



REPORT TO COUNCIL

City of Sacramento

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Staff Report **August 16,2005**

Honorable Mayor and
 Members of the City Council

Subject: Implementation of Proposition 63 – The Mental Health Services Act

Location/Council District: Citywide

Recommendation: For Council review and information.

Contact: Gary Little, Area Director, 566-6524

Presenters: Gary Little, Area Director

Darren Bobrowsky, Director of Development Services
 Sacramento Housing and Redevelopment Agency

Ken Bernard, Lieutenant – Police Department

Ann Edwards Buckley, Chief, Adult Mental Health Services
 Sacramento County

Department: Neighborhood Services Department

Division: Area 4

Organization No: 3641

Summary:

Sacramento County is expected to annually receive at least \$20 million in additional funds for mental health services as a result of Proposition 63, which California voters passed in November 2004. This report provides a general overview of the proposition, outlines the process and timelines Sacramento County is using to develop its expenditure plan, and highlights two proposals that are expected to be of special interest to the City of Sacramento.

Committee/Commission Action:

None

Background Information:

In November 2004, California voters approved Proposition 63, the Mental Health Services Act. Proposition 63 was a voter initiative sponsored by former Assemblymember (and Sacramento Councilmember) Darrell Steinberg, and a coalition of mental health groups and organizations. It became effective on January 1, 2005 and is now referred to as the

Mental Health Services Act (MHSA). (Attachment 1 is a copy of the Mental Health Services Act.) Among other things, the MHSA does the following:

- Annually imposes a one-percent tax surcharge on personal incomes over \$1 million. The tax will provide dedicated funding for the expansion of mental health services and programs in California.
- Counties are provided funds to expand services and develop innovative programs and integrated service plans for mentally ill children, transition age youth, adults and older adults.

According to an analysis by the Legislative Analyst for Proposition 63, MHSA funds would be used to support the following:

- Community Services and Supports for Children and Transition Age Youth. Expansion of existing or development of new mental health services for children and transition age youth who lack other public or private health coverage to pay for mental health treatment.
- Community Services and Supports for Adults and Transition Age Youth. Expansion of existing or development of new mental health services for adults and transition age youth with serious mental disorders.
- Prevention and Early Intervention. New County prevention and early intervention programs to get persons showing early signs of a mental illness into treatment quickly before their illness becomes more severe.
- "Wraparound" Services for Families. A new program to provide state assistance to counties to establish wraparound services, which provide various types of mental health and social services for families (for example, family counseling) where the children are at risk of being placed in foster care.
- "Innovation" Programs. New County programs to experiment with ways to improve access to mental health services, including for unserved and underserved groups, to improve program quality, or to promote interagency collaboration in the delivery of services to clients.
- Mental Health Workforce: Education and Training. Stipends, loan forgiveness, scholarship programs, and other new efforts to (1) address existing shortages of mental health staffing in County programs and (2) help provide the additional staffing that would be needed to carry out the program expansions proposed in this measure.
- Capital Facilities and Technology. A new program to allocate funding to counties for technology improvements and capital facilities needed to provide mental health services.

Funding

Under MHSA, each county drafts and submits for state approval a three-year plan for the delivery of mental health services. A Mental Health Services Oversight Commission has been established by the State to review the County's plans and approve expenditures for mental health programs as specified. The State Department of Mental Health also has a role in that it is the lead state agency for allocating the funds through contracts with the

counties.

The State of California is implementing MHSA incrementally. The allocation of funds is being done on a categorical basis with Community Services and Support Plans being the first to be funded (i.e., Community Services and Supports for Children, Transition Age Youth, Adults, and Older Adults).

Sacramento County is tentatively scheduled to receive approximately \$9.6 million in MHSA funds for a Community Services and Support Plan the first full year, FY 2005/2006, with a one percent increase in FY 2006/2007, and six percent increase in FY 2007/2008. There is no sunset clause, so the increased funding is expected to continue in perpetuity (unless the Act is changed or repealed, or if personal incomes drop for people who earn over \$1 million per year). It should be noted that for FY 2004/2005, Sacramento County's allocation was \$384,385 for the community planning process.

For the FY 2005/2006 to FY 2007/2008, MHSA provides that a portion of the funds must also be used for the following.

- Ten percent to a trust fund to be spent for education and training programs as specified.
- Ten percent for capitol facilities & technological needs as specified.
- Twenty percent for Prevention and Early Intervention programs (this amount can be increased).
- Five percent for innovative programs.

Overall, the County may receive \$20 million annually from MHSA, but the State has yet to make a final determination on the allocation of funds for most of the above categories.

Sacramento County's Planning Efforts

MHSA requires an extremely extensive community based planning effort with the involvement of local mental health services consumers and families. The process being used to develop the Community Services and Supports Plan consists of stakeholders developing recommendations that were reviewed by task forces and sent to a steering committee for further review, sifting, modifications, and prioritizing. Steering committee recommendations will be the basis for the plan the Director of Health and Human Services will forward to the State through the Board of Supervisors. (Attachment 2 Sacramento County Wide Planning Process.)

A snapshot of key elements of the planning process includes:

- A February 16, 2005 Kick-off event. The purpose was to engage and familiarize stakeholders with the Mental Health Services Act, and receive input from them. According to reports from the County, almost 300 stakeholders attended the full-day event. Obtaining information for the "Plan-to-Plan" funding request (the \$384,385 awarded to help Sacramento prepare its Community Services and Supports Plan) was a major component of the event.
- Training. Sacramento County conducted numerous training sessions for stakeholders throughout the area. Training included providing information about MHSA to

stakeholders and an overview of the mental health system. In the City, training sites included Granite Regional Park, Crest Theater, Oak Park Community Center, Antioch Church in Meadowview, and Roberts Family Development Center. Completing a training session was a pre-requisite for stakeholders being allowed to vote to prioritize or rank proposals.

- Orientation Meeting. An orientation meeting was held at the County Administration Building in May. This session was designed to orient stakeholders on the structure and process they would use in making mental health program and/or service recommendations for the Plan. Also covered were the roles and responsibilities of stakeholders.
- Steering Committee. A steering committee was created to help guide the project, including assisting task forces and stakeholder groups that were also being created. The Steering Committee responded to a number of policy, procedural and process questions from those groups. The City of Sacramento was represented on the committee with Police Chief Al Nájera as a member. Lt. Ken Bernard participated as his alternate.
- Task Forces. Four task forces were created to obtain and provide input, and to help manage and assist the stakeholders groups (including reviewing and commenting on their recommendations). The Task Forces were also responsible for independently scoring and ranking recommendations. The four task forces are:
 - Children and Transition Age Youth Task Force
 - Adult and Transition Age Youth Task Force
 - Older Adult Task Force
 - Cultural Competency Task Force
- Stakeholder Groups. Thirty-six (36) stakeholder groups met on several occasions to develop program and service recommendations. An extensive effort was made to insure the groups were diverse with a broad representation of consumers and families. The following list contains examples of several stakeholder groups that developed, scored and ranked recommendations.
 - Children's issues: Juvenile Justice, Schools, Youth Culture, Birth to Five, etc.
 - Adult issues: Employment / Vocational Services / Education, Law Enforcement, Homeless and Housing, Board & Care / Board & Room, etc.
 - Older Adult issues: Mental Health and Co-Occurring Disorders, Frail, Homebound, Isolated (& Other Elderly).
 - Cultural Competency issues: the Latino Community, Lesbian, Gay, Bisexual, Transgender, Disabled Stakeholder Group: Emphasis Visually Impaired, African-American Community, Small Refugee Populations, Russian/ Ukrainian/ Slavic, etc.

Timeline

The Community Services and Supports Plan is currently scheduled to be submitted to the State on November 14, 2005. Attached is a draft timeline (Attachment 3), illustrating key

action items to be completed prior to submission of the Plan. Public review of the draft plan and public hearings on the plan is being scheduled. Tentatively, public review is scheduled for September 5 – October 6, 2005.

Role of the City of Sacramento

MHSA does not specify a role for cities relative to the development or approval of Community Services and Supports Plans. Therefore, there is no official role for the City of Sacramento in the approval of the plan (some of the recommendations may require action by the City or the Sacramento Housing and Redevelopment Agency in order to be implemented within the City boundaries). Nevertheless, the City is a stakeholder and can make recommendations and comments along with other stakeholders. In that regard, it should be noted that the Chief of Police is a member of the Steering Committee representing all law enforcement in Sacramento County. City and SHRA staffs have also participated in some Stakeholder Group meetings.

There are at least four upcoming opportunities for the Council to provide input on the plan prior to submission to the State. The first opportunity is in response to the presentation of this report. Second, the Board of Supervisors is tentatively scheduled to review a draft of the plan on September 5. As indicated above, it is anticipated that a public review period would follow, lasting approximately 30 days. During that time period, staff could return to Council with a copy of the draft plan to seek input from the Council. Third, the Mental Health Board is also tentatively scheduled to hold public hearings in October 2005. That would present another opportunity for City/Council input. Lastly, the Board of Supervisors is tentatively scheduled to approve the plan in early November and would be a final opportunity for City input to be heard prior to the submission of the plan to the State.

In addition, the City could actively participate in meetings held by the Oversight Commission, when they review and approve the County's plan. It should be noted that former Assemblymember Steinberg is the Chair of the State Oversight Commission.

Proposals of Special Interest to the City of Sacramento

According to County staff, stakeholders developed 120 recommendations/proposals and all were referred to the four task forces and Steering committee. Two of the recommendations are attached to this staff report for information (Attachments 4 & 5). Both were well received by evaluators, ranking in the top spots on the list of recommendations (Attachments 6 & 7 are the two ranking lists as submitted by the Steering Committee). The two recommendations are summarized below.

