

# **CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (“Authority”)**

## **Investment in Mental Health Wellness Grant Program**

### **Summary of 2018 Report to the Legislature**

**September 2018**

The legislation (SB 82) that created the Investment in Mental Health Wellness Grant Program required the Authority to report annually on the status of the program to the Legislature for two years following passage of the bill. The Authority submitted these reports as required in 2014 and 2015. Although it was not required, the Authority also submitted a report in September of 2016, October of 2017 and submits the included report on the status of the program through September 1, 2018. A brief summary of the report is provided below, and the full report is attached for your reference.

In June 2013, the Governor signed SB 82 which appropriated approximately \$150 million to improve access to and capacity for mental health crisis services in California through grants to counties. The Authority was charged with implementing the competitive grant program SB 82 created. The Authority conducted six funding rounds and approved 56 awards for 79 separate projects committing all but approximately \$6 million of the appropriated funds for the benefit of 41 counties throughout the state. These awards are now projected to provide vehicles or information technology equipment for an equivalent of 110 mobile crisis support teams, 57.25 mobile crisis personnel, 770 crisis stabilization and crisis residential treatment beds, and 12 peer respite care beds.

As of September 1, 2018, the following are operational and providing services: all equipment, information technology or vehicles for an equivalent of 110 mobile crisis support teams, 57.25 mobile crisis support team personnel, 262 crisis stabilization and crisis residential treatment beds, and eight peer respite care beds. Capital funding of approximately \$51.2 million has been disbursed, and approximately \$79.4 million in awarded capital funding remains to be disbursed. Personnel funding of approximately \$11.2 million has been disbursed, and approximately \$7.7 million in awarded personnel funding remains to be disbursed.

While SB 82 required all awarded funding to be disbursed by June 30, 2018, the final approved state budget for Fiscal Year 2017-18 extended this deadline to December 31, 2021. The Authority will continue to consider grant extensions on a case by case basis and actively monitor projects as they advance towards completion.

**California Health Facilities Financing Authority  
Investment in Mental Health Wellness Act of 2013  
Report to the Legislature – September 2018**

**Grant Program Development and Implementation**

The Investment in Mental Health Wellness Grant Program (“Grant Program”), Senate Bill (“SB”) 82 (2013) is intended to improve access to mental health crisis services available to California residents by funding a major statewide expansion of Mobile Crisis Support Teams (“MCST”), Crisis Stabilization Units (“CSU”) and Crisis Residential Treatment Programs (“CRT”) through grants available to counties. The legislation set the goal of adding 25 MCST and 2,000 CSU and CRT beds.

The following amounts were appropriated to the California Health Facilities Financing Authority (the “Authority”) for award/encumbrance and disbursement:

- \$142,500,000 from the General Fund for capital costs allocated by program:
  - \$125,000,000 for Crisis Residential Treatment Programs (“CRT”)
  - \$15,000,000 for Crisis Stabilization Units (“CSU”)
  - \$2,500,000 for Mobile Crisis Support Teams (“MCST”)
- \$6,800,000 for personnel costs associated with the operation of mobile crisis support teams:
  - \$4,000,000 from the Mental Health Services Fund (“MHSF”)
  - \$2,800,000 to be accessed by counties by way of federal reimbursement dollars
- \$500,000 for the Authority’s administration costs

The Authority approved emergency regulations to implement the Grant Program in October 2013, and the emergency regulations became effective in November 2013. Awards for the first funding round were approved by the Authority in May 2014 and June 2014, and permanent regulations became effective in October 2014.

In April 2015, the Authority reallocated \$15 million in available funding from CRT programs to CSU and MCST programs to better align with counties’ funding requests. In June 2015, additional legislation, SB 75, gave the Authority discretion to award up to \$3,000,000 in available funding from the Grant Program for Peer Respite Care Programs (“PRC”). On January 5, 2016, the Authority approved emergency regulations for the PRC program and allocated \$3,000,000 for that purpose. The emergency regulations became effective on February 1, 2016.

In an effort to ensure that all grant funds were awarded before the program deadline, additional changes were made to the Grant Program. Some of these changes included extending the project readiness period, authorizing counties to designate a private nonprofit corporation to directly receive grant funds and allowing any remaining funds, after CRT programs were awarded, for the final funding round to be made available for CSU and MCST programs.

