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AMENDED IN SENATE AUGUST 16, 1999  
AMENDED IN SENATE JUNE 23, 1999  
AMENDED IN ASSEMBLY JUNE 1, 1999  
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AMENDED IN ASSEMBLY MARCH 4, 1999  
AMENDED IN ASSEMBLY FEBRUARY 4, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

**ASSEMBLY BILL**

**No. 34**

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**Introduced by Assembly Members Steinberg and Baugh**

(Principal coauthor: Senator Burton)

**(Coauthors: Assembly Members Alquist, Calderon, Cedillo, Gallegos, Hertzberg, Honda, Jackson, Keeley, Kuehl, Lowenthal, Mazoni, Pescetti, Romero, Strom-Martin, Thomson, and Washington)**

(Coauthors: Senators Alpert, Baca, Chesbro, Johnston, Perata, and Solis)

December 7, 1998

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An act to amend Sections 5802, 5806, and 5814 of, ~~and to add Section 5809.5 to,~~ *and to add and repeal Section 5814.5 of,* the Welfare and Institutions Code, relating to mental health, *making an appropriation therefor,* and declaring the urgency thereof, to take effect immediately.

## LEGISLATIVE COUNSEL'S DIGEST

AB 34, as amended, Steinberg. Mental health funding: local grants.

Existing law provides for the allocation of state funds to counties for mental health programs.

This bill would make various statements of legislative findings and intent regarding the need to provide sufficient funds to counties for adult mental health and related services.

Existing law requires the State Department of Mental Health to establish service standards relating to mental health services. These standards are required to include, among other things, plans for services and evaluation strategies.

This bill would also require these standards to include coordination and access to related medications, substance abuse services, housing assistance, vocational rehabilitation, and veterans' services.

This bill would require the department to select ~~a small group of~~ *up to 3* counties or portions of counties for eligibility for demonstration grants to be used to provide comprehensive services to certain adults who are severely mentally ill. The bill would require the director to establish a methodology for awarding these grants and to establish a designated advisory committee.

*The bill would reappropriate \$10,000,000 to the State Department of Mental Health from a specified item in the Budget Act of 1999 for the purposes of grants provided for under the bill and would authorize the Department of Finance to transfer certain Budget Act funds for purposes of the bill, as provided.*

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: <sup>2</sup>/<sub>3</sub>. 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  
2 the following:



1 (a) Recent estimates indicate that there are 50,000  
2 homeless severely mentally ill Californians, including  
3 10,000 to 20,000 homeless mentally ill veterans.

4 ~~(b) Presently there are no financial incentives for~~  
5 ~~counties to provide outreach to homeless mentally ill~~  
6 ~~adults to increase the number of people they serve with~~  
7 ~~severe mental illness.~~

8 ~~(c) County dollars are generally fixed, so that~~  
9 ~~treatment of a higher than expected number of Medi-Cal~~  
10 ~~recipients, who are entitled to treatment by the county,~~  
11 ~~reduces the amount of funds available to serve other~~  
12 ~~individuals.~~

13 ~~(d) Counties should be provided an amount of funds~~  
14 ~~to establish systems of care for severely mentally ill adults,~~  
15 ~~and provide mental health services and related~~  
16 ~~medications, substance abuse services, housing assistance,~~  
17 ~~vocational rehabilitation, and other nonmedical~~  
18 ~~programs necessary to stabilize homeless mentally ill~~  
19 ~~persons, get them into regular treatment or access to~~  
20 ~~veterans' services, and off the streets.~~

21 ~~(e)~~

22 (b) When people who suffer from severe mental  
23 illness do not have access to the services they require they  
24 frequently ~~wind up in~~ enter the criminal justice system.  
25 However, those who receive extensive community  
26 treatment are much less frequently incarcerated. The  
27 Department of Corrections is expending \$400 million  
28 annually for the incarceration and treatment of people  
29 suffering from severe mental illness. In addition, the  
30 Department of Corrections and the criminal justice  
31 system are responsible for the placement of more than  
32 3,000 of the total of approximately 4,500 persons in the  
33 state mental hospitals, for an additional annual state cost  
34 of over \$300 million.

