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AMENDED IN ASSEMBLY MAY 26, 2000
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AMENDED IN ASSEMBLY MARCH 23, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 2034

**Introduced by Assembly Members Steinberg and Baugh
(Principal coauthors: Assembly Members Scott and Shelley)**
(Principal coauthors: Senators Burton and Perata)
**(Coauthors: Assembly Members Alquist, Aroner, Bock,
Cardoza, Cox, Hertzberg, Honda, Keeley, Knox, Kuehl,
Longville, Lowenthal, Machado, Mazzoni, Pescetti,
Strom-Martin, Thomson, and Torlakson)**
(Coauthors: Senators Alpert, Chesbro, Rainey, Solis, and
Vasconcellos)

February 18, 2000

An act to amend Sections 5806, 5811, 5814, and 5814.5 of the Welfare and Institutions Code, relating to mental health, *and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2034, as amended, Steinberg. Mental health funding: local grants.

Existing law requires the State Department of Mental Health to establish service standards relating to mental health programs. These standards include plans for services and



evaluation strategies to coordinate and provide access to housing assistance, vocational rehabilitation, and veterans' services.

This bill would ~~include transition youth, as defined, within~~ *add to* the target population and implement additional service standards ~~relating to outreach and diagnostic and assessment services.~~

Existing law requires the director to establish a methodology for awarding grants and to establish a designated advisory committee. The department is also required to select up to 3 counties for eligibility for demonstration grants to be used to provide comprehensive services to the severely mentally ill.

This bill would require the director to include additional advisory committee members. This bill would also require additional criteria to be used in awarding grants. The department would be authorized to continue funding previously selected counties and to select additional counties to provide comprehensive services to the severely mentally ill. The 3-county limitation would be deleted.

Existing law requires counties receiving grants to provide the department with program outcome data.

This bill would also require the counties receiving grants to provide the department with information relating to funding for housing.

Existing law reappropriates \$10,000,000 to the department from a specified item in the Budget Act of 1999 for the purpose of funding grants.

This bill would revise these provisions regarding the funding of grants.

The bill would require the department to conduct a review of published materials regarding certain early psychosis education programs. The bill would require the department to report to the Legislature on or before July 1, 2001, regarding the reviews and to make recommendations.

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

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



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

1 SECTION 1. (a) The Legislature finds and declares
2 as follows:

3 (1) In 1999, the Legislature recognized the
4 longstanding problem of the underfunded community
5 mental health care system and the consequences of
6 severely mentally ill adults not getting treatment
7 resulting in these adults being homeless, incarcerated in
8 jails, and hospitalized.

9 (2) The Legislature began to address this problem by
10 funding three pilot programs in Los Angeles,
11 Sacramento, and Stanislaus Counties to provide extended
12 community mental health services and outreach to
13 mentally ill adults who are homeless or at risk of
14 homelessness.

15 (3) The legislation, Chapter 617 of the Statutes of 1999
16 (AB 34), required the State Department of Mental
17 Health to evaluate these programs and determine if they
18 were effective in reducing the risk of continued
19 homelessness, incarceration, or hospitalization.

20 (4) The response to the offer of outreach services to
21 severely mentally ill persons has been overwhelming,
22 with more than 1,000 additional people now stabilized
23 and in treatment with a greatly reduced risk of further
24 homelessness, incarcerations, or hospitalizations.

25 (5) Based upon this success and the dramatic and
26 unfortunate consequences of two decades of not
27 providing adequate community mental health services, it
28 is now time for the state to make a significant effort to
29 substantially increase these programs and realize a
30 measurable reduction in homelessness of people with
31 mental illness by dramatically expanding these programs.

32 (b) It is the intent of the Legislature to enact
33 legislation that will do all of the following:

34 (1) Provide funds in the 2000-01 fiscal year to allow the
35 three counties that currently conduct programs to
36 continue successful program expansions, based upon
37 remaining unmet needs.



1 (2) Permit, in addition to the initial demonstration
2 counties, counties that have *or can develop* adult system
3 of care programs to have an opportunity to participate in
4 these programs, based upon unmet needs, successful
5 existing programs, and each county's capacity to increase
6 services.