In total, the Authority held six funding rounds and approved a total of 56 grant awards for 79 projects (69 capital and 10 personnel), which will benefit 41<sup>(1)</sup> counties. Grant awards totaled

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<sup>1</sup> 32 Counties were awarded grants. Co-applicants with Merced include Madera, Tuolumne, Calaveras, Mariposa and Stanislaus Counties; Butte County beds will be available to Sutter, Yuba, Glenn and Tehama Counties.

\$136,460,896.97 in capital funding; the awarded MCST personnel funding was \$3,974,289.42 for the first year and \$3,998,942.98 for the second through fifth years, totaling \$19,970,061.34. Capital funding awarded was expected to add a total of 1,194 beds and 110 MCST teams, and personnel funding awarded was expected to fund 57.25 personnel to operate the MCST. After the completion of six funding rounds, \$6,039,103.03 of capital funding was not awarded/encumbered and reverted back to the General Fund and \$25,710.58 for the first year and \$1,057.02 for the second year of personnel funding was not awarded/encumbered and reverted back to the MHSF.

Table 1 below details the amounts of capital and personnel funding awarded in each funding round for each program.

**Table 1 – Summary of Projects Awarded by Round and Program**

RD	Awarded	Program	Capital Funding				Annual Personnel Funding		
			#	Awarded	Beds	Vehicles	#	Awarded	Personnel
1	4/24/2014 and 6/26/2014	CRT	8	\$ 54,565,510.37	666				
		CSU	9	14,815,789.48	143				
		MCST	12	2,143,659.86		56	9	3,974,289.42	56.75
		<b>Total</b>	<b>29</b>	<b>71,524,959.71</b>	<b>809</b>	<b>56</b>	<b>9</b>	<b>3,974,289.42</b>	<b>56.75</b>
2	12/4/2014	CRT	4	9,795,712.60	51				
		CSU							
		MCST					1	24,653.56	0.5
		<b>Total</b>	<b>4</b>	<b>9,795,712.60</b>	<b>51</b>		<b>1</b>	<b>24,653.56</b>	<b>0.5</b>
3	6/25/2015	CRT	4	10,282,580.84	79				
		CSU							
		MCST	1	135,000.00		5			
		<b>Total</b>	<b>5</b>	<b>10,417,580.84</b>	<b>79</b>	<b>5</b>			
4	12/3/2015	CRT	4	9,486,086.00	56				
		CSU	5	9,554,295.38	52				
		MCST							
		<b>Total</b>	<b>9</b>	<b>19,040,381.38</b>	<b>108</b>				
5	5/26/2016	CRT	5	9,907,101.06	49				
		CSU	8	12,037,649.88	80				
		MCST	5	737,511.50		49			
		<b>Total</b>	<b>18</b>	<b>22,682,262.44</b>	<b>129</b>	<b>49</b>			
PR	5/26/2016	PRC	4	3,000,000.00	18	0			
<b>Total</b>		<b>CRT</b>	<b>25</b>	<b>94,036,990.87</b>	<b>901</b>				
		<b>CSU</b>	<b>22</b>	<b>36,407,734.74</b>	<b>275</b>				
		<b>MSCT</b>	<b>18</b>	<b>3,016,171.36</b>		<b>110</b>	<b>10</b>	<b>3,998,942.98</b>	<b>57.25</b>
		<b>PRC</b>	<b>4</b>	<b>3,000,000.00</b>	<b>18</b>				
<b>GRAND TOTAL</b>			<b>69</b>	<b>\$ 136,460,896.97</b>	<b>1,194</b>	<b>110</b>	<b>10</b>	<b>\$ 3,998,942.98</b>	<b>57.25</b>

## **Grant Program Extension – Capital Projects**

SB 82 required all funds to be awarded/encumbered by June 30, 2016 and all projects to be operational and funds fully disbursed by June 30, 2018. Due to delays, which include but are not limited to, challenges in acquiring property, complications with permitting, and local opposition, the majority of projects would not have been able to meet the 2018 deadline, and funds would have been forfeited. Under the FY 2017-18 state budget (AB 97 (2017)), the deadline to disburse funds for awarded grants was extended to December 31, 2021. This extension allows the Authority to disburse the remaining funds through 2021 and provides counties additional time to complete grant-funded projects. Counties must still meet grant deadlines, including any milestone conditions set by the Authority. The milestones are tailored to each individual project and include stipulations such as dates for the start of construction, entering into escrow for property, and/or the program to be operational. The Authority continues to work closely with the counties to monitor milestone and grant deadlines.

