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AMENDED IN SENATE JUNE 22, 2000
AMENDED IN ASSEMBLY MAY 26, 2000
AMENDED IN ASSEMBLY APRIL 11, 2000
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 add to the target population and implement additional service standards.

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, *as well as cities that operate independent public mental health programs*, 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: $\frac{2}{3}$. 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 SEC. 2. Section 5806 of the Welfare and Institutions
8 Code is amended to read:

9 5806. The State Department of Mental Health shall
10 establish service standards that ensure that members of
11 the target population are identified, and services
12 provided to assist them to live independently, work, and
13 reach their potential as productive citizens. The
14 department shall provide annual oversight of grants
15 issued pursuant to this part for compliance with these
16 standards. These standards shall include, but are not
17 limited to:

18 (a) A service planning and delivery process that is
19 target population based and includes the following:

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

27 (2) Plans for services, including outreach to families
28 whose severely mentally ill adult is living with them,
29 design of mental health services, coordination and access
30 to medications, psychiatric and psychological services,
31 substance abuse services, supportive housing or other
32 housing assistance, vocational rehabilitation, and
33 veterans' services. Plans shall also contain evaluation
34 strategies, that shall consider cultural, linguistic, gender,
35 age, and special needs of minorities in the target
36 populations. Provision shall be made for staff with the
37 cultural background and linguistic skills necessary to
38 remove barriers to mental health services due to
39 limited-English-speaking ability and cultural differences.



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

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

5 (5) Provision for family support and consultation
6 services, parenting support and consultation services, and
7 peer support or self-help group support, where
8 appropriate.

9 (6) Provision for services to be client-directed and that
10 employ psychosocial rehabilitation and recovery
11 principles.

12 (7) Provision for psychiatric and psychological
13 services that are integrated with other services and for
14 psychiatric and psychological collaboration in overall
15 service planning.

16 (8) Provision for services specifically directed to
17 seriously mentally ill young adults 25 years of age or
18 younger who are homeless or at significant risk of
19 becoming homeless. These provisions may include
20 continuation of services that would still be received
21 through other funds had eligibility not been terminated
22 due to age.

23 (9) Services reflecting special needs of women from
24 diverse cultural backgrounds, including supportive
25 housing that accepts children, personal services
26 coordinator therapeutic treatment, and substance
27 treatment programs that address gender specific trauma
28 and abuse in the lives of persons with mental illness, and
29 vocational rehabilitation programs that offer job training
30 programs free of gender bias and sensitive to the needs
31 of women.

32 (10) Provision for housing for clients that is
33 immediate, transitional, permanent, or all of these.

34 (b) Each client shall have a clearly designated mental
35 health personal services coordinator who may be part of
36 a multidisciplinary treatment team who is responsible for
37 providing or assuring needed services. Responsibilities
38 include complete assessment of the client's needs,
39 development of the client's personal services plan,
40 linkage with all appropriate community services,



1 monitoring of the quality and follow through of services,
2 and necessary advocacy to ensure each client receives
3 those services which are agreed to in the personal services
4 plan. Each client shall participate in the development of
5 his or her personal services plan, and responsible staff
6 shall consult with the designated conservator, if one has
7 been appointed, and, with the consent of the client,
8 consult with the family and other significant persons as
9 appropriate.

10 (c) The individual personal services plan shall ensure
11 that members of the target population involved in the
12 system of care receive age, gender, and culturally
13 appropriate services, to the extent feasible, that are
14 designed to enable recipients to:

15 (1) Live in the most independent, least restrictive
16 housing feasible in the local community, and for clients
17 with children, to live in a supportive housing
18 environment that strives for reunification with their
19 children or assists clients in maintaining custody of their
20 children as is appropriate.

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

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

25 (4) Access an appropriate level of academic education
26 or vocational training.

27 (5) Obtain an adequate income.

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

31 (7) Access necessary physical health care and
32 maintain the best possible physical health.

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

36 (9) Reduce or eliminate the distress caused by the
37 symptoms of mental illness.

38 (10) Have freedom from dangerous addictive
39 substances.



1 (d) The individual personal services plan shall
2 describe the service array that meets the requirements of
3 subdivision (c), and to the extent applicable to the
4 individual, the requirements of subdivision (a).