35 ~~(f) People suffering from severe mental illness receive~~  
36 ~~sentences that are frequently longer than those received~~  
37 ~~by others convicted of the same crimes.~~

38 ~~(g) There are insufficient funds or programs to ensure~~  
39 ~~that people suffering from severe mental illness can~~  
40 ~~receive the treatment they need.~~



1 ~~(h)~~

2 (c) Increasing funding for an adult mental health  
3 system of care will result in significantly reduced  
4 Department of Corrections, criminal justice system, and  
5 local law enforcement expenditures for people with  
6 severe mental illness.

7 SEC. 2. Section 5802 of the Welfare and Institutions  
8 Code is amended to read:

9 5802. (a) The Legislature finds that a mental health  
10 system of care for adults and older adults with severe and  
11 persistent mental illness is vital for successful  
12 management of mental health care in California.  
13 Specifically:

14 (1) A comprehensive and coordinated system of care  
15 includes community-based treatment, outreach services  
16 and other early intervention strategies, case  
17 management, and interagency system components  
18 required by adults and older adults with severe and  
19 persistent mental illness.

20 (2) Mentally ill adults and older adults receive service  
21 from many different state and county agencies,  
22 particularly criminal justice, employment, housing,  
23 public welfare, health, and mental health. In a system of  
24 care these agencies collaborate in order to deliver  
25 integrated and cost-effective programs.

26 (3) The recovery of persons with severe mental illness  
27 and their financial means are important for all levels of  
28 government, business, and the community.

29 (4) System of care services which ensure culturally  
30 competent care for persons with severe mental illness in  
31 the most appropriate, least restrictive level of care are  
32 necessary to achieve the desired performance outcomes.

33 (5) Mental health service providers need to increase  
34 accountability and further develop methods to measure  
35 progress towards client outcome goals and cost  
36 effectiveness as required by a system of care.

37 (b) The Legislature further finds that the adult system  
38 of care model, beginning in the 1989-90 fiscal year  
39 through the implementation of Chapter 982 of the  
40 Statutes of 1988, provides models for ~~managing care~~ for



1 adults and older adults with severe mental illness, ~~and has~~  
2 ~~successfully met~~ *that can meet* the performance  
3 outcomes required by the Legislature.

4 (c) The Legislature also finds that the system  
5 components established in adult systems of care are of  
6 value in providing greater benefit to adults and older  
7 adults with severe and persistent mental illness at a lower  
8 cost in California.

9 (d) Therefore, using the guidelines and principles  
10 developed under the demonstration projects  
11 implemented under the adult system of care legislation  
12 in 1989, it is the intent of the Legislature to accomplish the  
13 following:

14 (1) Encourage each county to implement a system of  
15 care as described in this legislation for the delivery of  
16 mental health services to seriously mentally disordered  
17 adults and older adults.

18 (2) To promote system of care accountability for  
19 performance outcomes which enable adults with severe  
20 mental illness to reduce symptoms which impair their  
21 ability to live independently, work, maintain community  
22 supports, care for their children, stay in good health, not  
23 abuse drugs or alcohol, and not commit crimes.

24 (3) Maintain funding for the existing pilot adult system  
25 of care programs that meet contractual goals as models  
26 and technical assistance resources for future expansion of  
27 system of care programs to other counties as funding  
28 becomes available.

29 (4) Provide ~~sufficient~~ funds for counties to establish  
30 outreach programs and to provide mental health services  
31 and related medications, substance abuse services,  
32 supportive housing or other housing assistance,  
33 vocational rehabilitation, and other nonmedical  
34 programs necessary to stabilize homeless mentally ill  
35 persons or mentally ill persons at risk of being homeless,  
36 get them off the street, and into treatment and recovery,  
37 or to provide access to veterans' services that will also  
38 provide for treatment and recovery.

39 SEC. 3. Section 5806 of the Welfare and Institutions  
40 Code is amended to read:



1 5806. The State Department of Mental Health shall  
2 establish service standards that ensure that members of  
3 the target population are identified, and services  
4 provided to assist them to live independently, work, and  
5 reach their potential as productive citizens. The  
6 department shall provide annual oversight of grants  
7 issued pursuant to this part for compliance with these  
8 standards. These standards include but are not limited to:

9 (a) A service planning process that is target  
10 population based and includes the following:

11 (1) Determination of the numbers of clients to be  
12 served and the programs and services that will be  
13 provided to meet their needs. The local director of  
14 mental health shall consult with the sheriff, the police  
15 chief, the probation officer, the mental health board,  
16 contract agencies, and family, client, ethnic and citizen  
17 constituency groups as determined by the director.

