, 2006–07, and in 2007–08, 10 percent for capital~~
2 ~~facilities and technological needs distributed to counties in~~
3 ~~accordance with a formula developed in consultation with the~~
4 ~~County Behavioral Health Directors Association of California to~~
5 ~~implement plans developed pursuant to Section 5847.~~

6 ~~(3) Twenty percent of funds distributed to the counties pursuant~~
7 ~~to subdivision (c) of Section 5891 shall be used for prevention and~~
8 ~~early intervention programs in accordance with Part 3.6~~
9 ~~(commencing with Section 5840) of this division.~~

10 ~~(4) The expenditure for prevention and early intervention may~~
11 ~~be increased in any county in which the Office of Mental Health~~
12 ~~Services determines that the increase will decrease the need and~~
13 ~~cost for additional services to severely mentally ill persons in that~~
14 ~~county by an amount at least commensurate with the proposed~~
15 ~~increase.~~

16 ~~(5) The balance of funds shall be distributed to county mental~~
17 ~~health programs for services to persons with severe mental illnesses~~
18 ~~pursuant to Part 4 (commencing with Section 5850) for the~~
19 ~~children’s system of care and Part 3 (commencing with Section~~
20 ~~5800) for the adult and older adult system of care. These services~~
21 ~~may include housing assistance, as defined in Section 5892.5, to~~
22 ~~the target population specified in Section 5600.3.~~

23 ~~(6) Five percent of the total funding for each county mental~~
24 ~~health program for Part 3 (commencing with Section 5800), Part~~
25 ~~3.6 (commencing with Section 5840), and Part 4 (commencing~~
26 ~~with Section 5850) of this division, shall be utilized for innovative~~
27 ~~programs in accordance with Sections 5830, 5847, and 5848.~~

28 ~~(b) In any year after 2007–08, programs for services pursuant~~
29 ~~to Part 3 (commencing with Section 5800) and Part 4 (commencing~~
30 ~~with Section 5850) of this division may include funds for~~
31 ~~technological needs and capital facilities, human resource needs,~~
32 ~~and a prudent reserve to ensure services do not have to be~~
33 ~~significantly reduced in years in which revenues are below the~~
34 ~~average of previous years. The total allocation for purposes~~
35 ~~authorized by this subdivision shall not exceed 20 percent of the~~
36 ~~average amount of funds allocated to that county for the previous~~
37 ~~five years pursuant to this section.~~

38 ~~(c) The allocations pursuant to subdivisions (a) and (b) shall~~
39 ~~include funding for annual planning costs pursuant to Section 5848.~~
40 ~~The total of these costs shall not exceed 5 percent of the total of~~

1 annual revenues received for the fund. The planning costs shall
2 include funds for county mental health programs to pay for the
3 costs of consumers, family members, and other stakeholders to
4 participate in the planning process and for the planning and
5 implementation required for private provider contracts to be
6 significantly expanded to provide additional services pursuant to
7 Part 3 (commencing with Section 5800) and Part 4 (commencing
8 with Section 5850) of this division.

9 (d) ~~Prior to making the allocations pursuant to subdivisions (a),
10 (b), and (c), funds shall be reserved for the costs for the Office of
11 Mental Health Services, the California Behavioral Health Planning
12 Council, the Office of Statewide Health Planning and Development,
13 the Mental Health Services Oversight and Accountability
14 Commission, the State Department of Public Health, and any other
15 state agency to implement all duties pursuant to the programs set
16 forth in this section. These costs shall not exceed 5 percent of the
17 total of annual revenues received for the fund. The administrative
18 costs shall include funds to assist consumers and family members
19 to ensure the appropriate state and county agencies give full
20 consideration to concerns about quality, structure of service
21 delivery, or access to services. The amounts allocated for
22 administration shall include amounts sufficient to ensure adequate
23 research and evaluation regarding the effectiveness of services
24 being provided and achievement of the outcome measures set forth
25 in Part 3 (commencing with Section 5800), Part 3.6 (commencing
26 with Section 5840), and Part 4 (commencing with Section 5850)
27 of this division. The amount of funds available for the purposes
28 of this subdivision in any fiscal year shall be subject to
29 appropriation in the annual Budget Act.~~

30 (e) ~~In 2004-05, funds shall be allocated as follows:~~

31 (1) ~~Forty-five percent for education and training pursuant to
32 Part 3.1 (commencing with Section 5820) of this division.~~

33 (2) ~~Forty-five percent for capital facilities and technology needs
34 in the manner specified by paragraph (2) of subdivision (a).~~

35 (3) ~~Five percent for local planning in the manner specified in
36 subdivision (e).~~

37 (4) ~~Five percent for state implementation in the manner specified
38 in subdivision (d).~~