7 ~~(3) Permit counties that do not yet have a system of~~
8 ~~care program to increase community mental health~~
9 ~~services by establishing an initial program that can be~~
10 ~~expanded upon in future years.~~

11 SEC. 2. Section 5806 of the Welfare and Institutions
12 Code is amended to read:

13 5806. The State Department of Mental Health shall
14 establish service standards that ensure that members of
15 the target population are identified, and services
16 provided to assist them to live independently, work, and
17 reach their potential as productive citizens. The
18 department shall provide annual oversight of grants
19 issued pursuant to this part for compliance with these
20 standards. These standards shall include, but are not
21 limited to:

22 (a) A service planning *and delivery* process that is
23 target population based and includes the following:

24 (1) Determination of the numbers of clients to be
25 served and the programs and services that will be
26 provided to meet their needs. The local director of
27 mental health shall consult with the sheriff, the police
28 chief, the probation officer, the mental health board,
29 contract agencies, and family, client, ethnic and citizen
30 constituency groups as determined by the director.

31 (2) Plans for services, including outreach to ~~transition~~
32 ~~youth and to~~ families whose severely mentally ill adult is
33 living with them, design of mental health services,
34 coordination and access to medications, psychiatric and
35 psychological services, substance abuse services,
36 supportive housing or other housing assistance,
37 vocational rehabilitation, and veterans' services. Plans
38 shall also contain evaluation strategies, that shall consider
39 cultural, linguistic, gender, age, and special needs of
40 minorities in the target populations. Provision shall be



1 made for staff with the cultural background and linguistic
2 skills necessary to remove barriers to mental health
3 services due to limited-English-speaking ability and
4 cultural differences.

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

7 (4) Provision for services to meet the special needs of
8 older adults.

9 (5) Provision for family support and consultation
10 services, parenting support and consultation services, and
11 peer support or self-help group support, where
12 appropriate.

13 (6) Provision for services to be client-directed and that
14 employ psychosocial rehabilitation and recovery
15 principles.

16 (7) Provision for psychiatric and psychological
17 services that are integrated with other services and for
18 psychiatric and psychological collaboration in overall
19 service planning.

20 ~~(8) Provision for transition youth diagnostic and~~
21 ~~assessment processes and services designed specifically to~~
22 ~~meet the needs of 18 to 25 year olds, inclusive. These~~

23 *(8) Provision for services specifically directed to*
24 *seriously mentally ill young adults 25 years of age or*
25 *younger who are homeless or at significant risk of*
26 *becoming homeless. These provisions may include*
27 *continuation of services that would still be received*
28 *through other funds had eligibility not been terminated*
29 *due to age.*

30 *(9) Services reflecting special needs of women from*
31 *diverse cultural backgrounds, including supportive*
32 *housing that accepts children, personal services*
33 *coordinator therapeutic treatment, and substance*
34 *treatment programs that address gender specific trauma*
35 *and abuse in the lives of persons with mental illness, and*
36 *vocational rehabilitation programs that offer job training*
37 *programs free of gender bias and sensitive to the needs*
38 *of women.*

39 *(10) Provision for housing for clients that is*
40 *immediate, transitional, permanent, or all of these.*

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

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

23 (1) Live in the most independent, least restrictive
24 housing feasible in the local community, *and for clients*
25 *with children, to live in a supportive housing*
26 *environment that strives for reunification with their*
27 *children or assists clients in maintaining custody of their*
28 *children as is appropriate.*

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

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

33 (4) Access an appropriate level of academic education
34 or vocational training.

35 (5) Obtain an adequate income.

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

39 (7) Access necessary physical health care and
40 maintain the best possible physical health.



1 (8) Reduce or eliminate *serious* antisocial or criminal
2 behavior and thereby reduce or eliminate their contact
3 with the criminal justice system.

4 (9) Reduce or eliminate the distress caused by the
5 symptoms of mental illness.

6 (10) Have freedom from dangerous addictive
7 substances.

