

# California Health Facilities Financing Authority

## Investment in Mental Health Wellness Grant Program for Children and Youth (SB 833)

### Report to the Legislature – January 2019

Senate Bill (“SB”) 833, Section 20 (chaptered on June 27, 2016) established the Investment in Mental Health Wellness Grant Program for Children and Youth (“CY Grant Program”) and is intended to improve access to mental health crisis services in California for the children and youth, ages 21 and under. SB 833 provides a mechanism for funding a statewide expansion of mobile crisis support teams, crisis stabilization and crisis residential treatment beds, and family respite care via grants available to counties. Counties may utilize awarded funds for facility acquisition, construction/renovation, equipment acquisition, and applicable startup or expansion costs.

The legislation set the goal of adding 200 mobile crisis support teams and 120 crisis stabilization and crisis residential treatment beds. The California Health Facilities Financing Authority (“Authority”) was assigned responsibility for developing the program as well as awarding and administering the grants.

### Program Funding

The CY Grant Program was initially allocated funding by SB 826, the 2016-17 state budget. These appropriations included funding from the General Fund (\$16 million) and Mental Health Services Act (“MHSA”) Fund (\$11 million) totaling \$27 million, of which \$450,000 was for administrative costs. Approximately \$6 million from the 2016-17 General Fund budget was reallocated from unawarded Investment in Mental Health Wellness Grant Program (“IMHWGP”) funds, created by SB 82 in 2013. The MHSA funding was allocated with a provision in the state budget that restricted the funding to Mobile Crisis Support Teams (“MCST”) and Family Respite Care (“FRC”).

In January 2017, the Authority was notified that the Governor’s proposed 2017-18 budget recommended reverting the \$16 million allocated from the General Fund in the 2016-17 budget. As a result of the possible funding reversion, the Authority postponed development of the program pending resolution of the funding mechanism. In June of 2017, AB 97, the approved 2017-18 state budget, reverted the previous General Fund allocation and replaced it with \$16,717,000 from the MHSA Fund.

The unintended consequence of funding this grant program over two different budgets with multiple deadlines and provisions created administrative challenges on the Authority’s ability to develop and administer a robust program that aligns with the Authority’s county partners’ needs. The Authority is currently working on aligning the varying deadlines in an effort to minimize the administrative challenges. (See **Table 1: Program Funding** for eligible programs and respective amounts as determined by the Senate Budget Committee.)

Additionally, the Legislature continued to appropriate another \$4 million from the MHSA Fund for personnel costs associated with the operation of MCST. The Authority has made the \$4 million

MHSA Fund appropriation available so that counties applying for capital costs (vehicles and/or equipment) to create or expand MCST also have access to funds to operate the MCST.

**Table 1: Program Funding**

Program	2016-2017 Revised Budget		2017-2018 Budget
	General Fund Reappropriation	MHSA Funds	MHSA Funds
Crisis Residential Treatment	-		\$ 5,899,000
Crisis Stabilization Unit	-		8,851,000
Mobile Crisis Support Teams	-	\$ 7,865,000	985,000
Family Respite Care	-	2,950,000	
Additional funds *	Amounts in excess of \$6,717,000 from SB 82		717,000
<b>Subtotals</b>	-	<b>\$ 10,815,000</b>	<b>\$ 16,452,000</b>
State Administration	-	185,000	265,000
<b>Totals</b>		<b>\$ 11,000,000</b>	<b>\$ 16,717,000</b>
Encumbrance Deadline	6/30/2019	6/30/2019	6/30/2020
Disbursement Deadline	12/31/2021	6/30/2021	6/30/2022
<b>Total Capital Funding</b>		<b>\$27,717,000</b>	

## Program Development

Authority staff began working on the program structure and development of the regulations in the Fall of 2016. To the extent possible, regulations for the CY Grant Program were modeled after the regulations for the IMHWGP. Modifications from the IMHWGP regulations were for the purposes of tailoring the CY Grant Program regulations to serve children and youth, accommodate for the limited funding available, incorporate the new program concept of FRC, and reflect lessons learned from administering the IMHWGP.

During the development of the regulations, staff reached out to several stakeholder organizations for their input and feedback regarding the development of the CY Grant Program and invited them to comment on the proposed regulations including but not limited to: legislative staff, statewide county behavioral health directors, state agencies, mental health advocacy organizations, local government associations, and mental health providers. Authority staff also consulted with the Authority’s technical advisor, the California Institute for Behavioral Health Solutions, for input and feedback on the proposed regulations.

In November 2016, staff presented an information item to the Authority board on the status of the CY Grant Program, which included discussions on changes from the IMHWGP, some of which included changes to the readiness, feasibility, and sustainability sections of the application, use of regional or county maximum amounts, limitations to startup costs, and an update on licensing options for crisis residential treatment facilities.

In December 2016, staff conducted a webinar for interested stakeholders in which a draft of the proposed regulations was made available, and was concluded with a question and answer session.

Following feedback from stakeholders, Authority staff further edited the proposed draft regulations in anticipation of submitting them in January of 2017 to the Authority board for approval to begin the emergency rulemaking process.

Additional work was conducted to finalize the regulations once funding was reinstated in June 2017, specifically in the area of project readiness, feasibility, and sustainability. In response to the challenges experienced by several county projects under the IMHWGP to meet the readiness, feasibility, and sustainability program requirements, including some projects having experienced multiple challenges and delays in their projects, Authority staff conducted a thorough analysis of the challenges and lessons learned from the administration of the IMHWGP. The results of this analysis were incorporated into the program regulations, application form, evaluation criteria, and project monitoring process and is expected to improve processes for the CY Grant Program, which will ultimately benefit counties. The Authority will be requiring counties to answer direct questions specific to the steps required to develop the facilities where mental health services will be provided in order to ensure applicants develop robust and feasible project proposals as part of their applications.

Additionally, further legislation was required to create the licensing and certification categories and procedures for Crisis Residential Treatment (“CRT”) facilities for children and youth that did not previously exist. Subsequent legislation AB 1997 (2016) and AB 501 (2017) remedied the licensing and certification issue. In order for the Authority to award grants to develop CRT facilities, the development of the licensing and certification requirements by the Departments of Social Services and Health Care Services was essential to be in final stages so that counties would be aware of and understand the requirements in order to adequately and timely submit proposals to the Authority that would meet state requirements.

Finally, the Authority also requested clarification from the Department of Finance related to deadlines and limitations on use of funds and the recommendation was that the Authority adhere to the amounts in **Table 1: Program Funding** to the extent possible as it was direct guidance from the Legislature. Emergency regulations were approved by the Authority’s Board on September 27, 2018 and were filed by the Secretary of State on November 26, 2018. The first funding round for the CY Grant Program opened on November 30, 2018.

On December 11, 2018, Authority staff held an informational webinar on the CY Grant Program to provide an overview of the program and essential information to potential applicants to assist them in the preparation of an application.

## **Next Steps**

Applications for the first funding round are to be submitted no later than February 28, 2019. Authority staff will then evaluate and score applications and present recommendations for grant approvals to the Authority’s Board in early Summer of 2019.

## **Summary of Awards**

The Authority has not yet awarded grants under the program. All funding allocated to the Authority for grants remains available for future grant awards.