39 (f) ~~Each county shall place all funds received from the State
40 Mental Health Services Fund in a local Mental Health Services~~

1 ~~Fund. The Local Mental Health Services Fund balance shall be~~
2 ~~invested consistent with other county funds and the interest earned~~
3 ~~on the investments shall be transferred into the fund. The earnings~~
4 ~~on investment of these funds shall be available for distribution~~
5 ~~from the fund in future years.~~

6 ~~(g) All expenditures for county mental health programs shall~~
7 ~~be consistent with a currently approved plan or update pursuant~~
8 ~~to Section 5847.~~

9 ~~(h) (1) Other than funds placed in a reserve in accordance with~~
10 ~~an approved plan, any funds allocated to a county that have not~~
11 ~~been spent for their authorized purpose within three years shall~~
12 ~~revert to the state to be deposited into the fund and available for~~
13 ~~other counties in future years, provided however, that funds for~~
14 ~~capital facilities, technological needs, or education and training~~
15 ~~may be retained for up to 10 years before reverting to the fund.~~

16 ~~(2) If a county receives approval from the Mental Health~~
17 ~~Services Oversight and Accountability Commission of a plan for~~
18 ~~innovative programs, pursuant to subdivision (e) of Section 5830,~~
19 ~~the county's funds identified in that plan for innovative programs~~
20 ~~shall not revert to the state pursuant to paragraph (1) until three~~
21 ~~years after the date of the approval.~~

22 ~~(3) Notwithstanding paragraph (1), any funds allocated to a~~
23 ~~county with a population of less than 200,000 that have not been~~
24 ~~spent for their authorized purpose within five years shall revert to~~
25 ~~the state as described in paragraph (1).~~

26 ~~(4) Notwithstanding paragraphs (1) and (2), if a county with a~~
27 ~~population of less than 200,000 receives approval from the Mental~~
28 ~~Health Services Oversight and Accountability Commission of a~~
29 ~~plan for innovative programs, pursuant to subdivision (e) of Section~~
30 ~~5830, the county's funds identified in that plan for innovative~~
31 ~~programs shall not revert to the state pursuant to paragraph (1)~~
32 ~~until five years after the date of the approval.~~

33 ~~(i) If there are still additional revenues available in the fund~~
34 ~~after the Mental Health Services Oversight and Accountability~~
35 ~~Commission has determined there are prudent reserves and no~~
36 ~~unmet needs for any of the programs funded pursuant to this~~
37 ~~section, including all purposes of the Prevention and Early~~
38 ~~Intervention Program, the commission shall develop a plan for~~
39 ~~expenditures of these revenues to further the purposes of this act~~
40 ~~and the Legislature may appropriate these funds for any purpose~~

1 consistent with the commission's adopted plan that furthers the
2 purposes of this act.

3 ~~SEC. 16. Section 5897 of the Welfare and Institutions Code is~~
4 ~~amended to read:~~

5 ~~5897. (a) Notwithstanding any other state law, the Office of~~
6 ~~Mental Health Services shall implement the mental health services~~
7 ~~provided by Part 3 (commencing with Section 5800), Part 3.6~~
8 ~~(commencing with Section 5840), and Part 4 (commencing with~~
9 ~~Section 5850) through contracts with county mental health~~
10 ~~programs or counties acting jointly. A contract may be exclusive~~
11 ~~and may be awarded on a geographic basis. For purposes of this~~
12 ~~section, a county mental health program includes a city receiving~~
13 ~~funds pursuant to Section 5701.5.~~

14 ~~(b) Two or more counties acting jointly may agree to deliver or~~
15 ~~subcontract for the delivery of those mental health services. The~~
16 ~~agreement may encompass all or any part of the mental health~~
17 ~~services provided pursuant to these parts. Any agreement between~~
18 ~~counties shall delineate each county's responsibilities and fiscal~~
19 ~~liability.~~

20 ~~(c) The office shall implement the provisions of Part 3~~
21 ~~(commencing with Section 5800), Part 3.2 (commencing with~~
22 ~~Section 5830), Part 3.6 (commencing with Section 5840), and Part~~
23 ~~4 (commencing with Section 5850) through the annual county~~
24 ~~mental health services performance contract, as specified in Chapter~~
25 ~~2 (commencing with Section 5650) of Part 2.~~

26 ~~(d) The office shall conduct program reviews of performance~~
27 ~~contracts to determine compliance. Each county performance~~
28 ~~contract shall be reviewed at least once every three years, subject~~
29 ~~to available funding for this purpose.~~

30 ~~(e) If a county mental health program is not in compliance with~~
31 ~~its performance contract, the office may request a plan of correction~~
32 ~~with a specific timeline to achieve improvements. The office shall~~
33 ~~post on its Internet Web site any plans of correction requested and~~
34 ~~the related findings.~~

