

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

Report to the Legislature – January 2020

Background

Chapter 30 of the 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 reappropriated 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 these funds available to counties, 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

	2019-2020 Budget	
Program	General Fund Reappropriation	MHSA Funds
Crisis Residential Treatment	-	\$ 5,899,000.00
Crisis Stabilization Unit	-	\$ 8,851,000.00
Mobile Crisis Support Teams*	-	\$ 8,119,676.10
Family Respite Care	-	\$ 2,950,000.00
Additional funds	\$ 10,195,928.00	\$ 717,000.00
Totals	\$ 10,195,928.00	\$ 26,536,676.10
Award Deadline	6/30/2024	
Disbursement Deadline	6/30/2026	
Total Capital Funding Available	\$36,732,604.10	

*\$730,323.90 was awarded in the first funding round

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

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

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 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.

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. The first funding round opened on November 30, 2018 and closed on February 28, 2019. 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. Details of the first funding round are provided in the following section. Later, permanent regulations for the CY Grant Program were developed that became effective on October 4, 2019.

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.

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 to allows counties additional time to develop robust applications.

Next Steps

The Authority opened its second funding round on November 6, 2019 with an application submission deadline of June 30, 2020. There remains \$36,732,604.10 in capital funding and \$2,679,340.00 in annual personnel funding available for the second funding. Also, the Authority plans to host an information application technical assistance webinar in early 2020.

**California Health Facilities Financing Authority
Investment in Mental Health Wellness Grant Program**

First Funding Round -Final Allocations Approved May 30, 2019

Applicant	Capital Funding Awarded				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