18 (2) Plans for services including outreach, design of  
19 mental health services, coordination and access to  
20 medications, substance abuse services, supportive  
21 housing or other housing assistance, vocational  
22 rehabilitation, and veterans' services. Plans shall also  
23 contain evaluation strategies, which shall consider  
24 cultural, linguistic, gender, age, and special needs of  
25 minorities in the target populations. Provision shall be  
26 made for staff with the cultural background and linguistic  
27 skills necessary to remove barriers to mental health  
28 services due to limited English speaking ability and  
29 cultural differences.

30 (3) Provisions for services to meet the needs of target  
31 population clients who are physically disabled.

32 (4) Provision for services to meet the special needs of  
33 older adults.

34 (5) Provision for family support and consultation  
35 services, parenting support and consultation services, and  
36 peer support or self-help group support, where  
37 appropriate.

38 (6) *Provision for services to be client-directed and that*  
39 *employ psychosocial rehabilitation and recovery*  
40 *principles.*



1 (b) Each client shall have either a clearly designated  
2 mental health case manager or a multidisciplinary  
3 treatment team who is responsible for providing or  
4 assuring needed services. Responsibilities include  
5 complete assessment of the client's needs, development  
6 of the client's personal services plan, linkage with all  
7 appropriate community services, monitoring of the  
8 quality and follow through of services, and necessary  
9 advocacy to ensure each client receives those services  
10 which are agreed to in the personal services plan. Each  
11 client shall participate in the development of his or her  
12 personal services plan, and responsible staff shall consult  
13 with the designated conservator and, with the consent of  
14 the client, consult with the family and other significant  
15 persons as appropriate.

16 (c) The individual personal services plan shall ensure  
17 that members of the target population involved in the  
18 system of care receive age, gender, and culturally  
19 appropriate services, to the extent feasible, that are  
20 designed to enable recipients to:

21 (1) Live in the most independent, least restrictive  
22 housing feasible in the local community.

23 (2) Engage in the highest level of work or productive  
24 activity appropriate to their abilities and experience.

25 (3) Create and maintain a support system consisting of  
26 friends, family, and participation in community activities.

27 (4) Access an appropriate level of academic education  
28 or vocational training.

29 (5) Obtain an adequate income.

30 (6) Self-manage their illness and exert as much control  
31 as possible over both the day-to-day and long-term  
32 decisions which affect their lives.

33 (7) Access necessary physical health care and  
34 maintain the best possible physical health.

35 (8) Reduce or eliminate antisocial or criminal  
36 behavior and thereby reduce or eliminate their contact  
37 with the criminal justice system.

38 (9) Reduce or eliminate the distress caused by the  
39 symptoms of mental illness.



1 (10) Have freedom from dangerous addictive  
2 substances.

3 ~~SEC. 4. Section 5809.5 is added to the Welfare and  
4 Institutions Code, to read:~~

5 ~~5809.5. (a) In 1999-00 fiscal year, the State  
6 Department of Mental Health shall select a small group  
7 of counties or portions of counties that demonstrate that  
8 they can provide comprehensive services as set forth in  
9 this part to a substantial number of adults who are  
10 severely mentally ill, who are homeless, recently released  
11 from a county jail or the state prison, or others who are  
12 untreated, unstable, and at significant risk of  
13 incarceration or homelessness unless treatment is  
14 provided. In selecting counties, the department shall look  
15 to those that are best able to maximize the number of  
16 additional severely mentally ill adults that the county can  
17 serve with both these funds and a mentally ill offender  
18 crime reduction grant.~~