35 ~~(f) Contracts awarded by the office, the State Department of~~
36 ~~Public Health, the California Behavioral Health Planning Council,~~
37 ~~the Office of Statewide Health Planning and Development, and~~
38 ~~the Mental Health Services Oversight and Accountability~~
39 ~~Commission pursuant to Part 3 (commencing with Section 5800),~~
40 ~~Part 3.1 (commencing with Section 5820), Part 3.2 (commencing~~

1 with Section 5830), Part 3.6 (commencing with Section 5840),
2 Part 3.7 (commencing with Section 5845), Part 4 (commencing
3 with Section 5850), and this part may be awarded in the same
4 manner in which contracts are awarded pursuant to Section 5814,
5 and the provisions of subdivisions (g) and (h) of Section 5814 shall
6 apply to those contracts.

7 (g) For purposes of Section 14712, the allocation of funds
8 pursuant to Section 5892 that are used to provide services to
9 Medi-Cal beneficiaries shall be included in calculating anticipated
10 county matching funds and the transfer to the State Department
11 of Health Care Services of the anticipated county matching funds
12 needed for community mental health programs.

13 SEC. 17. Section 5898 of the Welfare and Institutions Code is
14 amended to read:

15 5898. The Office of Mental Health Services, in consultation
16 with the Mental Health Services Oversight and Accountability
17 Commission, shall develop regulations, as necessary, for the office,
18 the Mental Health Services Oversight and Accountability
19 Commission, or designated state and local agencies to implement
20 this act. Regulations adopted pursuant to this section shall be
21 developed with the maximum feasible opportunity for public
22 participation and comments.

23 SEC. 18. Section 5899 of the Welfare and Institutions Code is
24 amended to read:

25 5899. (a) The Office of Mental Health Services, in consultation
26 with the Mental Health Services Oversight and Accountability
27 Commission and the County Behavioral Health Directors
28 Association of California, shall develop and administer instructions
29 for the Annual Mental Health Services Act Revenue and
30 Expenditure Report. The instructions shall include a requirement
31 that the county certify the accuracy of this report. This report shall
32 be submitted electronically to the office and to the Mental Health
33 Services Oversight and Accountability Commission. The office
34 and the commission shall annually post each county's report on
35 their Internet Web site in a timely manner.

36 (b) The office, in consultation with the commission and the
37 County Behavioral Health Directors Association of California,
38 shall revise the instructions described in subdivision (a) by July
39 1, 2017, and as needed thereafter, to improve the timely and
40 accurate submission of county revenue and expenditure data.

- 1 ~~(e) The purpose of the Annual Mental Health Services Act~~
2 ~~Revenue and Expenditure Report is as follows:~~
- 3 ~~(1) Identify the expenditures of Mental Health Services Act~~
4 ~~(MHSA) funds that were distributed to each county.~~
- 5 ~~(2) Quantify the amount of additional funds generated for the~~
6 ~~mental health system as a result of the MHSA.~~
- 7 ~~(3) Identify unexpended funds, and interest earned on MHSA~~
8 ~~funds.~~
- 9 ~~(4) Determine reversion amounts, if applicable, from prior fiscal~~
10 ~~year distributions.~~
- 11 ~~(d) This report is intended to provide information that allows~~
12 ~~for the evaluation of all of the following:~~
- 13 ~~(1) Children's systems of care.~~
14 ~~(2) Prevention and early intervention strategies.~~
15 ~~(3) Innovative projects.~~
16 ~~(4) Workforce education and training.~~
17 ~~(5) Adults and older adults systems of care.~~
18 ~~(6) Capital facilities and technology needs.~~
- 19 ~~(e) If a county does not submit the annual revenue and~~
20 ~~expenditure report described in subdivision (a) by the required~~
21 ~~deadline, the office may withhold MHSA funds until the reports~~
22 ~~are submitted.~~
- 23 ~~(f) A county shall also report the amount of MHSA funds that~~
24 ~~were spent on mental health services for veterans.~~
- 25 ~~(g) By October 1, 2018, and by October 1 of each subsequent~~
26 ~~year, the office shall, in consultation with counties, publish on its~~
27 ~~Internet Web site a report detailing funds subject to reversion by~~
28 ~~county and by originally allocated purpose. The report also shall~~
29 ~~include the date on which the funds will revert to the Mental Health~~
30 ~~Services Fund.~~
- 31 ~~SEC. 19. The Legislature finds and declares that this act is~~
32 ~~consistent with, and furthers the intent of, the Mental Health~~
33 ~~Services Act within the meaning of Section 18 of the Mental Health~~
34 ~~Services Act.~~

AMENDED IN ASSEMBLY MARCH 23, 2018

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 2843

Introduced by Assembly Member Gloria

February 16, 2018

An act to amend Sections 5892 and 5899.1 of the Welfare and Institutions Code, relating to mental ~~health~~ health, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2843, as amended, Gloria. Mental Health Services Fund.