5 SEC. 3. Section 5811 of the Welfare and Institutions
6 Code is amended to read:

7 5811. The State Department of Mental Health shall
8 provide participating counties all of the following:

9 (a) Request for proposals, application guidelines, and
10 format, and coordination and oversight of the selection
11 process as described in Article 2 (commencing with
12 Section 5803).

13 (b) Contracts with each state funded county
14 stipulating the approved budget, performance outcomes,
15 and scope of work.

16 (c) Training, consultation, and technical assistance for
17 county applicants.

18 SEC. 4. Section 5814 of the Welfare and Institutions
19 Code is amended to read:

20 5814. (a) (1) This part shall be implemented only to
21 the extent that funds are appropriated for purposes of this
22 part. To the extent that funds are made available, the first
23 priority shall go to maintain funding for the existing
24 programs that meet adult system of care contract goals.
25 The next priority for funding shall be given to counties
26 with a high incidence of persons who are severely
27 mentally ill and homeless or at risk of homelessness, and
28 meet the criteria developed pursuant to paragraphs (3)
29 and (4).

30 (2) The director shall establish a methodology for
31 awarding grants under this part consistent with the
32 legislative intent expressed in Section 5802, and in
33 consultation with the advisory committee established in
34 this subdivision.

35 (3) The director shall establish an advisory committee
36 for the purpose of providing advice regarding the
37 development of criteria for the award of grants, and the
38 identification of specific performance measures for
39 evaluating the effectiveness of grants. The committee
40 shall review evaluation reports and make findings on



1 evidence based on best practices and recommendations
2 for grant conditions. The committee shall include, but not
3 be limited to, representatives from state, county, and
4 community veterans' services and disabled veterans
5 outreach programs, supportive housing and other
6 housing assistance programs, law enforcement, county
7 mental health and private providers of local mental
8 health services and mental health outreach services, the
9 Board of Corrections, the State Department of Alcohol
10 and Drug Programs, local substance abuse services
11 providers, the Department of Rehabilitation, providers of
12 local employment services, the State Department of
13 Social Services, the Department of Housing and
14 Community Development, a service provider to
15 transition youth, the United Advocates for Children of
16 California, the California Mental Health Advocates for
17 Children and Youth, the Mental Health Association of
18 California, the California Alliance for the Mentally Ill, the
19 California Network of Mental Health Clients, ~~and~~ the
20 Mental Health Planning Council, *and other appropriate*
21 *entities.*

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

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

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

32 (C) A description of efforts to maximize the use of
33 other state, federal, and local funds or services that can
34 support and enhance the effectiveness of these programs.

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



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

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

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

24 (3) The number of persons participating in
25 employment service programs including competitive
26 employment.

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

31 (5) The amount of hospitalization that has been
32 reduced or avoided.

33 (6) The extent to which veterans identified through
34 these programs’ outreach are receiving federally funded
35 veterans’ services for which they are eligible.

36 (c) Each project shall include outreach and service
37 grants in accordance with a contract between the state
38 and approved counties that reflects the number of
39 anticipated contacts with people who are homeless or at
40 risk of homelessness, and the number of those who are



1 severely mentally ill and who are likely to be successfully
2 referred for treatment and will remain in treatment as
3 necessary.

4 (d) All counties that receive funding shall be subject
5 to specific terms and conditions of oversight and training
6 which shall be developed by the department, in
7 consultation with the advisory committee.

8 (e) (1) As used in this part, “receiving extensive
9 mental health services” means having a personal services
10 coordinator, as described in subdivision (b) of Section
11 5806, and having an individual personal service plan, as
12 described in subdivision (c) of Section 5806.

13 (2) The funding provided pursuant to this part shall be
14 sufficient to provide mental health services, medically
15 necessary medications to treat severe mental illnesses,
16 alcohol and drug services, transportation, supportive
17 housing and other housing assistance, vocational
18 rehabilitation and supported employment services,
19 money management assistance for accessing other health
20 care and obtaining federal income and housing support,
21 accessing veterans’ services, stipends, and other
22 incentives to attract and retain sufficient numbers of
23 qualified professionals as necessary to provide the
24 necessary levels of these services. These grants shall,
25 however, pay for only that portion of the costs of those
26 services not otherwise provided by federal funds or other
27 state funds.

