

**California Health Facilities Financing Authority
Investment in Mental Health Wellness Grant Program
for Children and Youth**

Report to the Legislature – January 2021

Background

Chapter 30, Statutes of 2016, Section 20 (SB 833) expanded the Investment in Mental Health Wellness Act of 2013 (SB 82) to specifically address a continuum of crisis services for children and youth, 21 years of age and under, called the Investment in Mental Health Wellness Grant Program for Children and Youth (CY Grant Program).

The legislation set the goal of adding 200 Mobile Crisis Support Teams (MCSTs) and 120 Crisis Stabilization Unit (CSU) and Crisis Residential Treatment (CRT) beds as well as increasing Family Respite Care (FRC) services.

The California Health Facilities Financing Authority (Authority) was assigned responsibility for developing the program as well as awarding and administering the grants.

The CY Grant Program is intended to improve access to mental health crisis services in California for 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 real property acquisition, construction/renovation, furnishing and equipment acquisition, information technology, and applicable startup or expansion costs.

Program Funding

The enacted 2016-2017 Budget Act allocated approximately \$27 million in one-time funding with \$16 million from the General Fund and \$11 million from the Mental Health Services Act (MHSA) Fund that had to be encumbered by June 30, 2019. The MHSA funding had the provision that the funding could only be used for MCST and FRC programs. The 2016-2017 Budget Act also re-appropriated any unspent funds under the Investment in Mental Health Wellness Grant Program (IMHWGP) (SB 82) to the CY Grant Program.

The enacted 2017-2018 Budget Act reverted the \$16 million General Fund appropriation and replaced it with approximately \$16.7 million from the MHSA Fund. Additionally, the Legislature continues to appropriate \$4 million annually from the MHSA Fund. The Authority has made the annual \$4 million appropriation in funds available to counties who are applying for capital costs (vehicles and/or equipment) to create or expand children and youth MCSTs to fund personnel costs to operate the MCSTs. The Authority also has agreed to annually fund the children and youth MCSTs for up to five years, subject to availability of annual budget appropriations by the Legislature.

The unintended consequence of funding this grant program over two different Budget Acts created varying encumbrance deadlines and budget provisions that became an administrative challenge on the Authority's ability to develop a robust program that aligned with its county partners' needs.

The enacted 2019-2020 Budget Act aligned and extended the 2016-2017 and 2017-2018 Budget Acts' award and disbursement deadlines and also provided flexibility to allocate funds outside the established program area limits (see **Table 1: Program Funding** for eligible program areas and the respective amounts initially appropriated for each program area by the Senate Budget Committee). Authority staff may make recommendations for funding of grant awards to program areas different than that in Table 1 to meet the counties' program area needs.

Table 1: Program Funding

Program	2019-2020 Budget	
	General Fund Reappropriation	MHSA Funds
Crisis Residential Treatment		\$ 5,899,000
Crisis Stabilization Unit		8,851,000
Mobile Crisis Support Teams		8,850,000
Family Respite Care		2,950,000
Additional funds*	\$ 10,195,928	717,000
Totals	\$ 10,195,928	\$ 27,267,000
Award Deadline	6/30/2024	
Disbursement Deadline	6/30/2026	
Total Capital Funding Available	\$37,462,928	

*Amounts in excess of \$6,717,000.00 forfeited from the IMHWGP

Program Development and Implementation

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, accommodating the limited funding available, incorporating the new program concept of FRC, and reflecting lessons learned from administering the IMHWGP.

Authority staff consulted with the Authority's technical advisor, the California Institute for Behavioral Health Solutions, and reached out to several stakeholders for their input and feedback during the development of the CY Grant Program.

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 were related 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.

Additional work and stakeholder outreach was conducted to finalize the regulations after funding was reinstated in June 2017, specifically in the area of project readiness, feasibility, and sustainability, that led to the development of emergency regulations that were filed with the Secretary of State on November 26, 2018 by the Office of Administrative Law (OAL). Permanent regulations were approved by OAL on October 4, 2019.

The first funding round opened on November 30, 2018 and closed on February 28, 2019. Authority staff held an informational webinar on December 11, 2018, providing an overview of the CY Grant Program and essential information to potential applicants to assist them in the preparation of an application.

