

**California Health Facilities Financing Authority
Community Services Infrastructure Grant Program (SB 843)
Report to the Legislature – March 2019**

Senate Bill 843 (Statutes of 2016, Chapter 33, Section 52) is intended to expand community alternatives to jail and prison through establishing a one-time competitive grant program: the Community Services Infrastructure Grant Program (“CSI Grant Program”). The program seeks to expand access to jail and prison diversion programs and services for those with mental health illness, substance use disorders, or who have suffered from trauma. The CSI Grant Program will grant funds to counties for facility acquisition, construction/renovation, equipment acquisition, and applicable startup or expansion costs for facilities that provide mental health services, substance use treatment, and/or trauma recovery services. The California Health Facilities Financing Authority (“Authority”) is assigned responsibility for developing the program as well as awarding and administering the grants.

Program Funding

The CSI Grant Program was initially allocated funding in the enacted 2016-2017 budget (SB 826). This allocation included a one-time General Fund appropriation of \$67,500,000, of which \$1,687,000 was allocated for administrative costs.

In January 2017, the Authority was notified that the Governor’s proposed 2017-18 budget recommended reverting the \$67,500,000 appropriation 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 availability.

In the enacted 2017-18 budget (AB 97), funding was fully restored, consisting of \$67,500,000 in a one-time General Fund appropriation with \$1,687,000 for administrative costs. According to AB 97 funds must be encumbered/awarded by June 30, 2020, and the projects funded must have funds fully disbursed by June 30, 2022, pursuant to Government Code Section 16304.1; therefore, projects must also be operational by June 30, 2022.

Program Development and Implementation

Authority staff began seeking stakeholder input to assist in the development of the regulations shortly after the 2017-18 budget was approved in July 2017. The various stakeholders that Authority staff have met with or spoken to include, but are not limited to: legislative staff, the Council on Criminal Justice and Behavioral Health, the Board of State and Community Corrections, the Council of State Governments Justice Center, the California Department of Corrections and Rehabilitation, the County Behavioral Health Directors Association, the San Francisco District Attorney’s Office and various county behavioral health departments. Additionally, Authority staff consulted with a technical advisor from the California Institute for Behavioral Health Solutions to aid in the regulations and program development.

On August 15, 2018, Authority staff presented a webinar to approximately one hundred interested stakeholders, providing an overview of the CSI Grant Program and proposed regulations. Stakeholders had the opportunity to ask questions and provide input/comments during and after this webinar.

The Authority approved emergency regulations at the Authority board meeting on September 27, 2018, and Authority staff submitted regulations to the Office of Administrative Law on November 15, 2018. The emergency regulations were filed with the Secretary of State on November 26, 2018.

The application submission period for the first funding round of the CSI Grant Program opened on November 30, 2018. An application technical assistance webinar that provided an overview of the program to assist applicants in the preparation of an application was held on December 13, 2018.

Next Steps

Applications for the first funding round are due on April 30, 2019. Authority staff will then evaluate and score applications and present recommendations for approval of grants to the Authority's board in Summer 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.