

AMENDED IN SENATE AUGUST 25, 2000
AMENDED IN SENATE AUGUST 7, 2000
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



1 continue successful program expansions, based upon
2 remaining unmet needs.

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

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

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

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

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

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



1 remove barriers to mental health services due to
2 limited-English-speaking ability and cultural differences.

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

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

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

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

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

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

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

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

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



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

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

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

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

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

9 5811. The State Department of Mental Health shall
10 provide participating counties all of the following:

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

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

18 (c) Training, consultation, and technical assistance for
19 county applicants.

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

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

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

37 (3) The director shall establish an advisory committee
38 for the purpose of providing advice regarding the
39 development of criteria for the award of grants, and the
40 identification of specific performance measures for



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

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

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

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

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

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



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

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

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

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

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

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

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

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



1 risk of homelessness, and the number of those who are
2 severely mentally ill and who are likely to be successfully
3 referred for treatment and will remain in treatment as
4 necessary.

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

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

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

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

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

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



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

3 5814.5. (a) (1) ~~Counties~~ *In any year in which funds*
4 *are appropriated for this purpose through the annual*
5 *Budget Act, counties* funded under this part in the
6 1999–2000 fiscal year are eligible for funding to continue
7 their programs if they have successfully demonstrated
8 the effectiveness of their grants received in that year and
9 to expand their programs if they also demonstrate
10 significant continued unmet need and capacity for
11 expansion without compromising quality or effectiveness
12 of care.

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

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



1 and the maximum cost for each provider, the maximum
2 number of clients to be served at any one time, the
3 outreach and screening process used to identify enrollees,
4 and the total cost of the program. Local enrollment of
5 each individual for integrated forensic programs shall be
6 subject to the approval of the county mental health
7 director or his or her designee.

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

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

38 ~~SEC. 6. (a) The State Department of Mental Health~~
39 ~~shall conduct a review of published materials regarding~~
40 ~~early psychosis education programs such as those~~



1 ~~operating in Melbourne, Australia; London, Canada; and~~
2 ~~Rogaland, Norway that utilize schools, primary care~~
3 ~~physicians, and a general public education campaign to~~
4 ~~ensure that people suffering from schizophrenia related~~
5 ~~illnesses receive treatment within months of the onset of~~
6 ~~the symptoms as compared to several years in similar~~
7 ~~communities without these programs.~~

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

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

22 ~~SEC. 7.—~~

23 ~~SEC. 6. This act is an urgency statute necessary for~~
24 ~~the immediate preservation of the public peace, health,~~
25 ~~or safety within the meaning of Article IV of the~~
26 ~~Constitution and shall go into immediate effect. The facts~~
27 ~~constituting the necessity are:~~

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