- Psychiatric Emergency Response Team. It has been recognized for several years by Sacramento law enforcement and the mental health community that there is a need for improved methods of response by law enforcement to calls involving the mentally ill and homeless (who frequently have mental health issues). Prior to the passage of Proposition 63, a committee had been formed by representatives from the Police and Sheriff's Departments, County Mental Health Services, and community providers and members to discuss ways to address this issue. After researching several programs nationwide, it was determined that the Psychiatric Emergency Response Team (PERT) model, which teams mental health workers with selected, specially trained officers,

would be most beneficial for the Sacramento area. These teams work in the field handling dispatched calls involving the mentally ill, and when time allows, perform follow-up and/or check-ups on those consumers most in need. This model has been in place for several years in other communities (such as San Diego and Long Beach) and is considered one of the most effective mental health/law enforcement program models. With a trained clinician on-scene with an officer, mental health consumers receive more beneficial assistance which often de-escalates potentially dangerous situations, leads to fewer unnecessary hospitalizations and a reduction in injuries to the mentally ill and officers. Also, patrol officers, relieved of these calls by PERT teams, are able to return to regular patrol duties more quickly. The recent MHSA prioritization process determined the PERT program to be the top system development recommendation.

- Housing Availability & Options Capital Funding Proposal. This recommendation was developed based on a suggestion from former Assemblymember Steinberg. It suggests bonding a portion of the anticipated MHSA revenue stream (up to 10 percent of the funds), to create housing targeted for individuals with psychiatric disabilities who are homeless or at the risk of being homeless. It is widely recognized that safe, decent, and affordable housing is a vital part of an individual's mental health and without housing it is often difficult to address a mental health client's other needs. Although this proposal is still in the conceptual stage, the concept is to bond against up to 20 years of this revenue stream to capitalize up to \$40 million. These bond funds could further leverage other public and private resources up to \$70 million in order to develop up to 600 housing units. In order to develop these housing units a source of operational/rental subsidy is necessary either from the MHSA or other sources.

Financial Considerations:

Although the numbers are not firm, Sacramento County is expected to receive approximately \$20 million per year through MHSA. Funds are also expected to increase approximately seven percent annually.

Environmental Considerations:

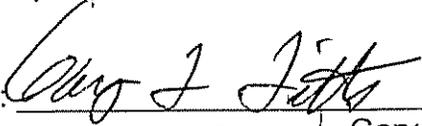
None required

Policy Considerations:

There are no policy considerations at this time. However, the City is a stakeholder and can make recommendations and comments to the Sacramento County MHSA plan. The City Council may also request to hear the "draft" plan prior to submission to the State of California and weigh in with additional recommendations, which may need policy consideration.

Emerging Small Business Development (ESBD):

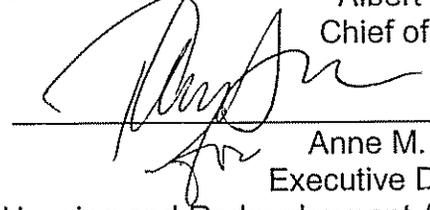
No goods or services are being purchased under this report.

Respectfully Submitted by: 

Gary L. Little
Area Director

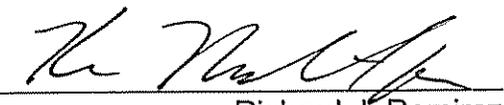


Albert Nájera
Chief of Police


for

Anne M. Moore
Executive Director

Sacramento Housing and Redevelopment Agency

Approved by: 

Richard J. Ramirez
Assistant City Manager

FOR CITY COUNCIL INFORMATION:



ROBERT P. THOMAS
City Manager

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MENTAL HEALTH SERVICES ACT

SECTION 1. Title

This Act shall be known and may be cited as the “Mental Health Services Act.”

SECTION 2. Findings and Declarations

The People of the State of California hereby find and declare all of the following:

- (a) Mental illnesses are extremely common; they affect almost every family in California. They affect people from every background and occur at any age. In any year, between 5% and 7% of adults have a serious mental illness as do a similar percentage of children — between 5% and 9%. Therefore, more than two million children, adults and seniors in California are affected by a potentially disabling mental illness every year. People who become disabled by mental illness deserve the same guarantee of care already extended to those who face other kinds of disabilities.
- (b) Failure to provide timely treatment can destroy individuals and families. No parent should have to give up custody of a child and no adult or senior should have to become disabled or homeless to get mental health services as too often happens now. No individual or family should have to suffer inadequate or insufficient treatment due to language or cultural barriers to care. Lives can be devastated and families can be financially ruined by the costs of care. Yet, for too many Californians with mental illness, the mental health services and supports they need remain fragmented, disconnected and often inadequate, frustrating the opportunity for recovery.
- (c) Untreated mental illness is the leading cause of disability and suicide and imposes high costs on state and local government. Many people left untreated or with insufficient care see their mental illness worsen. Children left untreated often become unable to learn or participate in a normal school environment. Adults lose their ability to work and be independent; many become homeless and are subject to frequent hospitalizations or jail. State and county governments are forced to pay billions of dollars each year in emergency medical care, long-term nursing home care, unemployment, housing, and law enforcement, including juvenile justice, jail and prison costs.
- (d) In a cost cutting move 30 years ago, California drastically cut back its services in state hospitals for people with severe mental illness. Thousands ended up on the streets homeless and incapable of caring for themselves. Today thousands of suffering people remain on our streets because they are afflicted with untreated severe mental illness. We can and should offer these people the care they need to lead more productive lives.
- (e) With effective treatment and support, recovery from mental illness is feasible for most people. The State of California has developed effective models of providing services to children, adults and seniors with serious mental illness. A recent innovative approach, begun under Assembly Bill 34 in 1999, was recognized in 2003 as a model program by the President’s Commission on Mental Health. This program combines prevention services with a full range of integrated services to treat the whole person, with the goal of self-sufficiency for those who may have otherwise faced homelessness or dependence on the state for years to come. Other innovations address services to other underserved populations such as traumatized youth and isolated seniors. These successful programs, including prevention, emphasize client-centered, family focused and community-based services that are culturally and linguistically competent and are provided in an integrated services system.

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- (f) By expanding programs that have demonstrated their effectiveness, California can save lives and money. Early diagnosis and adequate treatment provided in an integrated service system is very effective; and by preventing disability, it also saves money. Cutting mental health services wastes lives and costs more. California can do a better job saving lives and saving money by making a firm commitment to providing timely, adequate mental health services.
- (g) To provide an equitable way to fund these expanded services while protecting other vital state services from being cut, very high-income individuals should pay an additional one percent of that portion of their annual income that exceeds one million dollars (\$1,000,000). About 1/10 of one percent of Californians have incomes in excess of one million dollars (\$1,000,000). They have an average pre-tax income of nearly five million dollars (\$5,000,000). The additional tax paid pursuant to this represents only a small fraction of the amount of tax reduction they are realizing through recent changes in the federal income tax law and only a small portion of what they save on property taxes by living in California as compared to the property taxes they would be paying on multi-million dollar homes in other states.

SECTION 3. Purpose and Intent.

The People of the State of California hereby declare their purpose and intent in enacting this Act to be as follows:

- (a) To define serious mental illness among children, adults and seniors as a condition deserving priority attention, including prevention and early intervention services and medical and supportive care.
- (b) To reduce the long-term adverse impact on individuals, families and state and local budgets resulting from untreated serious mental illness.
- (c) To expand the kinds of successful, innovative service programs for children, adults and seniors begun in California, including culturally and linguistically competent approaches for underserved populations. These programs have already demonstrated their effectiveness in providing outreach and integrated services, including medically necessary psychiatric services, and other services, to individuals most severely affected by or at risk of serious mental illness.
- (d) To provide state and local funds to adequately meet the needs of all children and adults who can be identified and enrolled in programs under this measure. State funds shall be available to provide services that are not already covered by federally sponsored programs or by individuals' or families' insurance programs.
- (e) To ensure that all funds are expended in the most cost effective manner and services are provided in accordance with recommended best practices subject to local and state oversight to ensure accountability to taxpayers and to the public.

SECTION 4. Part 3.6 (commencing with Section 5840) is added to Division 5 of the Welfare and Institutions Code, to read:

PART 3.6 PREVENTION AND EARLY INTERVENTION PROGRAMS

- 5840.
- (a) The Department of Mental Health shall establish a program designed to prevent mental illnesses from becoming severe and disabling. The program shall emphasize improving timely access to services for underserved populations.
 - (b) The program shall include the following components:

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- (1) Outreach to families, employers, primary care health care providers, and others to recognize the early signs of potentially severe and disabling mental illnesses.
 - (2) Access and linkage to medically necessary care provided by county mental health programs for children with severe mental illness, as defined in Section 5600.3, and for adults and seniors with severe mental illness, as defined in Section 5600.3, as early in the onset of these conditions as practicable.
 - (3) Reduction in stigma associated with either being diagnosed with a mental illness or seeking mental health services.
 - (4) Reduction in discrimination against people with mental illness.
 - (c) The program shall include mental health services similar to those provided under other programs effective in preventing mental illnesses from becoming severe, and shall also include components similar to programs that have been successful in reducing the duration of untreated severe mental illnesses and assisting people in quickly regaining productive lives.
 - (d) The program shall emphasize strategies to reduce the following negative outcomes that may result from untreated mental illness:
 - (1) Suicide.
 - (2) Incarcerations.
 - (3) School failure or dropout.
 - (4) Unemployment.
 - (5) Prolonged suffering.
 - (6) Homelessness.
 - (7) Removal of children from their homes.
 - (e) In consultation with mental health stakeholders, the department shall revise the program elements in Section 5840 applicable to all county mental health programs in future years to reflect what is learned about the most effective prevention and intervention programs for children, adults, and seniors.
- 5840.2 (a) The department shall contract for the provision of services pursuant to this part with each county mental health program in the manner set forth in Section 5897.

SECTION 5 Article 11 (commencing with Section 5878.1) is added to Chapter 1 of Part 4 of Division 5 of the Welfare and Institutions Code, to read:

Article 11. Services for Children with Severe Mental Illness.

- 5878.1 (a) It is the intent of this article to establish programs that assure services will be provided to severely mentally ill children as defined in Section 5878.2 and that they be part of the children's system of care established pursuant to this Part. It is the intent of this Act that services provided under this Chapter to severely mentally ill children are accountable, developed in partnership with youth and their families, culturally competent, and individualized to the strengths and needs of each child and their family.
- (b) Nothing in this Act shall be construed to authorize any services to be provided to a minor without the consent of the child's parent or legal guardian beyond those already authorized by existing statute.