### **Project Forfeitures and Amendments**

Capital funding of \$5,801,719.90 for 19 projects has been forfeited. Of the 19 projects, five projects forfeited the entire grant award. The five projects that forfeited the entire grant award are Kings County (eight-bed CRT), Alameda County (16-bed CSU and six-bed PRC), Santa Cruz (three-bed CSU), and Shasta County (four-bed CSU). Reasons for the forfeitures of entire grant awards include, but are not limited to, inability to comply with the Authority's program regulations and inability to secure funding to operate the programs. Reasons for the forfeitures of partial grant awards include, but are not limited to, award funds not being expended because actual expenditures were less than the estimated amounts and expenditures were not eligible.

Personnel funding of \$1,031,045.23 for six projects has been forfeited for reasons that include counties receiving higher than expected reimbursements from Medi-Cal, actual expenditures that were less than budgeted amounts, and gaps in spending attributable to turnover in personnel.

Authority staff expects the amount of forfeited funds to increase as additional projects are completed and the grants closed out. Future forfeited capital funding will be appropriated to the Investment in Mental Health Wellness Grant Program for Children and Youth<sup>1</sup>. Forfeited personnel funding reverts back to the MHSF.

Other projects have had decreases in bed counts that have not yet been accompanied by a forfeiture of funds. Santa Barbara and Ventura Counties had decreases in first funding round CSU beds due to project changes. Los Angeles County also had a decrease in bed counts for the first funding round CRT and CSU projects after a reevaluation of the projects, which determined that the original cost per bed was unattainable. Los Angeles County developed a more feasible and sustainable project which resulted in a lower, attainable bed count; however, it does not expect to forfeit any grant funds.

The aforementioned forfeitures and project changes have resulted in a reduction of 412 beds, decreasing the expected number of beds from 1,194 to 782. The details of forfeitures and amendments are outlined in Table 2.

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<sup>1</sup> In the 2017-2018 budget bill, AB 97, a total of \$6,717,000 was reverted back to the General Fund. Of that, \$6,039,103.03 is unawarded capital funding and \$677,896.97 is forfeited capital funding. Any capital funds that are forfeited in excess of \$677,896.97 will be re-appropriated to the Investment of Mental Health Wellness Grant Program for Children and Youth.

**Table 2 – Forfeitures and Bed Changes**

County	Round	Program	Capital Forfeited	Personnel Forfeited	Change in Beds
Alameda	1	CRT	\$ 348,618.83		
Alameda*	5	CSU	1,394,972.62		(16)
Alameda*	PR	PRC	373,172.00		(6)
Contra Costa	1	MCST	51,424.28	\$ 216,390.64	
Kings*	3	CRT	995,903.84		(8)
Lake	1	MCST	23,570.09	17,200.18	
Los Angeles	1	CRT			(320)
Los Angeles	1	CSU			(46)
Los Angeles	3	MCST	7,077.44		
Marin	1	MCST	22,858.95	353,485.33	
Sacramento	1	MCST		10,729.64	
Sacramento	2	CRT	134,915.89		
San Joaquin	1	MCST	35,345.19	359,278.76	
San Joaquin	2	MCST		73,960.68	
Santa Barbara	1	CRT	243,736.98		
Santa Barbara	1	CSU	1,000,355.95		(2)
Santa Barbara	1	MCST	1,563.83		
Santa Cruz*	5	CSU	124,768.00		(3)
Shasta*	5	CSU	565,098.26		(4)
Solano	4	CRT	19,357.91		
Ventura	1	CSU	404,961.89		(7)
Ventura	1	MCST	37,372.57		
Yolo	1	MCST	16,645.58		
<b>Total</b>			<b>\$ 5,801,719.90</b>	<b>\$ 1,031,045.23</b>	<b>(412)</b>

\* Forfeited entire grant award

## Complete and Operational Projects

As of September 2018, a total of 44 capital projects representing 270 total beds (152 CRT, 110 CSU, and 8 PRC) and an equivalent of 110 MCST are complete and operational. Additionally, all 57.25 personnel have been hired to operate the MCST. In total, \$51,232,408.01 of capital funding and \$11,202,027.79 of personnel funding have been disbursed. The Authority will continue to consider grant award extensions on a case-by-case basis and actively monitor projects as they advance towards completion.