8 ~~(d) For purposes of this section and Section 5814,~~
9 ~~“transition youth” are individuals 18 to 25 years old,~~
10 ~~inclusive, with the conditions described in paragraph (2)~~
11 ~~of subdivision (a) of Section 5600.3.~~

12 ~~SEC. 3.—~~

13 ~~(d) The individual personal services plan shall~~
14 ~~describe the service array that meets the requirements of~~
15 ~~subdivision (c), and to the extent applicable to the~~
16 ~~individual, the requirements of subdivision (a).~~

17 ~~SEC. 3. Section 5811 of the Welfare and Institutions~~
18 ~~Code is amended to read:~~

19 5811. The State Department of Mental Health shall
20 provide participating counties all of the following:

21 (a) Request for proposals, *application* guidelines, and
22 format, and coordination and oversight of the selection
23 process as described in Article 2 (commencing with
24 Section 5803).

25 (b) Contracts with each state funded county
26 stipulating the approved budget, performance outcomes,
27 and scope of work.

28 (c) Training, consultation, and technical assistance for
29 county applicants.

30 ~~SEC. 4. Section 5814 of the Welfare and Institutions~~
31 ~~Code is amended to read:~~

32 5814. (a) (1) This part shall be implemented only to
33 the extent that funds are appropriated for purposes of this
34 part. To the extent that funds are made available, the first
35 priority shall go to maintain funding for the existing
36 programs that meet adult system of care contract goals.
37 The next priority for funding shall be given to counties
38 ~~with highly urbanized areas, significant numbers of~~ *with*
39 *a high incidence of persons who are homeless or severely*
40 *mentally ill, or both, and at high risk of losing federally*



1 ~~funded Section 8 low-income housing, and homeless or at~~
2 ~~risk of homelessness, and meet the criteria developed~~
3 ~~pursuant to paragraphs (3) and (4).~~

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

9 (3) The director shall establish an advisory committee
10 for the purpose of providing advice regarding the
11 development of criteria for the award of grants, and the
12 identification of specific performance measures for
13 evaluating the effectiveness of grants. *The committee*
14 *shall review evaluation reports and make findings on*
15 *evidence based on best practices and recommendations*
16 *for grant conditions.* The committee shall include, but not
17 be limited to, representatives from state, county, and
18 community veterans' services and disabled veterans
19 outreach programs, supportive housing and other
20 housing assistance programs, law enforcement, county
21 mental health and private providers of local mental
22 health services and mental health outreach services, the
23 Board of Corrections, the State Department of Alcohol
24 and Drug Programs, local substance abuse services
25 providers, the Department of Rehabilitation, providers of
26 local employment services, the State Department of
27 Social Services, *the Department of Housing and*
28 *Community Development,* a service provider to
29 transition youth, the United Advocates for Children of
30 California, the California Mental Health Advocates for
31 Children and Youth, the Mental Health Association of
32 California, the California Alliance for the Mentally Ill, the
33 California Network of Mental Health Clients, and the
34 Mental Health Planning Council.

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

37 (A) A description of a comprehensive strategic plan
38 for providing outreach, prevention, intervention, and
39 evaluation in a cost appropriate manner corresponding to
40 the criteria specified in subdivision (c).



1 (B) A description of the local population to be served,
2 ability to administer an effective service program, and
3 the degree to which local agencies and advocates will
4 support and collaborate with program efforts.

5 (C) A description of efforts to maximize the ~~utilization~~
6 *use* of other state, federal, and local funds *or services* that
7 can support and enhance the ~~cost~~ effectiveness of these
8 programs.

9 ~~(D) A description of efforts to obtain health
10 foundation charitable funds to expand and support these
11 programs.~~

12 ~~(5) In addition to the criteria specified in paragraph
13 (4), counties seeking grants for expansion of programs
14 that were funded pursuant to this part prior to January 1,
15 2001, shall provide:~~

16 ~~(A) Data on the total number of adults and the total
17 number of transition youth receiving extensive
18 community mental health services including programs
19 funded pursuant to this part and other programs. This
20 information shall identify the number of persons served
21 in programs that meet the criteria for adults system of
22 care and the number in other structured programs.~~

23 ~~(B) Data for each type of program on the amount of
24 funding expended per person.~~

25 ~~(C) To the extent available, outcome measures for
26 other programs that serve populations similar to those
27 served with funds provided pursuant to this part.~~

28 ~~(D) An analysis that compares the cost and outcomes
29 for services provided under the adults system of care
30 programs with services provided under other programs
31 for adults with similar needs.~~