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- 5878.2 For purposes of this article, severely mentally ill children means minors under the age of 18 who meet the criteria set forth in subdivision (a) of Section 5600.3.
- 5878.3 (a) Subject to the availability of funds as determined pursuant to Part 4.5, county mental health programs shall offer services to severely mentally ill children for whom services under any other public or private insurance or other mental health or entitlement program is inadequate or unavailable. Other entitlement programs include but are not limited to mental health services available pursuant to MediCal, child welfare, and special education programs. The funding shall cover only those portions of care that cannot be paid for with public or private insurance, other mental health funds or other entitlement programs.
- (b) Funding shall be at sufficient levels to ensure that counties can provide each child served all of the necessary services set forth in the applicable treatment plan developed in accordance with this Part, including services where appropriate and necessary to prevent an out of home placement, such as services pursuant to Chapter 4 of Part 6 of Division 9 (commencing with Section 18250).
- (c) The Department of Mental Health shall contract with county mental health programs for the provision of services under this article in the manner set forth in Section 5897.

SECTION 6. Section 18257 is added to the Welfare and Institutions Code to read as follows:

18257. (a) The Department of Social Services shall seek applicable federal approval to make the maximum number of children being served through such programs eligible for federal financial participation and amend any applicable state regulations to the extent necessary to eliminate any limitations on the numbers of children who can participate in these programs.
- (b) Funds from the Mental Health Services Fund shall be made available to the Department of Social Services for technical assistance to counties in establishing and administering projects. Funding shall include reasonable and necessary administrative costs in establishing and administering a project pursuant to this chapter and shall be sufficient to create an incentive for all counties to seek to establish programs pursuant to this chapter.

SECTION 7. Section 5813.5 is added to Part 3 of Division 5 of the Welfare and Institutions Code, to read:

- 5813.5. Subject to the availability of funds from the Mental Health Services Fund, the Department of Mental Health shall distribute funds for the provision of services under Sections 5801, 5802 and 5806 to county mental health programs. Services shall be available to adults and seniors with severe illnesses who meet the eligibility criteria in Welfare and Institutions Code Section 5600.3(b) and (c). For purposes of this act, seniors means older adult persons identified in Part 3.
- (a) Funding shall be provided at sufficient levels to ensure that counties can provide each adult and senior served pursuant to this Part with the medically necessary mental health services, medications and supportive services set forth in the applicable treatment plan.

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- (b) The funding shall only cover the portions of those costs of services that cannot be paid for with other funds including other mental health funds, public and private insurance, and other local, state and federal funds.
- (c) Each county mental health programs plan shall provide for services in accordance with the system of care for adults and seniors who meet the eligibility criteria in Section 5600.3(b) and (c).
- (d) Planning for services shall be consistent with the philosophy, principles, and practices of the Recovery Vision for mental health consumers:
 - (1) To promote concepts key to the recovery for individuals who have mental illness: hope, personal empowerment, respect, social connections, self-responsibility, and self-determination.
 - (2) To promote consumer-operated services as a way to support recovery.
 - (3) To reflect the cultural, ethnic and racial diversity of mental health consumers.
 - (4) To plan for each consumer's individual needs.
- (e) The plan for each county mental health program shall indicate, subject to the availability of funds as determined by Part 4.5, and other funds available for mental health services, adults and seniors with a severe mental illness being served by this program are either receiving services from this program or have a mental illness that is not sufficiently severe to require the level of services required of this program.
- (f) Each county plan and annual update pursuant to Section 5847 shall consider ways to provide services similar to those established pursuant to the Mentally Ill Offender Crime Reduction Grant Program. Funds shall not be used to pay for persons incarcerated in state prison or parolees from state prisons.
- (g) The department shall contract for services with county mental health programs pursuant to Section 5897. After the effective date of this section the term grants referred to in Sections 5814 and 5814.5 shall refer to such contracts.

SECTION 8. Part 3.1 is hereby added to Division 5 of the Welfare and Institutions Code commencing with Section 5820 to read:

PART 3.1 EDUCATION AND TRAINING PROGRAM

- 5820.
- (a) It is the intent of this Part to establish a program with dedicated funding to remedy the shortage of qualified individuals to provide services to address severe mental illnesses.
 - (b) Each county mental health program shall submit to the department a needs assessment identifying its shortages in each professional and other occupational category in order to increase the supply of professional staff and other staff that county mental health programs anticipate they will require in order to provide the increase in services projected to serve additional individuals and families pursuant to Parts 3, 3.2, 3.6, and 4 of this Division. For purposes of this Part, employment in California's public mental health system includes employment in private organizations providing publicly funded mental health services.
 - (c) The department shall identify the total statewide needs for each professional and other occupational category and develop a five-year education and training development plan.
 - (d) Development of the first five-year plan shall commence upon enactment of the initiative. Subsequent plans shall be adopted every five years.
 - (e) Each five-year plan shall be reviewed and approved by the California Mental Health Planning Council.

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5821. (a) The Mental Health Planning Council shall advise the Department of Mental Health on education and training policy development and provide oversight for the department's education and training plan development.
- (b) The Department of Mental Health shall work with the California Mental Health Planning Council so that council staff is increased appropriately to fulfill its duties required by Sections 5820 and 5821.
5822. The Department of Mental Health shall include in the five-year plan:
- (a) Expansion plans for the capacity of postsecondary education to meet the needs of identified mental health occupational shortages.
- (b) Expansion plans for the forgiveness and scholarship programs offered in return for a commitment to employment in California's public mental health system and make loan forgiveness programs available to current employees of the mental health system who want to obtain Associate of Arts, Bachelor of Arts, Masters Degrees, or Doctoral degrees.
- (c) Creation of a stipend program modeled after the federal Title IV-E program for persons enrolled in academic institutions who want to be employed in the mental health system.
- (d) Establishment of regional partnerships among the mental health system and the educational system to expand outreach to multicultural communities, increase the diversity of the mental health workforce, to reduce the stigma associated with mental illness, and to promote the use of web-based technologies, and distance learning techniques.
- (e) Strategies to recruit high school students for mental health occupations, increasing the prevalence of mental health occupations in high school career development programs such as health science academies, adult schools, and regional occupation centers and programs, and increasing the number of human service academies.
- (f) Curriculum to train and retrain staff to provide services in accordance with the provisions and principles of Parts 3, 3.2, 3.6, and 4.
- (g) Promotion of the employment of mental health consumers and family members in the mental health system.
- (h) Promotion of the meaningful inclusion of mental health consumers and family members and incorporating their viewpoint and experiences in the training and education programs in subdivisions (a) through (f).
- (i) Promotion of the inclusion of cultural competency in the training and education programs in subdivisions (a) through (f).

SECTION 9. Part 3.2 Commencing with Section 5830 is added to Division 5 of the Welfare and Institutions Code to read:

Part 3.2 Innovative Programs

5830. County mental health programs shall develop plans for innovative programs to be funded pursuant to paragraph (6) of subdivision (a) of Section 5892.
- (a) The innovative programs shall have the following purposes:
- (1) To increase access to underserved groups.
 - (2) To increase the quality of services, including better outcomes.
 - (3) To promote interagency collaboration.
 - (4) To increase access to services.

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- (b) County mental health programs shall receive funds for their innovation programs upon approval by the Mental Health Oversight and Accountability Commission.

SECTION 10. Part 3.7 (commencing with Section 5845) is added to Division 5 of the Welfare and Institutions Code to read:

PART 3.7. OVERSIGHT AND ACCOUNTABILITY

5845. (a) The Mental Health Services Oversight and Accountability Commission is hereby established to oversee Part 3, the Adults and Older Adults Systems of Care Act; Part 3.1, Human Resources; Part 3.2, Innovative Programs; Part 3.6, Prevention and Early Intervention Programs; and Part 4, the Children's Mental Health Services Act. The Commission shall replace the advisory committee established pursuant to Section 5814. The Commission shall consist of 16 voting members as follows:
- (1) The Attorney General or his or her designee.
 - (2) The Superintendent of Public Instruction or his or her designee.
 - (3) The Chairperson of the Senate Health and Human Services Committee or another member of the Senate selected by the President pro Tempore of the Senate.
 - (4) The Chairperson of the Assembly Health Committee or another member of the Assembly selected by the Speaker of the Assembly.
 - (5) Two persons with a severe mental illness, a family member of an adult or senior with a severe mental illness, a family member of a child who has or has had a severe mental illness, a physician specializing in alcohol and drug treatment, a mental health professional, a county Sheriff, a Superintendent of a school district, a representative of a labor organization, a representative of an employer with less than 500 employees and a representative of an employer with more than 500 employees, and a representative of a health care services plan or insurer, all appointed by the Governor. In making appointments, the Governor shall seek individuals who have had personal or family experience with mental illness.
- (b) Members shall serve without compensation, but shall be reimbursed for all actual and necessary expenses incurred in the performance of their duties.
- (c) The term of each member shall be three years, to be staggered so that approximately one-third of the appointments expire in each year.
- (d) In carrying out its duties and responsibilities, the Commission may do all of the following:
- (1) Meet at least once each quarter at any time and location convenient to the public as it may deem appropriate. All meetings of the Commission shall be open to the public.
 - (2) Within the limit of funds allocated for these purposes, pursuant to the laws and regulations governing state civil service, employ staff, including any clerical, legal, and technical assistance as may appear necessary.
 - (3) Establish technical advisory committees such as a committee of consumers and family members.
 - (4) Employ all other appropriate strategies necessary or convenient to enable it to fully and adequately perform its duties and exercise the powers expressly granted, notwithstanding any authority expressly granted to any officer or employee of state government.