The second funding round was opened on November 6, 2019, with an application submission deadline of June 30, 2020. In response to the COVID-19 pandemic impact on potential applicants, the Authority extended the second funding round application deadline to January 29, 2021. A total of \$36,732,604.10 in capital funding and \$2,679,340.00 in annual personnel funding remains available for the second funding round.

On October 14, 2020, Authority staff held another informational webinar, which provided an overview of the CY Grant Program and essential information to potential applicants to assist them in the preparation of an application, including a presentation by the Department of Health Care Services regarding licensing requirements for the Children Crisis Residential Program.

Summary of Grant Awards

During the first funding round, the Authority received six applications, and the Authority's board awarded grant funding to four applicants at the May 30, 2019 board meeting. The Authority awarded a total of \$730,323.90 in MCST capital funding and \$1,320,660 in MCST annual personnel funding for the approved projects for up to five years. The new programs will expand children and youth mental health crisis intervention services by developing a total of six MCSTs, consisting of six vehicles and 16 full-time MCST personnel.

A detailed summary of the awards conferred by the board, providing a description of the projects funded for each county, the amount of each grant awarded, a description of other sources of funding for each project, and the target population to be served by the counties, is attached as Exhibit A.

Projects Statuses

As of December 2020, four out of the six approved MCST vehicles have been purchased, and 12 of the 16 approved MCST personnel have been hired. In total \$57,177.66 of capital funding has been disbursed, but no personnel funding disbursements have been made to date. A detailed summary of the capital and personnel funding is attached as Exhibit B and C.

County Outreach

The first funding round for the CY Grant Program was undersubscribed, not only in the total amount of funding being requested, but also in the lack of funding requested for infrastructure projects to create CRT, CSU, and FRC programs. In March 2019, Authority staff conducted a survey in collaboration with the County Behavioral Health Directors Association of California to receive feedback from counties on what prevented them from applying for grant funding under the CY Grant Program as well as counties' needs for mental health beds and services for children and youth.

Authority staff opened the survey to all 58 counties and received 27 responses (47% response rate). The most common impediments to applying for the CY Grant Program cited were the short application period, the short timeline to expend funds, the lack of grant writing personnel to respond to the grant, as well as the lack of flexibility in the use of funds. A letter with the results of the survey was shared with the Legislature on April 1, 2019.

A few actions have taken place that address some of the counties' concerns: (a) alignment and extension of the funding deadlines from the 2016-2017 and 2017-2018 Budget Acts offers the counties the needed time to develop and complete construction of facilities, (b) flexibility to allocate funds outside the established program area limits ensures funding is allocated based on the counties' needs, and (c) the Authority's much longer than normal second funding round allows counties additional time to develop robust applications.

After opening the second funding round for the CY Grant Program, the Authority conducted another survey in April 2020 to all 58 counties with the assistance of the County Behavioral Health Directors Association to remind counties of the deadline of the second funding round, get an idea on how many counties are interested in applying, determine what impediments there still were to applying, and whether the counties wanted an extension of the deadline due to the COVID-19 pandemic. The Authority received 22 responses (38% response rate). The most common impediments now were lack of ongoing operational funding, lack of bandwidth that was even further impacted by the COVID-19 pandemic, and insufficient time to develop robust applications before the June 2020 deadline. As a result, the Authority extended the application submission deadline for the second funding round to January 29, 2021 to allow counties dealing with the COVID-19 pandemic's impact sufficient time to prepare a CY Grant Program application.

Additionally, the Authority contacted various associations to spread the word about the program, including the County Behavioral Health Directors Association, California State Association of Counties, California Alliance of Child and Family Services, California Children's Hospital Association, Steinberg Institute, and the Department of Health Care Services to market the CY Grant Program to their stakeholders/constituents.

COVID-19 Impact

Although all grantees are on track to meet their grant deadlines, the COVID-19 pandemic did impact some of the projects. The COVID-19 pandemic challenges include, but are not limited to, delays in obtaining equipment, developing and executing service provider agreements, and hiring MCST personnel.