32 ~~(E) The policy reasons or other explanations for those
33 receiving services outside of the adults system of care
34 programs and, to the extent possible, the county's plan for
35 expansion of system of care services to include persons
36 not currently receiving services under this type of system
37 of care program.~~

38 (b) In each year in which additional funding is
39 provided by the State Budget the department shall
40 establish programs that offer individual counties



1 sufficient funds to comprehensively serve severely
2 mentally ill adults who are homeless, recently released
3 from a county jail or the state prison, or others who are
4 untreated, unstable, and at significant risk of
5 incarceration or homelessness unless treatment is
6 provided to them and who are severely mentally ill
7 adults. For purposes of this subdivision, “severely
8 mentally ill adults” are those individuals described in
9 subdivision (b) of Section 5600.3 ~~or transition youth~~. In
10 consultation with the advisory committee established
11 pursuant to paragraph (3) of subdivision (a), the
12 department shall report to the Legislature on or before
13 May 1, ~~2000~~ *of each year in which additional funding is*
14 *provided*, and shall evaluate, at a minimum, the
15 effectiveness of the strategies in providing successful
16 outreach and reducing homelessness, involvement with
17 local law enforcement, and other measures identified by
18 the department. The evaluation shall include, as much of
19 the following as available information permits:

20 (1) The number of persons served, and of those, the
21 number who are able to maintain housing, and the
22 number who receive extensive community mental health
23 services.

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

27 (3) The number of persons participating in
28 employment service programs including competitive
29 employment.

30 (4) The number of persons contacted in outreach
31 efforts who appear to be severely mentally ill, as
32 described in Section 5600.3, who have refused treatment
33 after completion of all applicable outreach measures.

34 (5) The amount of hospitalization that has been
35 reduced or avoided.

36 (6) *The extent to which veterans identified through*
37 *these programs’ outreach are receiving federally funded*
38 *veterans’ services for which they are eligible.*

39 (c) Each project shall include outreach and service
40 grants in accordance with a contract between the state



1 and approved counties that reflects the number of
2 anticipated contacts with people who are homeless or at
3 risk of homelessness, and the number of those who are
4 severely mentally ill and who are likely to be successfully
5 referred for treatment and will remain in treatment until
6 successfully discharged.

7 ~~(d) If sufficient funds have been made available to
8 provide funding to all counties that are eligible as set forth
9 in this section, additional funding may be made available
10 for other counties, or groups of counties, that do not
11 currently have an existing program of integrated services
12 that meet adults system of care criteria. To the extent
13 funds are available, those counties may apply for a start
14 up program to serve approximately 100 people in
15 accordance with as necessary.~~

16 *(d) All counties that receive funding shall be subject*
17 *to specific terms and conditions of oversight and training*
18 *which shall be developed by the department, in*
19 *consultation with the advisory committee.*

20 (e) (1) As used in this part, “receiving extensive
21 mental health services” means having a ~~case manager~~
22 *personal services coordinator*, as described in subdivision
23 (b) of Section 5806, and having an individual personal
24 service plan, as described in subdivision (c) of Section
25 5806.

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



1 (3) *Methods used by counties to contract for services*
2 *pursuant to paragraph (2) shall promote prompt and*
3 *flexible use of funds, consistent with the scope of services*
4 *for which the county has contracted with each provider.*

5 (f) Contracts awarded pursuant to this part shall be
6 exempt from the Public Contract Code and the state
7 administrative manual and shall not be subject to the
8 approval of the Department of General Services.

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

13 SEC. 4. Section 5814.5 of the Welfare and Institutions
14 Code is amended to read:

15 5814.5. (a) (1) Counties funded under this part in
16 the 1999–2000 fiscal year are eligible for funding to
17 continue ~~and expand~~ their programs if they have
18 successfully demonstrated the ~~cost~~ ~~effectiveness~~
19 *effectiveness* of their grants received in that year and *to*
20 *expand their programs if they also* demonstrate
21 significant continued unmet need and capacity for
22 expansion without compromising quality or ~~cost~~
23 ~~effectiveness~~ *effectiveness* of care.

24 (2) Other counties or portions of counties are eligible
25 for funding to establish programs if a county
26 demonstrates that it can provide comprehensive services,
27 as set forth in this part, to a substantial number of adults
28 who are severely mentally ill, as defined in Section 5600.3,
29 and are homeless or recently released from the county jail
30 or who are untreated, unstable, and at significant risk of
31 incarceration or homelessness unless treatment is
32 provided.