19 ~~(b) (1) Eligible counties shall be those that have  
20 existing programs that meet the criteria of the adult  
21 system of care as set forth in Section 5806 that include one  
22 or more programs. Each program shall provide all of the  
23 services specified in paragraph (2) of subdivision (a) of  
24 Section 5806, and homeless outreach programs, both of  
25 which can be expeditiously expanded to meet the needs  
26 of those who are not currently being treated and may be  
27 homeless or incarcerated, or untreated and unstable and  
28 at risk of homelessness or incarceration.~~

29 ~~(2) An eligible county that has not yet received the  
30 mentally ill offender crime reduction grants may also  
31 participate in these demonstration grants by committing  
32 an amount of new county general fund dollars not  
33 currently expended for mental health care comparable to  
34 the amount the county would receive if it had been  
35 successful in receiving a mentally ill offender crime  
36 reduction grant.~~

37 ~~(3) The department may provide a grant to only a  
38 portion of a county's population and territory if the grant  
39 funds are clearly allocated to a specific geographic area~~



1 that is easily identifiable and separated from other  
2 significantly populated areas within the county.

3 (4) All counties, with or without mentally ill offender  
4 crime reduction grants, shall also assure that funds  
5 provided by this grant are used to provide new services  
6 and that none of these funds are used to supplant existing  
7 services to seriously mentally ill adults. The department  
8 shall develop methods and contractual requirements to  
9 assure that no supplantation occurs with funds provided  
10 to counties pursuant to this section.

11 (e) Each selected county shall do all of the following:

12 (1) Provide data demonstrating the success of the  
13 county's existing adult system of care programs.

14 (2) Specify the additional numbers of severely  
15 mentally ill adults to whom the county will provide  
16 comprehensive services for each one million dollars  
17 (\$1,000,000) of additional funding that may be awarded  
18 through a grant.

19 (3) Agree to provide services in accordance with  
20 Section 5806.

21 (d) The department shall select counties or areas that  
22 best demonstrate the following:

23 (1) That the county's share of the ten million dollars  
24 (\$10,000,000) will allow the county to cost effectively  
25 increase the number of severely mentally ill adults that  
26 the county is serving from program inception to June  
27 2001.

28 (2) The county will serve such a substantial  
29 percentage of the unmet needs of severely mentally ill  
30 adults that there is a clear quantifiable impact on the  
31 need.

32 (3) The ability to reasonably predict how much  
33 additional funding would be required to serve all severely  
34 mentally ill adults in the county or area.

35 (4) A quantifiable impact on all aspects of the criminal  
36 justice system and law enforcement resources currently  
37 being expended on severely mentally ill adults.

38 (e) The Department of Corrections and the county  
39 mental health director for any area selected for this  
40 program shall develop a coordinated strategy to



1 maximize the efficiency and cost effectiveness of services  
2 to severely mentally ill parolees and may enter into  
3 agreements providing for the use of funds for parole  
4 outpatient programs to be utilized to supplement funds  
5 for this program in order to most effectively and  
6 efficiently provide mental health care and related  
7 services that increase treatment compliance and reduce  
8 recidivism.

9 (f) The department shall expend five hundred  
10 thousand dollars (\$500,000) to consult with the  
11 committee specified in paragraph (3) of subdivision (a)  
12 of Section 5814 and to work with the Department of  
13 Finance, the Department of Corrections, the Board of  
14 Corrections, state associations representing law  
15 enforcement and local government, and the Legislative  
16 Analyst to measure the cost of comprehensive  
17 community mental health care and the impact of  
18 increased community mental health care on criminal  
19 justice system law enforcement expenditures associated  
20 with people with mental illness.

21 (g) It is the intent of the Legislature that sufficient  
22 appropriations be made in the 2000-01 fiscal year and  
23 subsequent fiscal years to continue these demonstration  
24 programs and to establish new programs so long as  
25 counties are demonstrating that these programs are  
26 successful in treating severely mental ill adults and cost  
27 effectively reducing their hospitalizations, homelessness,  
28 and incarcerations.

29 (h) For purposes of this section, "severely mentally ill  
30 adults" are those individuals described in subdivision (b)  
31 of Section 5600.3.

32 ~~SEC. 5.—~~

33 *SEC. 4.* Section 5814 of the Welfare and Institutions  
34 Code is amended to read:

35 5814. (a) (1) This part shall be implemented only to  
36 the extent that funds are appropriated for purposes of this  
37 part. To the extent that funds are made available, the first  
38 priority shall go to maintain funding for the existing  
39 programs that meet adult system of care contract goals.