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- (5) Develop strategies to overcome stigma and accomplish all other objectives of Parts 3.2, 3.6 and the other provisions of the Act establishing this Commission.
 - (6) At any time, advise the Governor or the Legislature regarding actions the state may take to improve care and services for people with mental illness.
 - (7) If the Commission identifies a critical issue related to the performance of a county mental health program, it may refer the issue to the Department of Mental Health pursuant to Section 5655.
5846. (a) The Commission shall annually review and approve each county mental health program for expenditures pursuant to Parts 3.2 for Innovative Programs and Part 3.6 for Prevention and Early Intervention.
- (b) The department may provide technical assistance to any county mental health plan as needed to address concerns or recommendations of the Commission or when local programs could benefit from technical assistance for improvement of their plans submitted pursuant to Section 5847.
- (c) The Commission shall ensure that the perspective and participation of members and others suffering from severe mental illness and their family members is a significant factor in all of its decisions and recommendations.
5847. Integrated Plans for Prevention, Innovation and System of Care Services.
- (a) Each county mental health program shall prepare and submit a three year plan which shall be updated at least annually and approved by the department after review and comment by the Oversight and Accountability Commission. The plan and update shall include all of the following:
- (1) A program for prevention and early intervention in accordance with Part 3.6.
 - (2) A program for services to children in accordance with Part 4 to include a program pursuant to Chapter 6 of Part 4 of Division 9 commencing with Section 18250 or provide substantial evidence that it is not feasible to establish a wrap-around program in that county.
 - (3) A program for services to adults and seniors in accordance with Part 3.
 - (4) A program for Innovations in accordance with Part 3.2.
 - (5) A program for technological needs and capital facilities needed to provide services pursuant to Parts 3, 3.6 and 4. All plans for proposed facilities with restrictive settings shall demonstrate that the needs of the people to be served cannot be met in a less restrictive or more integrated setting.
 - (6) Identification of shortages in personnel to provide services pursuant to the above programs and the additional assistance needed from the Education and Training Programs established pursuant to Part 3.1.
 - (7) Establishment and maintenance of a prudent reserve to ensure the county program will continue to be able to serve children, adults and seniors that it is currently serving pursuant to Parts 3 and 4 during years in which revenues for the Mental Health Services Fund are below recent averages adjusted by changes in the state population and the California Consumer Price Index.
- (b) The department's review and approval of the programs specified in paragraphs (1) and (4) shall be limited to ensuring the consistency of such programs with the other portions of the plan and providing review and comment to the Mental Health Services Oversight and Accountability Commission.
- (c) The programs established pursuant to paragraphs (2) and (3) of subdivision (a) shall include services to address the needs of transition age youth ages 16 to 25.

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- (d) Each year the Department of Mental Health shall inform counties of the amounts of funds available for services to children pursuant to Part 4 and to adults and seniors pursuant to Part 3. Each county mental health program shall prepare expenditure plans pursuant to Parts 3 and 4 and updates to the plans developed pursuant to this Section. Each expenditure update shall indicate the number of children, adults and seniors to be served pursuant to Parts 3 and 4 and the cost per person. The expenditure update shall include utilization of unspent funds allocated in the previous year and the proposed expenditure for the same purpose.
 - (e) The department shall evaluate each proposed expenditure plan and determine the extent to which each county has the capacity to serve the proposed number of children, adults and seniors pursuant to Parts 3 and 4; the extent to which there is an unmet need to serve that number of children, adults and seniors; and determine the amount of available funds; and provide each county with an allocation from the funds available. The department shall give greater weight for a county or a population which has been significantly underserved for several years.
 - (f) A county mental health program shall include an allocation of funds from a reserve established pursuant to paragraph (6) of subdivision (a) for services pursuant to paragraphs (2) and (3) of subdivision (a) in years in which the allocation of funds for services pursuant to subdivision (c) are not adequate to continue to serve the same number of individuals as the county had been serving in the previous fiscal year.
5848. (a) Each plan and update shall be developed with local stakeholders including adults and seniors with severe mental illness, families of children, adults and seniors with severe mental illness, providers of services, law enforcement agencies, education, social services agencies and other important interests. A draft plan and update shall be prepared and circulated for review and comment for at least 30 days to representatives of stakeholder interests and any interested party who has requested a copy of such plans.
- (b) The mental health board established pursuant to Section 5604 shall conduct a public hearing on the draft plan and annual updates at the close of the 30-day comment period required by subsection (a). Each adopted plan and update shall include any substantive written recommendations for revisions. The adopted plan or update shall summarize and analyze the recommended revisions. The mental health board shall review the adopted plan or update and make recommendations to the county mental health department for revisions.
 - (c) The department shall establish requirements for the content of the plans. The plans shall include reports on the achievement of performance outcomes for services pursuant to Parts 3, 3.6 and 4 funded by the Mental Health Services Fund and established by the department.
 - (d) Mental health services provided pursuant to Parts 3 and 4 shall be included in the review of program performance by the California Mental Health Planning Council required by Section 5772(c)(2) and in the local mental health board's review and comment on the performance outcome data required by Section 5604.2(a)(7)

Section 11. Section 5771.1 is added to the Welfare and Institutions Code to read:

5771.1 The members of the Mental Health Services Oversight and Accountability Commission established pursuant to Section 5845 are members of the California Mental Health Planning Council. They serve in an ex officio capacity when the Council is performing its statutory duties pursuant to Section 5772. Such membership shall not affect the composition requirements for the Council specified in Section 5771.

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SECTION 12. Section 17043 is added to the Revenue and Taxation Code to read:

17043. (a) For each taxable year beginning on or after January 1, 2005, in addition to any other taxes imposed by this part, an additional tax shall be imposed at the rate of 1% on that portion of a taxpayer's taxable income in excess of one million dollars (\$1,000,000).
- (b) For purposes of applying Part 10.2 (commencing with Section 18401), the tax imposed under this section shall be treated as if imposed under Section 17041.
- (c) The following shall not apply to the tax imposed by this section:
- (1) The provisions of Section 17039, relating to the allowance of credits.
 - (2) The provisions of Section 17041, relating to filing status and recomputation of the income tax brackets.
 - (3) The provisions of Section 17045, relating to joint returns.

SECTION 13. Section 19602 of the Revenue and Taxation Code is amended to read:

19602. Except for amounts collected or accrued under Sections 17935, 17941, 17948, 19532, and 19561, and revenues deposited pursuant to Section 19602.5, all moneys and remittances received by the Franchise Tax Board as amounts imposed under Part 10 (commencing with Section 17001), and related penalties, additions to tax, and interest imposed under this part, shall be deposited, after clearance of remittances, in the State Treasury and credited to the Personal Income Tax Fund.

SECTION 14. Section 19602.5 is added to the Revenue and Taxation Code to read:

- 19602.5 (a) There is in the State Treasury the Mental Health Services Fund (MHS Fund). The estimated revenue from the additional tax imposed under Section 17043 for the applicable fiscal year, as determined under subparagraph (B) of paragraph (3) of subdivision (c), shall be deposited to the MHS Fund on a monthly basis, subject to an annual adjustment as described in this section.
- (b) (1) Beginning with fiscal year 2004-2005 and for each fiscal year thereafter, the Controller shall deposit on a monthly basis in the MHS Fund an amount equal to the applicable percentage of net personal income tax receipts as defined in paragraph (4).
- (2) (A) Except as provided in subparagraph (B), the applicable percentage referred to in paragraph (1) shall be 1.76 percent.
- (B) For fiscal year 2004-2005, the applicable percentage shall be 0.70 percent.
- (3) Beginning with fiscal year 2006-2007, monthly deposits to the MHS Fund pursuant to this subdivision are subject to suspension pursuant to subdivision (f).
- (4) For purposes of this subdivision, "net personal income tax receipts" refers to amounts received by the Franchise Tax Board and the Employment Development Department under the Personal Income Tax Law, as reported by the Franchise Tax Board to the Department of Finance pursuant to law, regulation, procedure, and practice (commonly referred to as the "102 Report") in effect on the effective date of the Act establishing this section.
- (c) No later than March 1, 2006, and each March 1st thereafter, the Department of Finance, in consultation with the Franchise Tax Board, shall determine the annual adjustment amount for the following fiscal year.

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- (1) The “annual adjustment amount” for any fiscal year shall be an amount equal to the amount determined by subtracting the “revenue adjustment amount” for the applicable revenue adjustment fiscal year, as determined by the Franchise Tax Board under paragraph (3), from the “tax liability adjustment amount” for applicable tax liability adjustment tax year, as determined by the Franchise Tax Board under paragraph (2).
- (2) (A) (i) The “tax liability adjustment amount” for a tax year is equal to the amount determined by subtracting the estimated tax liability increase from the additional tax imposed under Section 17043 for the applicable year under subparagraph (B) from the amount of the actual tax liability increase from the additional tax imposed under Section 17043 for the applicable tax year, based on the returns filed for that tax year.
 - (ii) For purposes of the determinations required under this paragraph, actual tax liability increase from the additional tax means the increase in tax liability resulting from the tax of 1% imposed under Section 17043, as reflected on the original returns filed by October 15th of the year after the close of the applicable tax year.
 - (iii) The applicable tax year referred to in this paragraph means the 12-calendar month taxable year beginning on January 1st of the year that is two (2) years before the beginning of the fiscal year for which an annual adjustment amount is calculated.
- (B) (i) The estimated tax liability increase from the additional tax for the following tax years is:

<u>Tax Year</u>	<u>Estimated Tax Liability Increase from the Additional Tax</u>
2005	\$ 634 million
2006	\$ 672 million
2007	\$ 713 million
2008	\$ 758 million

- (ii) The “estimated tax liability increase from the additional tax” for the tax year beginning in 2009 and each tax year thereafter shall be determined by applying an annual growth rate of seven (7) percent to the “estimated tax liability increase from additional tax” of the immediately preceding tax year.
- (3) (A) The “revenue adjustment amount” is equal to the amount determined by subtracting the “estimated revenue from the additional tax” for the applicable fiscal year, as determined under subparagraph (B), from the actual amount transferred for the applicable fiscal year.
 - (B) (i) The “estimated revenue from the additional tax” for the following applicable fiscal years is:

<u>Applicable Fiscal Year</u>	<u>Estimated Revenue From Additional Tax</u>
2004-05	\$ 254 million
2005-06	\$ 683 million
2006-07	\$ 690 million
2007-08	\$ 733 million

- (ii) The “estimated revenue from the additional tax” for applicable fiscal year 2007-08 and each applicable fiscal year thereafter shall

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be determined by applying an annual growth rate of 7 percent to the “estimated revenue from the additional tax” of the immediately preceding applicable fiscal year.

