

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (the "Authority")

Investment in Mental Health Wellness Act of 2013 ("Act")

Resolution No. 2015-04

April 30, 2015

**REQUEST:**

Staff seeks approval of two programmatic changes to the Investment in Mental Health Wellness Grant Program ("Program"). Staff's recommendation takes into consideration the multiple informational discussions entertained by the Authority over the last three months concerning how the Authority might consider making programmatic adjustments to maximize the likelihood of a broad geographic distribution of grant funds, as well as the likelihood that all funds will be encumbered before June 30, 2016.

Lift county maximums.

Staff seeks approval to amend Program regulations and pursue rulemaking proceedings with the Office of Administrative Law ("OAL") to lift the county maximums by June 30, 2015. Please see attached Exhibit A for the amendment staff recommends to accomplish this concept.

This concept would advance the date county maximums would sunset by approximately six months (from January 1, 2016 to June 30, 2015), while still maintaining the regional maximums until January 1, 2016. Staff reported that some counties that have already been awarded funding have expressed interest in applying for and establishing additional programs, yet they are restrained from doing so because they have already tapped their county maximums or are sufficiently close to doing so such that there is insufficient grant funding available to fund a project. Lifting the county maximums might have the effect of infusing new regional competition in furtherance of the desired end to broadly distribute grant monies throughout the state. Likewise, lifting the county maximums might also expand opportunities for some smaller counties to access funding to complete a project.

Staff requests this proposed regulation amendment to hasten an adjustment set to occur on January 1, 2016 so that staff may continue efforts to award and disburse grant funds on an expedited basis. Upon approval by the Authority, staff will file the proposed amendment to the regulations with OAL for approval.

Reallocate 25% of funding available from Crisis Residential to Crisis Stabilization.

Staff also seeks authority to reallocate 25% of the remaining Crisis Residential Treatment grant funds to Crisis Stabilization programs after approval of the third funding round awards and pending appropriate direction from the Department of Finance, which would equate to approximately \$12.6 million for Crisis Stabilization programs and \$37.8 million for Crisis Residential Treatment programs.

In recent meetings, the Authority discussed reallocating a portion of the remaining Program funds from Crisis Residential to Crisis Stabilization in response to the interest expressed by counties through the California Behavioral Health Directors Association's survey on how to address the remaining Program funds. Staff also noted the seeming demand for additional Crisis Stabilization funding and the significant difference between the amounts allocated in the Final Change Book for each program (i.e., \$125 million for Crisis Residential and \$15 million for Crisis Stabilization).

Staff is currently working with the Department of Finance to discern the process to reallocate a portion of the remaining funds between Crisis Residential and Crisis Stabilization; however, it is not yet clear whether the reallocation will require legislation or Authority approval. Upon approval by the Authority, pending direction by the Department of Finance, staff will pursue legislation or any other steps necessary to reallocate 25% of the remaining grant funds (after third funding round approvals) from Crisis Residential to Crisis Stabilization.

**RECOMMENDATION:**

Staff recommends the Authority approve the proposed amendment to the Program's regulations, authorize rulemaking proceedings, and approve reallocation of 25% of remaining Program funds from Crisis Residential Treatment to Crisis Stabilization.

**Attachment:**

Exhibit A - Text of the proposed amendment to the regulations for the Investment in Mental Health Wellness Act of 2013 grant program.

Exhibit B - Text of the proposed amendment to the application for the Investment in Mental Health Wellness Act of 2013 grant program.

**RESOLUTION NO. 2015-04**

**RESOLUTION OF THE CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY  
APPROVING THE ADOPTION OF AN AMENDMENT TO THE REGULATIONS FOR THE  
INVESTMENT IN MENTAL HEALTH WELLNESS ACT OF 2013, AUTHORIZING  
RULEMAKING PROCEEDINGS, AND APPROVING REALLOCATION OF 25% OF  
REMAINING PROGRAM FUNDS FROM CRISIS RESIDENTIAL TREATMENT TO CRISIS  
STABILIZATION**

WHEREAS, the Investment in Mental Health Wellness Act of 2013 (the “Act”) established a grant program for mental health crisis services with funding from various sources and authorized the California Health Facilities Financing Authority (the “Authority”) to, among other things, develop specified selection criteria and maximum grant amounts for awarding grants to eligible applicants which are counties, counties acting jointly, or counties with private non-profit corporations or public agencies counties may designate;

WHEREAS, since the adoption of the Investment in Mental Health Wellness Grant Program regulations and approval of grant awards for the first and second funding rounds, Authority staff has identified options for possible program adjustments to maximize the likelihood that all remaining funds will be encumbered by June 30, 2016 and has identified a recommended amendment to the regulations to lift the county maximums after June 30, 2015;

WHEREAS, since the grant awards for the first and second funding rounds, Authority staff has identified a need to reallocate 25% of program funds remaining after the third funding round awards from Crisis Residential Treatment to Crisis Stabilization, pending appropriate direction from the Department of Finance; and

WHEREAS, the Authority must act to amend the regulations and reallocate funds for the improved implementation and operation of the Investment in Mental Health Wellness Grant Program;