Exhibit A: Summary of Awards

Exhibit B: Capital Funding Details

Exhibit C: Personnel Funding Details

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Applicant	Capital Funding Awarded					Annual Personnel Funding Awarded	Total Final Allocation Awarded	# of Beds Expected	# of Vehicles Expected	# of Staff Expected	Other Funding Sources for Projects	Project Operation and Target Population
	Crisis Residential	Crisis Stabilization	Family Respite Care	Mobile Crisis Vehicles	Mobile Crisis							
1. Marin	\$0.00	\$0.00	\$0.00	\$52,600.00	\$294,884.00	\$347,484.00		1	2	MHSA Funds, Medi-Cal Reimbursement, and County General Funds	Mobile Crisis Support Team is expected to provide mental health crisis assessment and intervention, transportation to hospitals, first response for trauma incidents, linkage, and consultation to resources for children and youth ages 21 and under. The MCST will be located primarily on school and college campuses and juvenile halls.	
2. Monterey	\$0.00	\$0.00	\$0.00	\$257,182.90	\$228,093.00	\$485,275.90		2	4	MHSA Funds and Medi-Cal Reimbursements	Mobile Crisis Support Teams are expected to provide access and timely connection to services throughout the county and fill the current gap in services for children and youth ages 21 and under with acute needs and who are at risk of psychiatric hospitalization due to mental health issues. The MCST will provide services in schools, hospitals, juvenile halls, and foster homes.	
3. Sacramento	\$0.00	\$0.00	\$0.00	\$210,205.00	\$591,660.00	\$801,865.00		2	8	MHSA Funds and Medi-Cal Reimbursements	Mobile Crisis Support Teams are expected to offer mental health support peer mentoring, youth and family support, advocacy during and after a crisis, and linkage to ongoing services for children and youth ages 21 and under. The MCST will provide services anywhere in the community including homes, offices, or other locations.	
4. Santa Cruz	\$0.00	\$0.00	\$0.00	\$210,336.00	\$206,023.00	\$416,359.00		1	2	MHSA Funds and Medi-Cal Reimbursements	Mobile Crisis Support Team is expected to provide mental health crisis services to children and youth ages 5-21 who reside in the South County region of Santa Cruz. The MCST will provide field-based services at public libraries, school settings, community-based organizations, and afterschool clubs.	
Sub-Totals:	\$0.00	\$0.00	\$0.00	\$730,323.90								
Capital Funding Total Awarded:	\$730,323.90											
	Personnel Funding Total Awarded (12-Months):					\$1,320,660.00						
	Grand Total:					\$2,050,983.90	0	6	16			

Footnote:

Funds Remaining after First Funding Round	
Capital	\$ 36,732,604.10
Personnel	2,679,340.00
Total	\$ 39,411,944.10

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County and Funding Round		Program	Awarded	Disbursed	Forfeited	Remaining	Beds	Vehicles	Project Status
							Operational/Expected		
Marin	1	MCST	\$ 52,600.00			\$ 52,600.00		0/1	Partially Complete
Monterey	1	MCST	\$ 257,182.90			\$ 257,182.90		2/2	Complete
Sacramento	1	MCST	\$ 210,205.00	\$ 57,177.66		\$ 153,027.34		2/2	Complete
Santa Cruz	1	MCST	\$ 210,336.00			\$ 210,336.00		0/1	Partially Complete
GRAND TOTAL			\$ 730,323.90	\$ 57,177.66	\$ -	\$ 673,146.24		4/6	

The projects are in two stages of progression. Each project has been assigned a status ranking based on their advancement towards completion.

- 1) "Partially Complete" - MCST equipment or vehicles have been ordered but not received and/or personnel hiring is still in progress
- 2) "Complete" - projects are operational and providing mental health services.

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County and Funding Round		Personnel Funding				Personnel
		Approved	Disbursed	Forfeited	Remaining	Hired/Expected
Marin	1	\$ 294,884.00	\$ -	\$ -	\$ 294,884.00	2/2
Monterey	1	228,093.00	-	-	228,093.00	2/4
Sacramento	1	591,660.00	-	-	591,660.00	6/8
Santa Cruz	1	206,023.00	-	-	206,023.00	2/2
TOTAL		\$ 1,320,660.00	\$ -	\$ -	\$ 1,320,660.00	12/16