1 (2) The director shall establish a methodology for  
2 awarding grants under this part consistent with the  
3 legislative intent expressed in Section 5802, and in  
4 consultation with the advisory committee established in  
5 this subdivision.

6 (3) The director shall establish an advisory committee  
7 for the purpose of providing advice regarding the  
8 development of criteria for the award of grants, and the  
9 identification of specific performance measures for  
10 evaluating the effectiveness of grants. The committee  
11 shall include, but not be limited to, representatives from  
12 state, county, and community veterans' services and  
13 disabled veterans outreach programs, supportive housing  
14 and other housing assistance programs, law enforcement,  
15 county mental health and private providers of local  
16 mental health services and mental health outreach  
17 services, the Board of Corrections, the State Department  
18 of Alcohol and Drug Programs, local substance abuse  
19 services providers, the Department of Rehabilitation,  
20 and providers of local employment services, the Mental  
21 Health Association of California, the California Alliance  
22 for the Mentally Ill, the California Network of Mental  
23 Health Clients, and the Mental Health Planning Council.

24 (4) The criteria for the award of grants shall include,  
25 but not be limited to, all of the following:

26 (A) A description of a comprehensive strategic plan  
27 for providing outreach, prevention, intervention, and  
28 evaluation in a cost appropriate manner corresponding to  
29 the criteria specified in subdivision (c).

30 (B) A description of the local population to be served,  
31 ability to administer an effective service program, and  
32 the degree to which local agencies and advocates will  
33 support and collaborate with program efforts.

34 (b) In each year in which additional funding is  
35 provided by the State Budget the department shall  
36 establish demonstration programs that offer individual  
37 counties sufficient funds to comprehensively serve  
38 severely mentally ill adults who are homeless, recently  
39 released from a county jail or the state prison, or others  
40 who are untreated, unstable, and at significant risk of



1 incarceration or homelessness unless treatment is  
2 provided to them and who are severely mentally ill  
3 adults. For purposes of this subdivision, ~~“severely~~  
4 ~~mentally ill adults”~~ “severely mentally ill adults” are those  
5 individuals described in subdivision (b) of Section 5600.3.

6 ~~(e) Each demonstration project shall identify specific~~  
7 ~~outcome and performance measures and annual~~  
8 ~~reporting that will allow the department to evaluate, at~~  
9 ~~5600.3. In consultation with the advisory committee~~  
10 ~~established pursuant to paragraph (3) of subdivision (a),~~  
11 ~~the department shall report to the Legislature on or~~  
12 ~~before May 1, 2000, and shall evaluate, at a minimum, the~~  
13 ~~effectiveness of the strategies in providing successful~~  
14 ~~outreach and reducing homelessness, and involvement~~  
15 ~~with local law enforcement, and other measures~~  
16 ~~identified by both the department and the strategy~~  
17 ~~committee. The outcome and performance measures~~  
18 ~~shall include, but not be department. The evaluation shall~~  
19 ~~include, limited to, all as much of the following as~~  
20 ~~available information permits:~~

21 (1) The number of persons served, and of those, the  
22 number who are able to maintain housing, and the  
23 number who receive extensive community mental health  
24 services ~~for at least four months in a six-month period.~~

25 (2) The number of persons with contacts with local  
26 law enforcement and the extent to which local and state  
27 incarceration has been reduced *or avoided*.

28 (3) The number of persons ~~able to demonstrate an~~  
29 ~~increase in stability of income participating in~~  
30 ~~employment service programs including competitive~~  
31 ~~employment.~~

32 (4) The number of persons contacted in outreach  
33 efforts who appear to be severely mentally ill, as  
34 described in Section 5600.3, who have refused treatment  
35 after completion of all applicable outreach ~~measures set~~  
36 ~~forth in the strategic plan. measures.~~

37 (5) The amount of hospitalization that has been  
38 reduced or avoided.