- (iii) The applicable fiscal year referred to in this paragraph means the fiscal year that is two (2) years before the fiscal year for which an annual adjustment amount is calculated.
- (d) The Department of Finance shall notify the Legislature and the Controller of the results of the determinations required under subdivision (c) no later than ten (10) business days after the determinations are final.
- (e) If the annual adjustment amount for a fiscal year is a positive number, the Controller shall transfer that amount from the General Fund to the MHS Fund on July 1 of that fiscal year.
- (f) If the annual adjustment amount for a fiscal year is a negative number, the Controller shall suspend monthly transfers to the MHS Fund for that fiscal year, as otherwise required by paragraph (1) of subdivision (b), until the total amount of suspended deposits for that fiscal year equals the amount of the negative annual adjustment amount for that fiscal year.

SECTION 15. Part 4.5 (commencing with Section 5890) is added to Division 5 of the Welfare and Institutions Code, to read:

PART 4.5. MENTAL HEALTH SERVICES FUND

5890. (a) The Mental Health Services Fund is hereby created in the State Treasury. The Fund shall be administered by the department of Mental Health. Notwithstanding Section 13340 of the Government Code, all monies in the Fund are continuously appropriated to the Department, without regard to fiscal years, for the purpose of funding the following programs and other related activities as designated by other provisions of this Division:
- (1) Part 3 commencing with Section 5800, the Adult and Older Adult System of Care Act.
 - (2) Part 3.6 commencing with Section 5840, Prevention and Early Intervention Programs.
 - (3) Part 4 commencing with Section 5850, the Children’s Mental Health Services Act.
- (b) Nothing in the establishment of this Fund, nor any other provisions of the Act establishing it or the programs funded shall be construed to modify the obligation of health care service plans and disability insurance policies to provide coverage for mental health services, including those services required under Section 1374.72 of the Health and Safety Code and Section 10144.5 of the Insurance Code, related to mental health parity. Nothing in this Act shall be construed to modify the oversight duties of the Department of Managed Health Care or the duties of the Department of Insurance with respect to enforcing such obligations of plans and insurance policies.
 - (c) Nothing in this Act shall be construed to modify or reduce the existing authority or responsibility of the Department of Mental Health.
 - (d) The Department of Health Services, in consultation with the Department of Mental Health, shall seek approval of all applicable federal Medicaid approvals to maximize the availability of federal funds and eligibility of participating children, adults and seniors for medically necessary care.

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- (e) Share of costs for services pursuant to Parts 3 and 4 shall be determined in accordance with the Uniform Method for Determining Ability to Pay applicable to other publicly funded mental health services, unless such Uniform Method is replaced by another method of determining co-payments, in which case the new method applicable to other mental health services shall be applicable to services pursuant to Parts 3 and 4.
5891. The funding established pursuant to this Act shall be utilized to expand mental health services. These funds shall not be used to supplant existing state or county funds utilized to provide mental health services. The state shall continue to provide financial support for mental health programs with not less than the same entitlements, amounts of allocations from the General Fund and formula distributions of dedicated funds as provided in the last fiscal year which ended prior to the effective date of this Act. The state shall not make any change to the structure of financing mental health services, which increases a county's share of costs or financial risk for mental health services unless the state includes adequate funding to fully compensate for such increased costs or financial risk. These funds shall only be used to pay for the programs authorized in Section 5892. These funds may not be used to pay for any other program. These funds may not be loaned to the state General Fund or any other fund of the state, or a county general fund or any other county fund for any purpose other than those authorized by Section 5892.
5892. (a) In order to promote efficient implementation of this Act allocate the following portions of funds available in the Mental Health Services Fund in 2005-06 and each year thereafter:
- (1) In 2005-06, 2006-07, and in 2007-08 10% shall be placed in a trust fund to be expended for education and training programs pursuant to Part 3.1.
 - (2) In 2005-06, 2006-07 and in 2007-08 10% for capital facilities and technological needs distributed to counties in accordance with a formula developed in consultation with the California Mental Health Directors Association to implement plans developed pursuant to Section 5847.
 - (3) 20% for Prevention and Early Intervention Programs distributed to counties in accordance with a formula developed in consultation with the California Mental Health Directors Association pursuant to Part 3.6. Each county's allocation of funds shall be distributed only after its annual program for expenditure of such funds has been approved by the Oversight and Accountability Commission established pursuant to Section 5845.
 - (4) The allocation for Prevention and Early Intervention may be increased in any county which the department determines that such increase will decrease the need and cost for additional services to severely mentally ill persons in that county by an amount at least commensurate with the proposed increase. The statewide allocation for Prevention and Early Intervention may be increased whenever the Oversight and Accountability Commission determines that all counties are receiving all necessary funds for services to severely mentally ill persons and have established prudent reserves and there are additional revenues available in the Fund.
 - (5) The balance of funds shall be distributed to county mental health programs for services to persons with severe mental illnesses pursuant to Part 4 for the Children's System of Care and Part 3, for the Adult and Older Adult System of Care.

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- (6) 5% percent of the total funding for each county mental health program for Parts 3, 3.6 and 4 shall be utilized for Innovative Programs pursuant to an approved plan required by Section 5830 and such funds may be distributed by the department only after such programs have been approved by the Oversight and Accountability Commission established pursuant to Section 5845.
- (b) In any year after 2007-08, programs for services pursuant to Parts 3 and 4 may include funds for technological needs and capital facilities, human resource needs, and a prudent reserve to ensure services do not have to be significantly reduced in years in which revenues are below the average of previous years. The total allocation for purposes authorized by this subdivision shall not exceed 20% of the average amount of funds allocated to that county for the previous five years pursuant to this Section.
- (c) The allocations pursuant to subdivisions (a) and (b) shall include funding for annual planning costs pursuant to Section 5848. The total of such costs shall not exceed 5% of the total of annual revenues received for the Fund. The planning costs shall include funds for county mental health programs to pay for the costs of consumers, family members and other stakeholders to participate in the planning process and for the planning and implementation required for private provider contracts to be significantly expanded to provide additional services pursuant to Parts 3 and 4.
- (d) Prior to making the allocations pursuant to subdivisions (a), (b) and (c), the department shall also provide funds for the costs for itself, the Mental Health Planning Council and the Oversight and Accountability Commission to implement all duties pursuant to the programs set forth in this section. Such costs shall not exceed 5% of the total of annual revenues received for the Fund. The administrative costs shall include funds to assist consumers and family members to ensure the appropriate state and county agencies give full consideration to concerns about quality, structure of service delivery or access to services. The amounts allocated for administration shall include amounts sufficient to ensure adequate research and evaluation regarding the effectiveness of services being provided and achievement of the outcome measures set forth in Parts 3, 3.6 and 4.
- (e) In 2004-05 funds shall be allocated as follows:
- (1) 45% for Education and Training pursuant to Part 3.1.
 - (2) 45% for Capital Facilities and Technology Needs in the manner specified by paragraph (2) of subdivision (a).
 - (3) 5% for Local Planning in the manner specified in Subdivision (c) and
 - (4) 5% for State Implementation in the manner specified in subdivision (d)
- (f) Each county shall place all funds received from the state Mental Health Services Fund in a local Mental Health Services Fund. The Local Mental Health Services Fund balance shall be invested consistent with other county funds and the interest earned on such investments shall be transferred into the Fund. The earnings on investment of these funds shall be available for distribution from the Fund in future years.
- (g) All expenditures for county mental health programs shall be consistent with a currently approved plan or update pursuant to Section 5847.
- (h) Other than funds placed in a reserve in accordance with an approved plan, any funds allocated to a county which have not been spent for their authorized purpose within three years shall revert to the state to be deposited into the Fund and available for other counties in future years, provided however, that funds for

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- capital facilities, technological needs or education and training may be retained for up to ten years before reverting to the Fund.
- (i) If there are still additional revenues available in the fund after the Oversight and Accountability Commission has determined there are prudent reserves and no unmet needs for any of the programs funded pursuant to this Section, including all purposes of the Prevention and Early Intervention Program, the Commission shall develop a plan for expenditures of such revenues to further the purposes of this Act and the Legislature may appropriate such funds for any purpose consistent with the Commission's adopted plan which furthers the purposes of this act.
5893. (a) In any year in which the funds available exceed the amount allocated to counties, such funds shall be carried forward to the next fiscal year to be available for distribution to counties in accordance with Section 5892 in that fiscal year.
- (b) All funds deposited into the Mental Health Services Fund shall be invested in the same manner in which other state funds are invested. The Fund shall be increased by its share of the amount earned on investments.
5894. In the event that Parts 3 or 4 are restructured by legislation signed into law before the adoption of this measure, the funding provided by this measure shall be distributed in accordance with such legislation; provided, however that nothing herein shall be construed to reduce the categories of persons entitled to receive services.
5895. In the event any provisions of Part 3 or Part 4 of this Division are repealed or modified so the purposes of this Act cannot be accomplished, the funds in the Mental Health Services Fund shall be administered in accordance with those sections as they read on January 1, 2004.
5897. (a) Notwithstanding any other provision of state law, the Department of Mental Health shall implement the mental health services provided by Parts 3, 3.6 and 4 of this Division through contracts with county mental health programs or counties acting jointly. A contract may be exclusive and may be awarded on a geographic basis. As used herein a county mental health program includes a city receiving funds pursuant to Section 5701.5
- (b) Two or more counties acting jointly may agree to deliver or subcontract for the delivery of such mental health services. The agreement may encompass all or any part of the mental health services provided pursuant to these parts. Any agreement between counties shall delineate each county's responsibilities and fiscal liability.
- (c) The department shall implement the provisions of Parts 3, 3.2, 3.6 and 4 of this Division through the annual county mental health services performance contract, as specified in Part 2, Chapter 2, Section 5650 et seq.
- (d) When a county mental health program is not in compliance with its performance contract, the department may request a plan of correction with a specific timeline to achieve improvements.
- (e) Contracts awarded by the Department of Mental Health, the California Mental Health Planning Council, and the Mental Health Services Oversight and Accountability Commission pursuant to Parts 3, 3.1, 3.2, 3.6, 3.7, 4, and 4.5 may be awarded in the same manner in which contracts are awarded pursuant to Section 5814 and the provisions of subdivisions (g) and (h) of Section 5814 shall apply to such contracts
- (f) For purposes of Section 5775, the allocation of funds pursuant to Section 5892 which are used to provide services to Medi-Cal beneficiaries shall be included in calculating anticipated county matching funds and the transfer to the department

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of the anticipated county matching funds needed for community mental health programs.