Existing law, the Mental Health Services Act (MHSA), an initiative measure enacted by the voters by Proposition 63 at the November 2, 2004, statewide general election, establishes the continuously appropriated Mental Health Services Fund to fund various county mental health programs by imposing a tax of 1% on annual incomes above \$1,000,000. ~~Existing law reallocates funds back to a county that failed to spend its initial funds within 3 years, and requires the county, by July 1, 2018, to prepare a plan to expend those funds on or before July 1, 2020. Under existing law, The MHSA requires funds allocated to a county that have not been spent within a specified time would to revert to the Mental Health Services Fund, as provided. Fund and to be reallocated to other counties for the purposes for which the unspent funds were initially allocated to the original county.~~ The MHSA permits amendment by the Legislature by a $\frac{2}{3}$ vote of each house if the amendment is consistent with, and furthers the intent of, the MHSA.

~~This bill would state the intent of the Legislature to enact legislation that would require a county that receives reallocated funds from the Mental Health Services Fund to spend those funds within 2 years of~~

adopting an expenditure plan for those funds. It would further state the intent of the Legislature that any funds not expended by a county within those 2 years would revert to the Mental Health Services Fund to be redistributed to cities within that county. *additionally require those funds subject to reversion to be reallocated to cities, special districts, school districts, or other public entities for the provision of mental health services consistent with the intent of the MHSA. The bill would find and declare that its provisions are consistent with and further the intent of the MHSA. By allocating moneys in the Mental Health Services Fund for new purposes, this bill would make an appropriation.*

Vote: ~~majority~~^{2/3}. Appropriation: ~~no~~ yes. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 5892 of the Welfare and Institutions Code
- 2 is amended to read:
- 3 5892. (a) In order to promote efficient implementation of this
- 4 act, the county shall use funds distributed from the Mental Health
- 5 Services Fund as follows:
- 6 (1) In 2005–06, 2006–07, and in 2007–08, 10 percent shall be
- 7 placed in a trust fund to be expended for education and training
- 8 programs pursuant to Part 3.1.
- 9 (2) In 2005–06, 2006–07, and in 2007–08, 10 percent for capital
- 10 facilities and technological needs distributed to counties in
- 11 accordance with a formula developed in consultation with the
- 12 County Behavioral Health Directors Association of California to
- 13 implement plans developed pursuant to Section 5847.
- 14 (3) Twenty percent of funds distributed to the counties pursuant
- 15 to subdivision (c) of Section 5891 shall be used for prevention and
- 16 early intervention programs in accordance with Part 3.6
- 17 (commencing with Section ~~5840~~) of this division: 5840).
- 18 (4) The expenditure for prevention and early intervention may
- 19 be increased in any county in which the department determines
- 20 that the increase will decrease the need and cost for additional
- 21 services to severely mentally ill persons in that county by an
- 22 amount at least commensurate with the proposed increase.
- 23 (5) The balance of funds shall be distributed to county mental
- 24 health programs for services to persons with severe mental illnesses
- 25 pursuant to Part 4 (commencing with Section 5850) for the

1 children’s system of care and Part 3 (commencing with Section
2 5800) for the adult and older adult system of care. These services
3 may include housing assistance, as defined in Section 5892.5, to
4 the target population specified in Section 5600.3.

5 (6) Five percent of the total funding for each county mental
6 health program for Part 3 (commencing with Section 5800), Part
7 3.6 (commencing with Section 5840), and Part 4 (commencing
8 with Section ~~5850~~ of this division, 5850), shall be utilized for
9 innovative programs in accordance with Sections 5830, 5847, and
10 5848.

11 (b) In any *fiscal* year after ~~2007-08~~, *the 2007-08 fiscal year*,
12 programs for services pursuant to Part 3 (commencing with Section
13 5800) and Part 4 (commencing with Section 5850) ~~of this division~~
14 may include funds for technological needs and capital facilities,
15 human resource needs, and a prudent reserve to ensure services
16 do not have to be significantly reduced in years in which revenues
17 are below the average of previous years. The total allocation for
18 purposes authorized by this subdivision shall not exceed 20 percent
19 of the average amount of funds allocated to that county for the
20 previous five *fiscal* years pursuant to this section.