39 ~~(d)~~



1 (c) Each demonstration project shall include outreach  
2 and service grants in accordance with a contract between  
3 the state and approved counties that reflects the number  
4 of anticipated contacts with people who are homeless or  
5 at risk of homelessness, and the number of those who are  
6 severely mentally ill and who are likely to be successfully  
7 referred for treatment and will remain in treatment until  
8 successfully discharged.

9 ~~(e) On or before November 1, 2001, and annually~~  
10 ~~thereafter, the director shall report to the Legislature~~  
11 ~~regarding the impact of grants funded pursuant to this~~  
12 ~~section in reducing the incarceration of people suffering~~  
13 ~~from severe mental illness, and make recommendations~~  
14 ~~to the Legislature regarding how counties can improve~~  
15 ~~their performance and whether state policies regarding~~  
16 ~~severe mental illness should be changed. The director~~  
17 ~~may establish standards and a reporting format for county~~  
18 ~~reports to the director on annual progress toward~~  
19 ~~attaining expansion grant goals.~~

20 (e) (1) *As used in this part, “receiving extensive*  
21 *mental health services” means having a case manager, as*  
22 *described in subdivision (b) of Section 5806, and having*  
23 *an individual personal service plan, as described in*  
24 *subdivision (c) of Section 5806.*

25 (2) *The funding provided pursuant to this part shall be*  
26 *sufficient to provide mental health services, medically*  
27 *necessary medications to treat severe mental illnesses,*  
28 *alcohol and drug services, supportive housing and other*  
29 *housing assistance, vocational rehabilitation, money*  
30 *management assistance for accessing other health care*  
31 *and obtaining federal income and housing support,*  
32 *accessing veterans’ services, and stipends to attract and*  
33 *retain sufficient numbers of qualified professionals as*  
34 *necessary to provide the necessary levels of these*  
35 *services. These grants shall, however, pay for only that*  
36 *portion of the costs of those services not otherwise*  
37 *provided by federal funds or other state funds.*

38 (f) Contracts awarded pursuant to this part shall be  
39 exempt from the Public Contract Code and the state



1 administrative manual and shall not be subject to the  
 2 approval of the Department of General Services.

3 (g) Notwithstanding any other provision of law, funds  
 4 awarded to counties pursuant to this part and Part 4  
 5 (commencing with Section 5850) shall not require a local  
 6 match in funds.

7 ~~SEC. 6.—~~

8 *SEC. 5. Section 5814.5 is added to the Welfare and  
 9 Institutions Code, to read:*

10 *5814.5. (a) Of the funds appropriated pursuant to  
 11 Schedule (a) of Item 4440-101-0001 of the Budget Act of  
 12 1999, the sum of ten million dollars (\$10,000,000) shall be  
 13 allocated in accordance with the following schedule:*

14 *(1) The sum of five hundred thousand dollars  
 15 (\$500,000) shall be reappropriated in augmentation of  
 16 Schedule (a) of Item 4440-001-0001 of the Budget Act of  
 17 1999 to provide for departmental support for the  
 18 additional administrative costs associated with the  
 19 augmentation contained in paragraph (2). Specifically,  
 20 this amount shall be utilized by the State Department of  
 21 Mental Health to provide for its administration of these  
 22 programs, and to work together with the Department of  
 23 Finance, the Department of Corrections, the Board of  
 24 Corrections, state associations representing law  
 25 enforcement and local government, and the Legislative  
 26 Analyst, in order to collect and evaluate the program  
 27 performance and cost data pertaining to these programs.*

28 *(2) The sum of nine million five hundred thousand  
 29 dollars (\$9,500,000) is hereby allocated in augmentation  
 30 of Item 4440-101-0001 of the Budget Act of 1999, to be  
 31 awarded by the department in the 1999–2000 fiscal year,  
 32 for up to three counties or portions of counties, that  
 33 demonstrate that the county can provide comprehensive  
 34 services, as set forth in this part, to a substantial number  
 35 of adults who are severely mentally ill, as defined in  
 36 Section 5600.3, and are homeless or recently released  
 37 from the county jail or who are untreated, unstable, and  
 38 at significant risk of incarceration or homelessness unless  
 39 treatment is provided.*