5898. The department shall develop regulations, as necessary, for the department or designated local agencies to implement this Act. In 2005, the director may adopt all regulations pursuant to this Act as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 2 of Title 2. For the purpose of the Administrative Procedure Act, the adoption of regulations, in 2005, shall be deemed an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare. These regulations shall not be subject to the review and approval of the Office of Administrative Law and shall not be subject to automatic repeal until final regulations take effect. Emergency regulations adopted in accordance with this provision shall not remain in effect for more than a year. The final regulations shall become effective upon filing with the Secretary of State. Regulations adopted pursuant to this section shall be developed with the maximum feasible opportunity for public participation and comments.

SECTION 16

The provisions of this Act shall become effective January 1 of the year following passage of the Act, and its provisions shall be applied prospectively.

The provisions of this Act are written with the expectation that it will be enacted in November of 2004. In the event that it is approved by the voters at an election other than one which occurs during the 2004-05 fiscal year, the provisions of this act which refer to fiscal year 2005-06 shall be deemed to refer to the first fiscal year which begins after the effective date of this Act and the provisions of this Act which refer to other fiscal years shall refer to the year that is the same number of years after the first fiscal year as that year is in relationship to 2005-06.

SECTION 17

Notwithstanding any other provision of law to the contrary, the department shall begin implementing the provisions of this Act immediately upon its effective date and shall have the authority to immediately make any necessary expenditures and to hire staff for that purpose.

SECTION 18

This Act shall be broadly construed to accomplish its purposes. All of the provisions of this Act may be amended by a 2/3 vote of the Legislature so long as such amendments are consistent with and further the intent of this Act. The Legislature may by majority vote add provisions to clarify procedures and terms including the procedures for the collection of the tax surcharge imposed by Section 16.

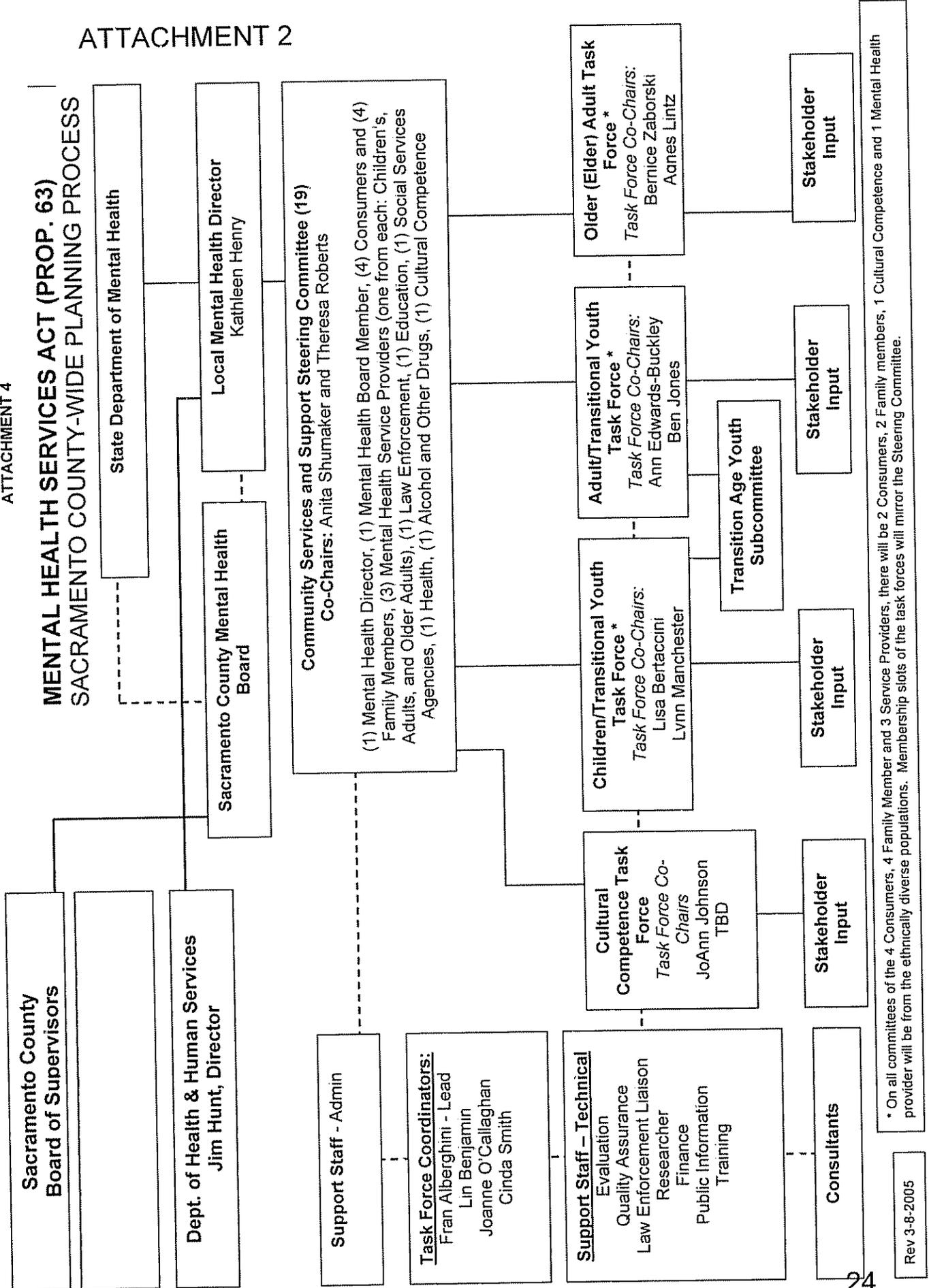
SECTION 19

If any provision of this Act is held to be unconstitutional or invalid for any reason, such unconstitutionality or invalidity shall not affect the validity of any other provision.

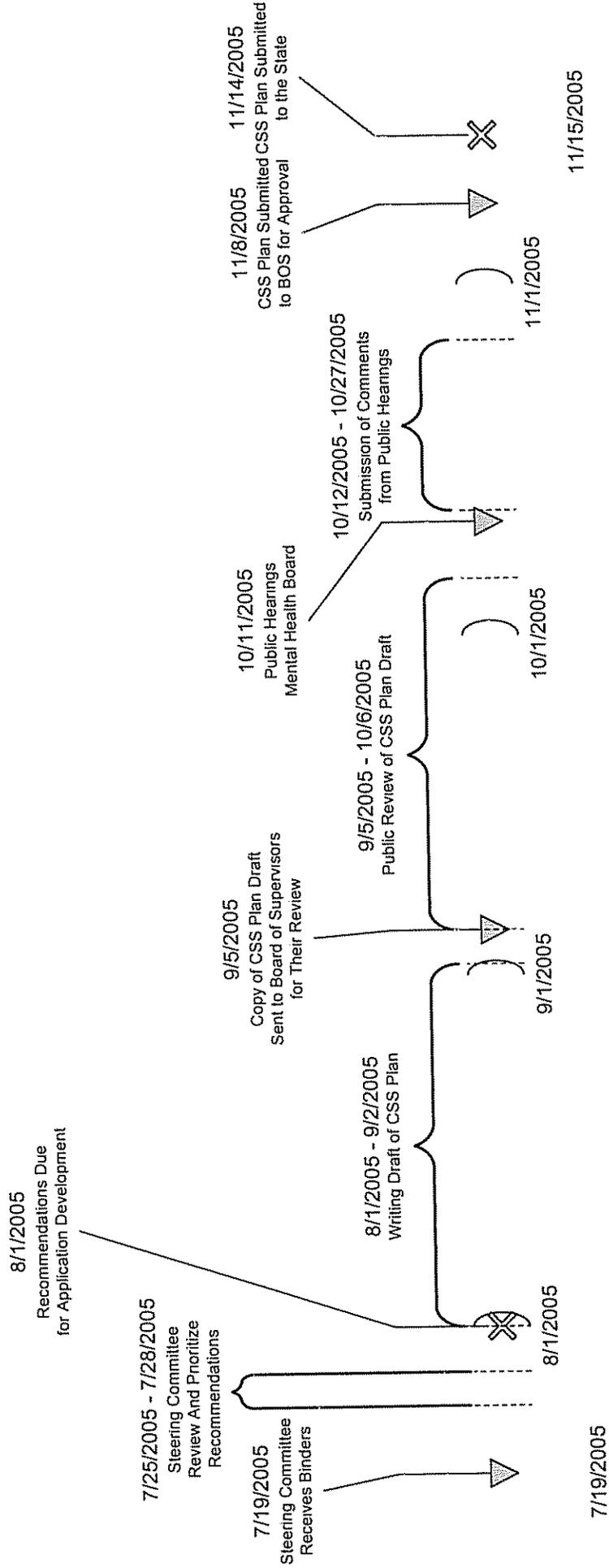
ATTACHMENT 2

ATTACHMENT 4

MENTAL HEALTH SERVICES ACT (PROP. 63) SACRAMENTO COUNTY-WIDE PLANNING PROCESS



MHSA CSS Plan Review and Submission Timeline*



*Timeline is subject to change -- plan requirements are still in draft (07/27/05)



**Sacramento County
Mental Health Services Act
Recommendation**

Recommendation Title: Psychiatric Emergency Response Team (PERT)
Stakeholder Group: Crisis/Aftercare/Alternatives to Hospitalization
Referred to Task Force: Adult/Older Adult/Child/Cultural Competence

Community Issue:

Across the county law enforcement officers are called into situations where they have to make decisions regarding the needs of individuals who are in some sort of mental health crisis situation. There are few options for officers outside of jail, an emergency room, or the Crisis Stabilization Unit at the Mental Health Treatment Center. Officers spend a lot of time out of service and unable to respond to crime complaints while they are determining the best intervention to maintain an individual in a safe environment. Although officers receive some training in mental illness symptoms this is not their area of expertise. In addition, individuals may be under the influence of alcohol or other drugs and may or may not have a co-occurring mental illness. This determination is very difficult to make in the field absent any treatment history. Access to immediate detox is limited for alcohol and virtually non-existent for drugs. Family members and consumers are often reluctant to involve law enforcement as an intervention in mental health crisis situations. There may be a great deal of fear associated with the presence of uniformed officers, particularly for some immigrants. There may be frustration because officers have been called for assistance and then refused to take an individual for psychiatric treatment because they did not directly witness signs of danger to self or others or grave disability. And there is stigma involved in having squad cars called out to a private residence and for individuals who are handcuffed during escort.