33 (b) (1) Counties eligible for funding pursuant to
34 subdivision (a) shall be those that have ~~existing~~ *or can*
35 *develop* integrated adult service programs that meet the
36 criteria for an adult system of care, as set forth in Section
37 5806, and that have, or can develop, integrated forensic
38 programs with similar characteristics for parolees and
39 those recently released from county jail who meet the
40 target population requirements of Section 5600.3 and are



1 at risk of incarceration unless the services are provided.
2 Local enrollment for integrated adult service programs
3 and for integrated forensic programs funded pursuant to
4 subdivision (a) shall adhere to all conditions set forth by
5 the department, including the total number of clients to
6 be enrolled, the providers to which clients are enrolled
7 and the maximum cost for each provider, the maximum
8 number of clients to be served at any one time, the
9 outreach and screening process used to identify enrollees,
10 and the total cost of the program. Local enrollment of
11 each individual for integrated forensic programs shall be
12 subject to the approval of the county mental health
13 director or his or her designee.

14 (2) Each county shall ensure that funds provided by
15 these grants are used to expand existing integrated
16 service programs that meet the criteria of adults system
17 of care to provide new services in accordance with the
18 purpose for which they were appropriated and allocated,
19 and that none of these funds shall be used to supplant
20 existing services to severely mentally ill adults. In order
21 to ensure that this requirement is met, the department
22 shall develop methods and contractual requirements, as
23 it determines necessary. At a minimum, these assurances
24 shall include that state and federal requirements
25 regarding tracking of funds are met and that patient
26 records are maintained in a manner that protects privacy
27 and confidentiality, as required under federal and state
28 law.

29 (c) Each county selected to receive a grant pursuant
30 to this section shall provide data as the department may
31 require, that demonstrates the outcomes of these adult
32 system of care programs, shall specify the additional
33 numbers of severely mentally ill adults to whom they will
34 provide comprehensive services for each million dollars
35 of additional funding that may be awarded through either
36 an integrated adult service grant or an integrated
37 forensic grant, and shall agree to provide services in
38 accordance with Section 5806. ~~Each county shall identify,~~
39 ~~as the department may require, the amount of funding~~
40 ~~required for housing market conditions, the estimated~~



1 ~~number of people who will be eligible for income from~~
2 ~~Social Security, and types of housing and support services~~
3 ~~that will be required.~~ *county's plan shall identify and*
4 *include sufficient funding to provide housing for the*
5 *individuals to be served, and shall ensure that any*
6 *hospitalization of individuals participating in the*
7 *program are coordinated with the provision of other*
8 *mental health services provided under the program.*

9 SEC. 5. (a) The State Department of Mental Health
10 shall conduct a review of published materials regarding
11 early psychosis education programs such as those
12 operating in Melbourne, Australia, ~~London, England,~~
13 ~~Canada;~~ *London, Canada;* and Rogaland, Norway that
14 utilize schools, primary care physicians, and a general
15 public education campaign to ensure that people
16 suffering from schizophrenia-related illnesses receive
17 treatment within months of the onset of the symptoms as
18 compared to several years in similar communities
19 without these programs.

20 (b) The State Department of Mental Health, on or
21 before July 1, 2001, shall report to the Legislature
22 regarding the findings of the literature review and make
23 recommendations as to whether such a program should
24 be implemented in California. The report shall include,
25 but not be limited to, information related to the costs and
26 benefits to mentally ill persons and the society in which
27 they live. The report shall also include an overview of the
28 actions and resources necessary to implement such a
29 program in California.

30 (c) The State Department of Mental Health shall
31 report to the Legislature regarding the study and
32 recommendations required under this section on or
33 before July 1, 2001.

34 SEC. 6. *This act is an urgency statute necessary for*
35 *the immediate preservation of the public peace, health,*
36 *or safety within the meaning of Article IV of the*
37 *Constitution and shall go into immediate effect. The facts*
38 *constituting the necessity are:*

39 *In order to maintain the pilot programs and funding for*
40 *the homeless mentally ill as indicated within this act*



1 *without disruption, it is necessary that this act go into*
2 *effect immediately.*

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