1 (b) (1) Counties eligible for funding pursuant to  
2 paragraph (2) of subdivision (a) shall be those that have  
3 existing integrated adult service programs that meet the  
4 criteria for an adult system of care, as set forth in Section  
5 5806, and that have, or can develop, integrated forensic  
6 programs with similar characteristics for parolees and  
7 those recently released from county jail who meet the  
8 target population requirements of Section 5600.3 and are  
9 at risk of incarceration unless the services are provided.  
10 Local enrollment for integrated adult service programs  
11 and for integrated forensic programs funded pursuant to  
12 paragraph (2) of subdivision (a) shall adhere to all  
13 conditions set forth by the department, including the  
14 total number of clients to be enrolled, the providers to  
15 which clients are enrolled and the maximum cost for each  
16 provider, the maximum number of clients to be served at  
17 any one time, the outreach and screening process used to  
18 identify enrollees, and the total cost of the program. Local  
19 enrollment of each individual for integrated forensic  
20 programs shall be subject to the approval of the county  
21 mental health director or his or her designee.

22 (2) Each county shall ensure that funds provided by  
23 these grants are used to provide new services in  
24 accordance with the purpose for which they were  
25 appropriated and allocated, and that none of these funds  
26 shall be used to supplant existing services to severely  
27 mentally ill adults. In order to ensure that this  
28 requirement is met, the department shall develop  
29 methods and contractual requirements, as it determines  
30 necessary. At a minimum, these assurances shall include  
31 that state and federal requirements regarding tracking of  
32 funds are met and that patient records are maintained in  
33 such a manner as to protect privacy and confidentiality,  
34 as required under federal and state law.

35 (c) Each county selected to receive a grant pursuant  
36 to this section shall provide data as the department may  
37 require, that demonstrates the outcomes of these adult  
38 system of care programs, shall specify the additional  
39 numbers of severely mentally ill adults to whom they will  
40 provide comprehensive services for each million dollars

1 of additional funding that may be awarded through either  
2 an integrated adult service grant or an integrated  
3 forensic grant, and shall agree to provide services in  
4 accordance with Section 5806.

5 (d) This section shall become inoperative on July 1,  
6 2000, and, as of January 1, 2001, is repealed, unless a later  
7 enacted statute, that becomes operative on or before  
8 January 1, 2001, deletes or extends the dates on which it  
9 becomes inoperative and is repealed.

10 SEC. 6. The Department of Corrections and the State  
11 Department of Mental Health may jointly develop a  
12 coordinated strategy, including written protocols, to  
13 maximize the efficiency and cost-effectiveness of services  
14 to severely mentally ill parolees. Upon request by the  
15 Director of Corrections, the Director of Finance, upon  
16 legislative notification, may transfer funds from  
17 Provisions 15, 17, 19, and 20 of Item 5240-001-0001 of the  
18 Budget Act of 1999 to Provisions 13 to 20, inclusive, of  
19 Item 5240-001-0001 of the Budget Act of 1999 or to  
20 Schedule (a) of Item 4440-101-0001 of the Budget Act of  
21 1999 in an agreed upon amount to enhance services that  
22 reduce the recidivism rate of mentally ill parolees, who,  
23 without the services and support provided pursuant to  
24 Part 3 (commencing with Section 5800) of Division 5 of  
25 the Welfare and Institutions Code, are at significant risk  
26 of incarceration.

27 SEC. 7. In consultation with the committee specified  
28 in paragraph (3) of subdivision (a) of Section 5814 of the  
29 Welfare and Institutions Code, the State Department of  
30 Mental Health shall establish the selection criteria and  
31 reporting requirements for future integrated adult  
32 service programs and integrated forensic programs  
33 under Section 5814.5 of the Welfare and Institutions  
34 Code, if additional funding becomes available.

35 SEC. 8. This act is an urgency statute necessary for  
36 the immediate preservation of the public peace, health,  
37 or safety within the meaning of Article IV of the  
38 Constitution and shall go into immediate effect. The facts  
39 constituting the necessity are:



1 In order for the State Department of Mental Health to  
2 have the program established and grants awarded within  
3 the time frames set forth in this act, and to ensure that the  
4 state is able to begin promptly achieving reductions in  
5 incarceration and homelessness in accordance with this  
6 measure, it is essential that this act take effect  
7 immediately.

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