Unmet Mental Health Needs:

Law enforcement officers are called into crisis situations and faced with making decisions absent immediate access to mental health, and/or alcohol and drug professionals. Each month well over 100 individuals are brought to the Crisis Stabilization Unit by law enforcement and are subsequently released back to the community within 23 hours. This does not mean that the referrals were not appropriate. This number reflects the large proportion of individuals who needed some sort of intervention but did not require psychiatric hospitalization. Another hundred each month are diverted to private psychiatric hospitals. Had it been possible to verify history and insurance in the field they would have been diverted directly to a private hospital and not have been brought to the Crisis Stabilization Unit. During the first three months of 2005 Sacramento Police Department responded to over 200 calls each month, related to a mental health crisis. Each call took officers an average of 66 minutes and nearly always two officers respond, doubling the amount of time spent. The number of people taken to jail rather than diverted to treatment or social services has not yet been calculated but is believed to be contributing to the overcapacity problems at the main jail.

Focal Population:

The need for more effective identification of interventions in crisis situations cuts across the entire population. This has an impact on obtaining treatment and service resources for older adults, adults, transition age youth, children, developmentally disabled, medically compromised, persons having co-occurring disorders, homeless individuals, and people of all languages and cultures.

Strategies for System Capacity Changes:

A less restrictive strategy is the development of Psychiatric Emergency Response Teams (PERT) co-staffed with mental health professionals and law enforcement officers. Integrated services would optimize access to appropriate resources and reduce the stigma for those seeking treatment as well as reducing unnecessary incarcerations. The collaboration allows for complimentary utilization of the best strengths of both mental health and law enforcement professionals. There are many best-practice models across the United States. The programs in Long Beach and San Diego seem to have elements best suited to the needs of our community. The primary teams would consist of a licensed mental health professional paired with a uniformed patrol officer operating from an unmarked mobile patrol unit. They would have access to mental health treatment history, including current linkages and would be able to verify insurance benefits. The teams could respond directly to calls from dispatch or respond to calls from officers in the field needing mental health consultation. Once the PERT team arrived the original responding officers would resume their patrol. Both the mental health professionals and the patrol officers would be carefully selected and have experience and training in dealing with people of all ages and cultures. There could be identified experts in working with children and older adults. Bi-lingual ability would be a plus in addition to ready access to interpreters. The teams would be committed to a recovery model and work to promote resilience. Training staff would include consumers and family members who could help sensitize the mental health professionals and law enforcement officers to the needs of individuals in a mental health crisis. PERT team members and their intervention partners could follow-up after initial contact to ensure effective linkage with the needed service. This would help prevent repeat development of problems leading to need for another crisis intervention.

Examples of intervention partners would be consumer and family advocates, peer mentors, Geriatric Network, Adult and Child Protective Services, Probation, alcohol and drug treatment providers, public and private health clinics, schools, outpatient mental health clinics, homeless and housing programs, food banks, culturally based organizations, churches and so on.

Tentative Outcome Indicators:

- Overall increase in customer and officer satisfaction.
- Decrease in visits to Crisis Stabilization Unit.
- Decreased injuries to all participants.
- Decrease in arrests.
- Decrease in patrol hours spent responding to non-criminal calls.
- Decrease in repeat calls for service.

References:

Review of Best Practices in Mental Health Reform (Canada)

http://www.phac-aspc.gc.ca/mh-sm/mentalhealth/pubs/bp_review/pdf/e_revsec1-2.pdf

Improving Police Response to Mentally Ill People

Sam Cochran, Martha Williams Deane, M.A. and Randy Borum, Psy.D.
Psychiatric Services 51:1315-1316, October 2000

Criminal Justice/Mental Health Consensus: Improving Responses to People With Mental Illness

M. D. Thompson, M. Reuland, and D. Souweine
Crime Delinquency, January 1, 2003; 49(1): 30 - 51.

Attachment:

5150 Sample Data

Contact:

Kathy Boyum, PhD, MHTC Crisis Services Director

ATTACHMENT 5



Sacramento County of Sacramento Mental Health Services Act Recommendation Format

Date: June 30, 2005

Gradient Agreement Score: 4.93

Recommendation Title: Housing Availability & Options Capital Funding Proposal
Stakeholder Group: Homeless & Housing Stakeholders Group
Referred to Task Force: Children/Adult/Older Adult Task Force

Community Issue. There are many families with children with serious emotional disturbance and adults with psychiatric disabilities in Sacramento County who are without homes and/or a safe place to live. Housing affordability is a major barrier to obtaining and maintaining housing. Many current public subsidy programs do not support some types of housing arrangements (e.g. shared housing) requested by persons with psychiatric disabilities. A range of housing types for those who are at imminent risk of losing their housing due to fiscal, medical, or life crisis, their life circumstances (aging out of foster-care, young adults with infants and toddlers) and individuals upon release from hospitalization or incarceration does not exist in the community.

Without sufficient and adequate housing options (including supports and services) for individuals and families there is an increased risk of homelessness. The fiscal impact on communities can be seen in the recidivism to inpatient units, emergency rooms, and jails. Persons with psychiatric disabilities who are homeless are at an even greater risk for getting stuck in this cycle of homelessness.

Unmet Mental Health Needs The Sacramento City and County Board on Homelessness Housing Committee estimates 11,109 homeless individuals in Sacramento County for FY 2004-05 of which it is estimated between 35-55% have a mental illness and/or co-occurring disorders. There on average 490 homeless individuals served at the Guest House, a Division of Mental Health contracted homeless outpatient clinic. On average, 239 homeless individuals are served monthly at Genesis, a privately funded mental health outpatient center of Loaves & Fishes. Mental health outreach teams contacted 2119 adult homeless individuals between July 2004 and March 2005, 80% of whom have been identified as having indicators of a mental illness. That is, individuals based upon interviews report a history of involvement with mental health services, or whose behavior indicates symptoms of a mental illness. Sacramento County Office of Education identified 4,773 homeless children in FY 2002-03, although the actual number is estimated to be 5,730 and higher as it does not take into account ages 0-2, and very few 3-4 year olds.

Combined data collected from homeless outpatient (Guest House, Genesis) and the outreach programs indicate the following racial and ethnic breakdown: 57% Caucasian, 30% African American, 7% Latino, and 6% other. There are no homeless programs specifically targeting the underserved populations of Hmong, Mien, Russian, Ukrainian, Spanish speaking, Cantonese speaking, or Lesbian, Gay, Bisexual, Transgender, Questioning, Inter-sex (LGBTQI.)

Focal Population. This proposal is presented and intended to serve all age groups. This includes the unserved and underserved ethnic and culturally diverse populations of Sacramento County. Individuals who meet the definition of serious mental illness or serious emotional disturbance as described in the Mental Health Services Act shall be served. This includes adults/older adults, families, transitional age youth, and young parents with infants and toddlers. The intent is to break the cycle of homelessness and

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recidivism, increase permanent housing stability, and serve the un-served homeless with supports and services.

Strategies for System Capacity Changes. There is an identified immediate need to provide housing with supportive service. The MHSA provides funding for housing and other infrastructure needs. A percentage of the annual revenue from the MHSA could be used to create a large capital fund in the early years through the sale of bonds. In California, cities, counties and redevelopment agencies have the power to issue bonds. Bonds are a way to borrow against a future revenue stream to create a capital fund. A variety of housing types could be developed with the proceeds of the bonds to provide a range of housing options from apartments to shared housing to shelters.

If the County of Sacramento chose to bond 5-10% of the MHSA revenue, it could create a capital fund in the range of \$30 million. The bonds would be paid back over a 10 year period. The \$30 million capital fund could then be leveraged to at least double that amount and potentially generate considerably more. In addition, the funds could be used to provide types of housing not typically available through existing programs. If the County chose to pursue bonds, it would take approximately 12-15 months before funds would be available. With \$60 million in capital from the bonds and leveraged sources in the first two years of the program, it is possible to provide stable affordable supportive housing to a significant portion of the population facing the housing problems described above.

Services and supports as described in other proposals should be available in all of the housing developed with the use of the capital funds.