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

32 (f) Contracts awarded pursuant to this part shall be
33 exempt from the Public Contract Code and the state
34 administrative manual and shall not be subject to the
35 approval of the Department of General Services.

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

40 ~~SEC. 4.—~~



1 SEC. 5. Section 5814.5 of the Welfare and Institutions
2 Code is amended to read:

3 5814.5. (a) (1) Counties funded under this part in
4 the 1999–2000 fiscal year are eligible for funding to
5 continue their programs if they have successfully
6 demonstrated the effectiveness of their grants received
7 in that year and to expand their programs if they also
8 demonstrate significant continued unmet need and
9 capacity for expansion without compromising quality or
10 effectiveness of care.

11 (2) Other counties or portions of counties, *or cities*
12 *that operate independent public mental health programs*
13 *pursuant to Section 5615 of the Welfare and Institutions*
14 *Code*, are eligible for funding to establish programs if a
15 county *or eligible city* demonstrates that it can provide
16 comprehensive services, as set forth in this part, to a
17 substantial number of adults who are severely mentally
18 ill, as defined in Section 5600.3, and are homeless or
19 recently released from the county jail or who are
20 untreated, unstable, and at significant risk of
21 incarceration or homelessness unless treatment is
22 provided.

23 (b) (1) Counties eligible for funding pursuant to
24 subdivision (a) shall be those that have or can develop
25 integrated adult service programs that meet the criteria
26 for an adult system of care, as set forth in Section 5806, and
27 that have, or can develop, integrated forensic programs
28 with similar characteristics for parolees and those
29 recently released from county jail who meet the target
30 population requirements of Section 5600.3 and are at risk
31 of incarceration unless the services are provided. Local
32 enrollment for integrated adult service programs and for
33 integrated forensic programs funded pursuant to
34 subdivision (a) shall adhere to all conditions set forth by
35 the department, including the total number of clients to
36 be enrolled, the providers to which clients are enrolled
37 and the maximum cost for each provider, the maximum
38 number of clients to be served at any one time, the
39 outreach and screening process used to identify enrollees,
40 and the total cost of the program. Local enrollment of



1 each individual for integrated forensic programs shall be
2 subject to the approval of the county mental health
3 director or his or her designee.

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

19 (c) Each county selected to receive a grant pursuant
20 to this section shall provide data as the department may
21 require, that demonstrates the outcomes of these adult
22 system of care programs, shall specify the additional
23 numbers of severely mentally ill adults to whom they will
24 provide comprehensive services for each million dollars
25 of additional funding that may be awarded through either
26 an integrated adult service grant or an integrated
27 forensic grant, and shall agree to provide services in
28 accordance with Section 5806. Each county's plan shall
29 identify and include sufficient funding to provide housing
30 for the individuals to be served, and shall ensure that any
31 hospitalization of individuals participating in the
32 program are coordinated with the provision of other
33 mental health services provided under the program.

34 ~~SEC. 5.~~

35 *SEC. 6.* (a) The State Department of Mental Health
36 shall conduct a review of published materials regarding
37 early psychosis education programs such as those
38 operating in Melbourne, Australia; London, Canada; and
39 Rogaland, Norway that utilize schools, primary care
40 physicians, and a general public education campaign to



1 ensure that people suffering from schizophrenia-related
2 illnesses receive treatment within months of the onset of
3 the symptoms as compared to several years in similar
4 communities without these programs.

5 (b) The State Department of Mental Health, on or
6 before July 1, 2001, shall report to the Legislature
7 regarding the findings of the literature review and make
8 recommendations as to whether such a program should
9 be implemented in California. The report shall include,
10 but not be limited to, information related to the costs and
11 benefits to mentally ill persons and the society in which
12 they live. The report shall also include an overview of the
13 actions and resources necessary to implement such a
14 program in California.

15 (c) The State Department of Mental Health shall
16 report to the Legislature regarding the study and
17 recommendations required under this section on or
18 before July 1, 2001.

19 ~~SEC. 6.~~

20 *SEC. 7.* This act is an urgency statute necessary for
21 the immediate preservation of the public peace, health,
22 or safety within the meaning of Article IV of the
23 Constitution and shall go into immediate effect. The facts
24 constituting the necessity are:

25 In order to maintain the pilot programs and funding for
26 the homeless mentally ill as indicated within this act
27 without disruption, it is necessary that this act go into
28 effect immediately.