21 (c) The allocations pursuant to subdivisions (a) and (b) shall
22 include funding for annual planning costs pursuant to Section 5848.
23 The total of these costs shall not exceed 5 percent of the total of
24 annual revenues received for the fund. The planning costs shall
25 include funds for county mental health programs to pay for the
26 costs of consumers, family members, and other stakeholders to
27 participate in the planning process and for the planning and
28 implementation required for private provider contracts to be
29 significantly expanded to provide additional services pursuant to
30 Part 3 (commencing with Section 5800) and Part 4 (commencing
31 with Section ~~5850~~ of this division, 5850).

32 (d) Prior to making the allocations pursuant to subdivisions (a),
33 (b), and (c), funds shall be reserved for the costs for the State
34 Department of Health Care Services, the California Behavioral
35 Health Planning Council, the Office of Statewide Health Planning
36 and Development, the Mental Health Services Oversight and
37 Accountability Commission, the State Department of Public Health,
38 and any other state agency to implement all duties pursuant to the
39 programs set forth in this section. These costs shall not exceed 5
40 percent of the total of annual revenues received for the fund. The

1 administrative costs shall include funds to assist consumers and
2 family members to ensure the appropriate state and county agencies
3 give full consideration to concerns about quality, structure of
4 service delivery, or access to services. The amounts allocated for
5 administration shall include amounts sufficient to ensure adequate
6 research and evaluation regarding the effectiveness of services
7 being provided and achievement of the outcome measures set forth
8 in Part 3 (commencing with Section 5800), Part 3.6 (commencing
9 with Section 5840), and Part 4 (commencing with Section ~~5850~~)
10 ~~of this division. 5850~~). The amount of funds available for the
11 purposes of this subdivision in any fiscal year ~~shall be~~ *is* subject
12 to appropriation in the annual Budget Act.

13 (e) ~~In 2004-05, the 2004-05 fiscal year,~~ funds shall be allocated
14 as follows:

15 (1) Forty-five percent for education and training pursuant to
16 Part 3.1 (commencing with Section ~~5820~~) ~~of this division. 5820~~.

17 (2) Forty-five percent for capital facilities and technology needs
18 in the manner specified by paragraph (2) of subdivision (a).

19 (3) Five percent for local planning in the manner specified in
20 subdivision (c).

21 (4) Five percent for state implementation in the manner specified
22 in subdivision (d).

23 (f) Each county shall place all funds received from the State
24 Mental Health Services Fund in a local Mental Health Services
25 Fund. The Local Mental Health Services Fund balance shall be
26 invested consistent with other county funds and the interest earned
27 on the investments shall be transferred into the fund. The earnings
28 on investment of these funds shall be available for distribution
29 from the fund in future *fiscal* years.

30 (g) All expenditures for county mental health programs shall
31 be consistent with a currently approved plan or update pursuant
32 to Section 5847.

33 (h) (1) Other than funds placed in a reserve in accordance with
34 an approved plan, any funds allocated to a county that have not
35 been spent for their authorized purpose within three years shall
36 revert to the state to be deposited into the fund and available for
37 ~~other counties~~ *counties, or cities, special districts, school districts,*
38 *or other public entities,* in future years, provided however, that
39 funds for capital facilities, technological needs, or education and

1 training may be retained for up to 10 years before reverting to the
2 fund.

3 (2) If a county receives approval from the Mental Health
4 Services Oversight and Accountability Commission of a plan for
5 innovative programs, pursuant to subdivision (e) of Section 5830,
6 the county's funds identified in that plan for innovative programs
7 shall not revert to the state pursuant to paragraph (1) until three
8 years after the date of the approval.

9 (3) Notwithstanding paragraph (1), any funds allocated to a
10 county with a population of less than 200,000 that have not been
11 spent for their authorized purpose within five years shall revert to
12 the state as described in paragraph (1).

13 (4) Notwithstanding paragraphs (1) and (2), if a county with a
14 population of less than 200,000 receives approval from the Mental
15 Health Services Oversight and Accountability Commission of a
16 plan for innovative programs, pursuant to subdivision (e) of Section
17 5830, the county's funds identified in that plan for innovative
18 programs shall not revert to the state pursuant to paragraph (1)
19 until five years after the date of the approval.

20 (i) If there are still additional revenues available in the fund
21 after the Mental Health Services Oversight and Accountability
22 Commission has determined there are prudent reserves and no
23 unmet needs for any of the programs funded pursuant to this
24 section, including all purposes of the Prevention and Early
25 Intervention Program, the commission shall develop a plan for
26 expenditures of these revenues to further the purposes of this act
27 and the Legislature may appropriate these funds for any purpose
28 consistent with the commission's adopted plan that furthers the
29 purposes of this act.