**CA Mental Health Directors Association Resource Guide*

***Effectiveness of Integrated Services for Homeless Adults with Serious Mental Illness (May 2003) A Report to the Legislature. California State Department of Mental Health*

Final Ranking of Full Service Partnership Recommendations

Final Steering Committee Rankings	Recommendation Number	Recommendation Name	Al Rowlette	Albert Lipson	Andrea Hillerman	Antia Shumaker	Bert Bolts	Bhila Jain	Dave Gordon	Dave Schroeder	Hank Lee	Heidi Sanborn	Henry Ton	John Haddock	Kathy Trevino	Ken Bernard	Lyn Farr	Marie Nitz	Maryn McGinns	Meghan Stanton	Prakash Jain	Sayuri Sloan	Toni Moore	Grand Total	Average of Gradient Scores	Full Service Partnership	System Development	Outreach	Population	First Round Vote Count	Second Round Vote Count
1	140	Housing Availability & Options Capital Funding Proposal	5	5	5	4	4	5	4	5	5	5	5	5	5	5	5	5	5	5	5	5	5	102	4.86	FSP	SD	OUT	Adult	10	
2	COMBO	RST Intensive Program for Older Adults - Combination of 49 and 69	5	5	5	4	5	4	2	5	5	5	5	5	4	4	4	5	5	4	5	5	5	90	4.50	FSP	SD	OUT	O. Ad.	13	14
3	2	Transitional Assertive Community Treatment (TACT)	5	4	5	5	5	4	4	5	5	5	5	5	5	5	5	4	5	3	5	4	5	97	4.62	FSP	SD	OUT	Adult	6	11
4	COMBO	API Mega Program (Combo of all Kor-Chinese, SE Asian and Tong-Haw Recommendations)	5	3	5	2	1	3	3	2	5	4	5	5	4	4	4	3	4	5	2	3	4	75	3.57	FSP	SD	OUT	Comp	12	9
5	COMBO	Homeless Services for Transitional Age Youth - Combination of 54, 55 and 56 (include element)	4	4	5	5	3	4	4	4	2	4	3	5	4	4	4	5	4	5	3	3	4	83	3.95	FSP	SD	OUT	TAY	17	7
6	COMBO	Restructuring Children's Crisis Services - Combination of 10, 7, 1, 20 (include elements of 31)	4	5	5	4	5	3	4	4	5	5	5	5	5	4	4	3	5	5	1	3	4	84	4.00	FSP	SD		Ch-Yth	1	1
7	141	Children's Mental Health Prevention and Intervention Team	3	4	3	5	3	4	3	4	3	4	3	5	3	3	5	5	3	5	4	3	3	78	3.71	FSP	SD		Ch-Yth	2	0
8	132	Chronic Care Indian Clinic	2	4	3	2	5	3	2	3	4	3	4	4	4	3	3	5	4	5	3	4	4	73	3.48	FSP			Comp	2	0
9	19	Intensive Case Management for Pre-Adjudicated SED Youth - (include elements of 21, 31, 10)	4	4	4	4	4	4	5	5	3	4	4	4	4	4	4	4	4	3	4	3	5	84	4.00	FSP	SD		Ch-Yth	0	
10	15	Integrated/Wraparound Service Agencies	5	4	5	3	3	4	4	3	4	4	4	4	4	4	4	5	3	4	5	4	3	82	3.90	FSP			Adult	0	
11	22	Mental Health Services for Probation Youth on Furlough	4	4	4	4	2	3	4	3	2	5	3	1	4	4	4	5	3	4	3	2	4	70	3.33	FSP	SD		Ch-Yth	0	

Black cell - indicates a steering committee member or alternate was absent.
 Yellow cell - indicates the recommendation did not go through a second round vote due to zero votes on the first round.
 Red cell - indicates the recommendation was voted the number one ranked priority based on a separate vote for top priority for this funding category.
 Gray cell - indicates the steering committee member chose not to vote on the identified recommendation.

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Final Ranking of System Development and Outreach Recommendations

Final Steering Committee Ranking	Recommendation Number	Recommendation Name	Al Rowlette	Albera Lipson	Andrea Hillerman	Antia Shumaker	Bart Bitts	Barta Jain	Dave Gordon	Dave Schroeder	Hank Lee	Heldi Sandborn	Hendry Ton	John Haddock	Kathy Trevino	Ken Bernard	Lyn Farr	Marie Nitz	Marilyn McInnis	Moghan Stanton	Paksh Jain	Sayuri Ston	Toni Moore	Total Count of Gradient of Agreement Scores	Average of Gradient of Agreement Scores	System Development	Outreach	Population	First Round Vote Count	Second Round Vote Count	
1	0	PERT - (include elements of 21, 31)	5	5	5	5	5	5	5	5	5	5	5	5	5	5	4	4	5	4	4	4	5	85	4.52	SD	OUT	Ch-Yth	15		
2	COMBO	Wellness and Recovery Center Combined 64 and 143 by SC	5	3	5	5	5	2	5	5	4	4	5	5	5	5	4	5	5	5	5	5	5	85	4.52	SD	OUT	Adult	3	19	
3	5	Multidisciplinary Crisis Intervention, Stabilization, and Intensive Case Management Services	4	4	4	4	5	5	5	5	5	5	5	5	5	5	4	5	5	4	5	4	5	60	4.29	SD		O. Ad.	4	0	
4	6	Crisis Residential Programs	5	4	4	5	5	4	5	5	4	4	4	4	4	4	4	5	5	4	5	5	5	64	4.46	SD		Adult	11	6	
5	18	AB 1421 Implementation in Sacramento County	3	5	1	1	3	5	5	1	5	5	3	1			5	2	5	5	1	5	3	70	3.33	SD		Adult	1	7	
6	COMBO	Combo of 114 and 115																						87.5	4.17	SD		Adult	0	0	
7	91 DUP	Mental Health Court - Recs 91 and 107 were duplicates so they were combined.	3	5	3	2	3	5	5	3	5	5	3	3			5	4	5	4	3	3	5	80	3.91	SD		Adult	2	0	
8	31	Services for Parents & Caregivers of SED Children & Youth	4	5	5	4	4	3	5	5	5	5	4	5			4	5	4	5	5	4	5	63	4.43	SD		Ch-Yth	11	3	
9	131	Bilingual/Bicultural Staff & Outreach	3	5	4	2	3	4	2	4	5	5	5	5			4	4	4	3	2	3	3	76	3.62	SD	OUT	Comp	6	2	
9	30	Schools-Awareness, Under-identification, Access, and Continuity of Care	5	4	5	3	2	3	5	3	3	4	4	4			5	3	3	2	3	4	4	76	3.02	SD	OUT	Ch-Yth	1	2	
10	60	Focus "sober" on the Arts	4	4	3	5	4	5	3	5	2	4	5	5			4	2	3	4	4	4	5	82	3.90		OUT	TAY	4	1	
11	100	Clinical Assessments - (include elements of 21, 31)	3	4	4	4	4	4	5	4	3	5	4	5			5	5	5	4	2	3	4	86	4.10	SD		Ch-Yth	2	0	
12	71	Mental Health Consultation Services Within Adult Day Health Centers	4	5	4	2	4	1	2	4	4	5	5	5			3	4	5	4	4	3	5	81	3.86	SD	OUT	O. Ad.	5	0	
13	57	The Incredible Years and PCIT programs at Birth & Beyond Family Resource Centers and Home	4	4	4	3	3	4	5	4	2	5	4	1			5	4	5	4	2	5	4	81	3.80	SD	OUT	Ch-Yth	1	0	
14	72	Specialized Program for Deaf & Hard of Hearing	5	4	5	3	4	5	4	1	3	3	4	4			4	4	1	3	5	4	5	78	3.71	SD	OUT	Comp	4	0	
15	40	Caregiver Coaching, and Counseling	3	4	5	3	2	5	2	2	4	4	4	4			4	3	1	4	2	4	5	72	3.43		OUT	O. Ad.	2	0	
16	125	Trans-Culture Wellness Center	3	4	5	2	5	3	2	1	5	4	5	5			3	3	4	1	4	3	4	68	3.40	SD	OUT	Comp	0	0	
17	120	Information/Training/Accessibility	4	4	4	3	3	3	3	3	5	5	4	1			4	3	1	3	4	3	4	71	3.38	SD		Comp	1	0	
18	45	Expanded Target Population Diagnoses	3	4	5	2	5	3	2	1	4	5	4	1			3	5	4	4	3	5	2	60	3.29	SD		O. Ad.	1	0	
19	70	Genetic Mental Health Access Team	4	4	4	5	3	3	1	3	3	3	4	4			4	2	2	5	4	3	3	69	3.29		OUT	O. Ad.	1	0	
20	COMBO	Combination of 134 - 138	4	4	4	2	3	3	3	1	3	2	4	4			4	4	4	3	3	3	3	67	3.10	SD	OUT	Comp	1	0	
21	COMBO	Combination of 74 - 76	3	3	4	2	3	4	3	2	3	2	4	4			4	3	3	4	1	3	4	64	3.05	SD	OUT	Comp	5	0	
22	88	Integrating Psychiatric & Substance Abuse Treatment	4	5	4	4	4	4	4	4	3	5	4	5			4	4	4	5	3	4	4	83	3.95	SD		Adult	0		
23	111	Establish a Clearing House for Information on Community Residential Placements	3	5	5	4	3	5	2	4	3	5	4	3			4	4	2	3	4	5	4	80	3.81	SD		Adult	0		
24	41	Caregiver Training Program	4	4	5	2	5	3	1	5	5	4	4	4			4	4	4	3	3	5	3	78	3.71		OUT	O. Ad.	0		
25	34	Co-Occurring Services at Humboldt Shelters	4	4	4	3	3	4	3	3	3	4	3	3			4	3	3	3	3	5	4	74	3.52	SD		Adult	0		
26	6	Suicide Prevention, Direct Service Interventions	4	4	4	2	3	3	2	2	3	3	4	1			4	1	3	3	5	4	3	67	3.19		OUT	O. Ad.	0		
27	133	Integration into Treatment Community	4	4	4	2	3	3	2	2	3	3	4	3			4	3	1	3	1	2	3	66	3.14	SD		Comp	0		
27	44	Gatekeeper Training and Education	2	2	4	2	3	3	4	3	3	4	3	5			3	3	3	5	3	3	3	66	3.14		OUT	O. Ad.	0		
28	73	Rural Treatment	4	3	4	2	3	4	3	3	3	4	3	3			4	2	2	3	3	4	3	62	2.95	SD		Comp	0		
29	63	Barriers to Care	4	3	4	2	3	4	3	3	3	4	3	4			2	4	2	3	2	1	3	4	60	2.86	SD	OUT	Comp	0	
29	47	Services to Older Residents of Single Room Occupancy (SRO) Hotels	2	3	4	2	3	3	1	3	3	4	5	5			3	1	3	3	3	3	2	60	2.80		OUT	O. Ad.	0		
30	14	Housing Development Incentive Fund	2	2	5	2	3	3	2	1	3	1	5	5			3	5	1	1	3	4	1	57	2.71		OUT	O. Ad.	0		
31	COMBO	Early Intervention to Prevent Out of County/ Out of State Placement, including a Peer Support	3	5	3	1	2	3	3	1	3	5	3	3			2	1	1	1	1	4	3	53	2.52	SD	OUT	Ch-Yth	0		

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Rank #6 Recommendation was combined by the Steering Committee due to similarities in the two recommendations. Thus there were no gradient of agreement scores captured for the Combined Recommendation. The gradient of agreement score numbers from both recommendations were combined and a new average was applied.