BE IT RESOLVED, by the California Health Facilities Financing Authority as follows:

Section 1. The proposed amendment to the regulations for the Investment in Mental Health Wellness Grant Program is hereby approved in substantially the form submitted to the Authority by Authority staff. The Chair, any Deputy to the Chair, Executive Director and Deputy Executive Director are each hereby authorized, for and on behalf of the Authority, to submit such amendments with the supporting documentation required by law to the Office of Administrative Law and proceed with the procedures required by the Administrative Procedures Act. The Chair, any Deputy to the Chair, Executive Director and Deputy Executive Director of the Authority are each hereby authorized and directed to take such actions, including making or causing to be made such changes to the regulations as may be required for approval thereof by the Office of Administrative Law, and to execute and deliver any and all documents that he or she may deem necessary or advisable in order to effectuate the purposes of this Resolution.

Section 2. The proposed reallocation of program funds is hereby approved as recommended by Authority staff. The Chair, any Deputy to the Chair, Executive Director and Deputy Executive Director are each hereby authorized, for and on behalf of the Authority, to do any and all things as required by the Department of Finance to reallocate funds from Crisis Residential Treatment to Crisis Stabilization. The Chair, any Deputy to the Chair, Executive Director and Deputy Executive Director of the Authority are each hereby authorized and directed to do any and all things and to execute and deliver any and all documents which the Executive Director deems necessary or advisable in order to effectuate the purposes of this Resolution and the transactions contemplated hereby including making or causing to be made such changes to the allocation of program funds.

Section 3. This Resolution shall take effect immediately upon its approval.

Date Approved: \_\_\_\_\_

**Amend Section 7118 to read:****Section 7118. Maximum Grant Amounts.**

(a) Until January 1, 2016, the Authority shall award Capital Funding totaling no more than the following maximums per region:

(1) Bay Area Region	\$26,000,000
(2) Central Region	\$25,000,000
(3) Los Angeles Region	\$40,000,000
(4) Southern Region	\$45,000,000
(5) Superior Region	\$6,500,000

(b) Until ~~January 1, 2016~~ June 30, 2015, Applicants may apply for Capital Funding totaling no more than the following maximum Grant amounts per county, according to the most recent population projection by the California Department of Finance at the time the Application is submitted:

	<b>County Population</b>	<b>Maximum</b>
(1)	100,000 or less	\$500,000
(2)	Between 100,001 and 400,000	\$1,000,000
(3)	Between 400,001 and 600,000	\$2,000,000
(4)	Between 600,001 and 1,100,000	\$4,000,000
(5)	Between 1,100,001 and 2,500,000	\$7,000,000
(6)	Between 2,500,001 and 9,000,000	\$11,000,000

(c) Until January 1, 2016, Applicants may apply for Personnel Funding totaling no more than the following maximums per region:

(1) Bay Area Region	\$1,240,000
(2) Central Region	\$1,193,000
(3) Los Angeles Region	\$1,909,000
(4) Southern Region	\$2,147,000
(5) Superior Region	\$311,000

(d) Subdivision (b) does not apply to the County of Los Angeles.

(e) Counties Applying Jointly may, at their discretion, apply for up to the sum of their respective maximum Capital Funding and Personnel Funding amounts.

(f) If funds for Capital Funding remain after Final Allocations have been awarded for Applications submitted by January 1, 2016 ~~June 30, 2015~~, ~~subdivisions (a), (b) and (c) shall not apply and~~ Applications may be submitted without regard to previous maximum Grant amounts per county. ~~and region, and if~~ funds for Capital Funding remain after Final Allocations have been awarded for Applications submitted by January 1, 2016, Grant awards for Capital Funding shall be made on a statewide competitive basis. If funds for Personnel Funding remain after Final Allocations have been awarded for Applications submitted by January 1, 2016, Applications may be submitted without regard to previous maximum Grant amounts per region, and Grant awards for Capital Funding shall be made on a statewide competitive basis.

Note: Authority cited: Sections 5848.5 and 5848.6, Welfare and Institutions Code. Reference: Section 5848.5, Welfare and Institutions Code.

**Form-4: COUNTY GRANT AMOUNTS WORKSHEET**

**COUNTY GRANT AMOUNTS WORKSHEET**

*Complete the worksheet below for each County listed as an Applicant and Co-Applicant(s) on Form-1 and Form-2.*

Until January 1, 2016, Applicants may apply for Capital and Personnel Funding totaling no more than the maximum Grant amounts as set forth in Section 7118 of the regulations. Counties Applying Jointly, may at their discretion, apply for up to the sum of their respective maximum Capital Funding and Personnel Funding amounts as applicable.

COUNTY NAME	COUNTY MAXIMUM CAPITAL FUNDING	CAPITAL FUNDING REQUESTED	PERSONNEL FUNDING REQUESTED <small>(Mobile Crisis- 1 year)</small>	TOTAL REQUESTED <small>(Capital + Personnel)</small>
	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>TOTALS</b>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

**Additional Funding**

If the Legislature makes additional funds available would you request additional funding?  
 If so, how much \$ \_\_\_\_\_

Brief description of the Project that additional funding would be used for. Another Application may be required.