30 (j) For the 2011–12 fiscal year, General Fund revenues will be
31 insufficient to fully fund many existing mental health programs,
32 including Early and Periodic Screening, Diagnosis, and Treatment
33 (EPSDT), Medi-Cal Specialty Mental Health Managed Care, and
34 mental health services provided for special education pupils. In
35 order to adequately fund those programs for the 2011–12 fiscal
36 year and avoid deeper reductions in programs that serve individuals
37 with severe mental illness and the most vulnerable, medically
38 needy citizens of the state, prior to distribution of funds under
39 paragraphs (1) to (6), inclusive, of subdivision (a), effective July

1 1, 2011, moneys shall be allocated from the Mental Health Services
2 Fund to the counties as follows:
3 (1) Commencing July 1, 2011, one hundred eighty-three million
4 six hundred thousand dollars (\$183,600,000) of the funds available
5 as of July 1, 2011, in the Mental Health Services Fund, shall be
6 allocated in a manner consistent with subdivision (c) of Section
7 5778 and based on a formula determined by the state in
8 consultation with the County Behavioral Health Directors
9 Association of California to meet the fiscal year 2011–12 General
10 Fund obligation for Medi-Cal Specialty Mental Health Managed
11 Care.
12 (2) Upon completion of the allocation in paragraph (1), the
13 Controller shall distribute to counties ninety-eight million five
14 hundred eighty-six thousand dollars (\$98,586,000) from the Mental
15 Health Services Fund for mental health services for special
16 education pupils based on a formula determined by the state in
17 consultation with the County Behavioral Health Directors
18 Association of California.
19 (3) Upon completion of the allocation in paragraph (2), the
20 Controller shall distribute to counties 50 percent of their 2011–12
21 Mental Health Services Act component allocations consistent with
22 Sections 5847 and 5891, not to exceed four hundred eighty-eight
23 million dollars (\$488,000,000). This allocation shall commence
24 beginning August 1, 2011.
25 (4) Upon completion of the allocation in paragraph (3), and as
26 revenues are deposited into the Mental Health Services Fund, the
27 Controller shall distribute five hundred seventy-nine million dollars
28 (\$579,000,000) from the Mental Health Services Fund to counties
29 to meet the General Fund obligation for EPSDT for the 2011–12
30 fiscal year. These revenues shall be distributed to counties on a
31 quarterly basis and based on a formula determined by the state in
32 consultation with the County Behavioral Health Directors
33 Association of California. These funds shall not be subject to
34 reconciliation or cost settlement.
35 (5) The Controller shall distribute to counties the remaining
36 2011–12 Mental Health Services Act component allocations
37 consistent with Sections 5847 and 5891, beginning no later than
38 April 30, 2012. These remaining allocations shall be made on a
39 monthly basis.

1 (6) The total one-time allocation from the Mental Health
2 Services Fund for EPSDT, Medi-Cal Specialty Mental Health
3 Managed Care, and mental health services provided to special
4 education pupils as referenced shall not exceed eight hundred
5 sixty-two million dollars (\$862,000,000). Any revenues deposited
6 in the Mental Health Services Fund in the 2011–12 fiscal year that
7 exceed this obligation shall be distributed to counties for remaining
8 fiscal year 2011–12 Mental Health Services Act component
9 allocations, consistent with Sections 5847 and 5891.

10 (k) Subdivision (j) shall not be subject to repayment.

11 (l) Subdivision (j) shall become inoperative on July 1, 2012.

12 *SEC. 2. Section 5899.1 of the Welfare and Institutions Code*
13 *is amended to read:*

14 5899.1. (a) On or after July 1, 2017, funds subject to reversion
15 pursuant to subdivision (h) of Section 5892 shall be reallocated to
16 other counties for the purposes for which the unspent funds were
17 initially allocated to the original ~~county~~: *county, or to cities, special*
18 *districts, school districts, or other public entities for the provision*
19 *of mental health services consistent with the intent of the Mental*
20 *Health Services Act.*

21 (b) Notwithstanding Chapter 3.5 (commencing with Section
22 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
23 the department, without taking any further regulatory action, may
24 implement, interpret, or make specific this section, Section 5892.1,
25 and subdivision (h) of Section 5892, by means of all-county letters
26 or other similar instructions, until applicable regulations are
27 adopted in accordance with Section 5898, or until July 1, 2019,
28 whichever occurs first. The all-county letters or other similar
29 instructions shall be issued only after the department provides the
30 opportunity for public participation and comments.

31 *SEC. 3. The Legislature finds and declares that this act is*
32 *consistent with, and furthers the intent of, the Mental Health*
33 *Services Act within the meaning of Section 18 of the Mental Health*
34 *Services Act.*

35 ~~SECTION 1. It is the intent of the Legislature to enact~~
36 ~~legislation that would require a county that receives reallocated~~
37 ~~funds from the Mental Health Services Fund to spend those funds~~
38 ~~within two years of adopting an expenditure plan for those funds.~~
39 ~~It is further the intent of the Legislature that any funds not~~
40 ~~expended by a county within those two years would revert to the~~

- 1 ~~Mental Health Services Fund to be redistributed to cities within~~
- 2 ~~that county.~~

O

AMENDED IN SENATE APRIL 17, 2018
AMENDED IN SENATE MARCH 22, 2018

SENATE BILL

No. 1101

Introduced by Senator Pan

February 13, 2018

An act to add ~~Part 7 (commencing with Section 5953) to Division 5 of Section 5845.6~~ to the Welfare and Institutions Code, relating to mental health.

LEGISLATIVE COUNSEL'S DIGEST

SB 1101, as amended, Pan. Mental health.

Existing law, the Mental Health Services Act (MHSA), an initiative measure enacted by the voters as Proposition 63 at the November 2, 2004, statewide general election, establishes the Mental Health Services Oversight and Accountability Commission to oversee the administration of various parts of the act. *The MHSA permits amendment by the Legislature by a 2/3 vote of each house if the amendment is consistent with, and furthers the intent of, the MHSA.*

~~In addition to its existing duties, this~~ *This* bill would require the commission, on or before January 1, 2020, to establish ~~5~~ statewide objectives for the ~~treatment and prevention of mental illness~~ *prevention, early intervention, and treatment of mental illness, the promotion of mental health and well-being, and innovation as a strategy for transformational change*, and metrics by which progress toward each of those objectives may be measured. The bill would require the commission to ~~work with appropriate stakeholders in establishing these objectives and metrics. The bill would require the objectives and metrics to be reviewed at least every 5 years and, if appropriate, revised. The bill would prohibit the commission from using MHSA funding to~~

~~carry out these additional duties.~~ *establish strategies to collect, analyze, and monitor the established metrics and for technical assistance, support, and evaluation to support the successful implementation of these provisions. The bill would require the commission to review specified existing requirements and other oversight and accountability efforts to see if the commission can streamline those requirements, and, periodically, but at least once every 5 years, to review the established objectives, metrics, and strategies. The bill would require the commission to work with appropriate stakeholders, subject matter experts, counties, providers, state officials, and others the commission deems necessary in implementing these provisions.*

The bill, beginning January 1, 2021, would require all counties to annually submit a report to the commission and the Legislature, by the end of each fiscal year, that documents its progress toward the statewide objectives, ~~using the metrics described above. The bill would also require each county to document specified mental health funding allocations in relation to the statewide objectives. The bill would prohibit counties from encumbering MHSA funding for purposes of complying with these provisions.~~ *objectives, or, if the county does not have all the data necessary to produce the report, to provide the commission with data requested by the commission, as specified. The bill would amend the MHSA by authorizing a county to use MHSA funds to comply with these requirements.* By requiring counties to submit annual ~~reports,~~ *reports or provide specified data,* this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

The bill would declare that its provisions further the intent of the MHSA.

Vote: ~~majority~~^{2/3}. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 5845.6 is added to the Welfare and*
2 *Institutions Code, to read:*

3 5845.6. (a) *On or before January 1, 2020, the Mental Health*
4 *Services Oversight and Accountability Commission, in addition*
5 *to its existing duties, shall establish statewide objectives for the*
6 *prevention, early intervention, and treatment of mental illness, the*
7 *promotion of mental health and well-being, and innovation as a*
8 *strategy for transformational change. In establishing these*
9 *statewide objectives, the commission shall establish a core set of*
10 *objectives, ideally no more than five, that serve to bring focus to*
11 *California's mental health system. The commission may identify*
12 *a reasonable number of components for each objective.*

13 (b) *The commission shall establish corresponding metrics for*
14 *each objective, and may establish metrics for each component.*
15 *These established metrics shall allow the public to meaningfully*
16 *understand whether progress is being made against the established*
17 *objectives.*

18 (c) *The commission shall establish a strategy to collect, analyze,*
19 *and monitor the established metrics, using existing data, if*
20 *available, and proposing new data collection and reporting*
21 *strategies, if necessary.*

22 (d) *The commission shall establish a strategy for technical*
23 *assistance, support, and evaluation to support the successful*
24 *implementation of the objectives, metrics, data collection, and*
25 *reporting strategy.*

26 (e) *The commission shall periodically, but not less than once*
27 *every five years, review the established objectives, components, if*
28 *any, metrics, and strategies required under this section.*

29 (f) *Consistent with this section, the commission shall also review*
30 *the outcome and performance monitoring, data collection, and*
31 *reporting requirements, and other oversight and accountability*
32 *efforts in existence on January 1, 2019, to see if the commission*
33 *can streamline those requirements in order to reduce costs,*
34 *improve the timeliness of relevant data, enhance the utility of*
35 *reporting for decision-making, and support focus on the statewide*
36 *objectives established pursuant to this section.*

37 (g) *The commission shall work with appropriate stakeholders,*
38 *subject matter experts, counties, providers, state officials, and*

1 others the commission deems necessary in implementing the
 2 requirements of this section.

3 (h) The commission may obtain relevant data and information
 4 from other state entities, as needed to assist with monitoring of
 5 county progress toward the statewide objectives.

6 (i) (1) Notwithstanding Section 10231.5 of the Government
 7 Code, each county, beginning January 1, 2021, shall annually
 8 submit a report to the commission and to the Legislature, by the
 9 end of each fiscal year, that documents the county’s progress
 10 toward the statewide objectives, using the metrics described in
 11 subdivision (b). The report shall also document mental health
 12 funding allocations from Medi-Cal and the Mental Health Services
 13 Act in relation to the statewide objectives. A report submitted
 14 pursuant to this paragraph shall be submitted in compliance with
 15 Section 9795 of the Government Code.

16 (2) If a county does not have all the data necessary to produce
 17 the report specified in paragraph (1), the county shall instead
 18 provide data requested by the commission to assist with the
 19 monitoring of county progress towards the statewide objectives.

20 (3) A county may use Mental Health Services Act funds to
 21 comply with the requirements of this section.

22 (j) This section shall not be construed to require counties to
 23 allocate its mental health funding based on the statewide objectives
 24 established pursuant to subdivision (a). It is the intent of the
 25 Legislature that these statewide objectives work in concert with
 26 locally and regionally established goals to improve mental health
 27 outcomes statewide.

28 SEC. 2. If the Commission on State Mandates determines that
 29 this act contains costs mandated by the state, reimbursement to
 30 local agencies and school districts for those costs shall be made
 31 pursuant to Part 7 (commencing with Section 17500) of Division
 32 4 of Title 2 of the Government Code.

33 SEC. 3. The Legislature finds and declares that this act furthers
 34 the intent of the Mental Health Services Act, enacted by Proposition
 35 63 at the November 2, 2004, statewide general election.

36 SECTION 1. ~~Part 7 (commencing with Section 5953) is added~~
 37 ~~to Division 5 of the Welfare and Institutions Code, to read:~~

1 PART 7. STATEWIDE MENTAL HEALTH OBJECTIVES

2
3 ~~5953. (a) On or before January 1, 2020, the Mental Health~~
4 ~~Services Oversight and Accountability Commission, in addition~~
5 ~~to its existing duties, shall establish five statewide objectives for~~
6 ~~the treatment and prevention of mental illness. The commission~~
7 ~~shall also establish corresponding metrics by which progress toward~~
8 ~~each objective may be measured. The commission shall work with~~
9 ~~appropriate stakeholders in establishing these objectives and~~
10 ~~metrics. Objectives and metrics established pursuant this section~~
11 ~~shall be reviewed at least every five years and, if appropriate,~~
12 ~~revised.~~

13 ~~(b) The commission shall not use funding allocated for purposes~~
14 ~~of the Mental Health Services Act to carry out the duties described~~
15 ~~in this section.~~

16 ~~(c)~~

17 ~~Notwithstanding Section 10231.5 of the Government Code,~~
18 ~~each county, beginning January 1, 2021, shall annually submit a~~
19 ~~report to the commission and to the Legislature, by the end of each~~
20 ~~fiscal year, that documents the county's progress toward the~~
21 ~~statewide objectives, using the metrics described in subdivision~~
22 ~~(a). The report shall also document mental health funding~~
23 ~~allocations from Medi-Cal and the Mental Health Services Act in~~
24 ~~relation to the statewide objectives. A report submitted pursuant~~
25 ~~to this subdivision shall be submitted in compliance with Section~~
26 ~~9795 of the Government Code.~~

27 ~~(d) Counties shall not encumber funding received pursuant to~~
28 ~~the Mental Health Services Act to comply with the reporting~~
29 ~~requirements described in this section.~~

30 ~~(e)~~

31 ~~This section shall not be construed to require counties to~~
32 ~~allocate its mental health funding based on the statewide objectives~~
33 ~~established pursuant to subdivision (a). It is the intent of the~~
34 ~~Legislature that these statewide objectives work in concert with~~
35 ~~locally and regionally established goals to improve mental health~~
36 ~~outcomes statewide.~~

37 ~~SEC. 2. If the Commission on State Mandates determines that~~
38 ~~this act contains costs mandated by the state, reimbursement to~~
39 ~~local agencies and school districts for those costs shall be made~~

- 1 pursuant to Part 7 (commencing with Section 17500) of Division
- 2 4 of Title 2 of the Government Code.

O