### Exhibit A: Capital Funding Projects – Details by Round

### Exhibit B: Personnel Funding Projects – Details by Round

Exhibit A: Capital Funding Projects -  
Details by Round

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

September 2018  
Report to the Legislature

County and Funding Round		Program	Awarded	Disbursed	Forfeited	Remaining	Beds	Vehicles	Project Status
							Operational/Expected		
Alameda	1	CRT	\$ 4,806,949.37	\$ 4,458,330.74	\$ 348,618.63	\$ -	16/16		Complete
Butte	1	CRT	867,425.00	867,425.00	-	-	10/10		Complete
Contra Costa	1	MCS	175,324.55	123,900.27	51,424.28	-		3/3	Complete
Fresno	1	CSU	794,795.45	794,795.45	-	-	16/16		Complete
Lake	1	MCS	114,035.09	90,465.00	23,570.09	-		2/2	Complete
Los Angeles	1	CRT	35,000,000.00	-	-	35,000,000.00	0/240		Site Secured
Los Angeles	1	CSU	4,210,526.31	-	-	4,210,526.31	0/8		Site Secured
Los Angeles	1	MCS	559,233.00	559,233.00	-	-		17/17	Complete
Marin	1	MCS	87,200.00	64,341.05	22,858.95	-		2/2	Complete
Merced	1	CRT	2,010,627.00	-	-	2,010,627.00	0/12		Licensing/Certification
Monterey	1	MCS	193,615.80	193,615.80	-	-		5/5	Complete
Nevada	1	CSU	500,000.00	500,000.00	-	-	4/4		Complete
Riverside	1	CRT	3,778,935.00	3,778,935.00	-	-	16/16		Complete
Riverside	1	CSU	2,102,065.00	2,102,065.00	-	-	12/12		Complete
Riverside	1	MCS	176,000.00	176,000.00	-	-		6/6	Complete
Sacramento	1	MCS	54,696.49	54,696.49	-	-		2/2	Complete
San Diego	1	CRT	3,688,468.00	3,688,468.00	-	-	15/14		Complete
San Joaquin	1	CSU	1,836,783.50	1,836,783.50	-	-	8/8		Complete
San Joaquin	1	MCS	206,400.00	171,054.81	35,345.19	-		3/3	Complete
San Luis Obispo	1	MCS	67,377.00	67,377.00	-	-		2/2	Complete
Santa Barbara	1	CRT	450,000.00	206,263.02	243,736.98	-	8/8		Complete
Santa Barbara	1	CSU	1,500,000.00	499,644.05	1,000,355.95	-	8/8		Complete
Santa Barbara	1	MCS	50,000.00	48,436.17	1,563.83	-		2/2	Complete
Santa Clara	1	CRT	3,963,106.00	3,963,106.00	-	-	30/30		Complete
Santa Clara	1	CSU	736,842.11	736,842.11	-	-	8/8		Complete
Sonoma	1	CSU	2,000,000.00	2,000,000.00	-	-	18/18		Complete
Ventura	1	CSU	1,134,777.11	729,815.22	404,961.89	-	4/6		Complete
Ventura	1	MCS	282,277.93	244,905.36	37,372.57	-		7/7	Complete
Yolo	1	MCS	177,500.00	160,854.42	16,645.58	-		5/5	Complete

**Exhibit A: Capital Funding Projects -  
Details by Round**

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

**September 2018  
Report to the Legislature**

County and Funding Round		Program	Awarded	Disbursed	Forfeited	Remaining	Beds	Vehicles	Project Status
							Operational/Expected		
Fresno	2	CRT	3,100,714.60	-	-	3,100,714.60	0/16		Under Construction
Merced	2	CRT	1,536,372.00	1,536,372.00	-	-	0/4		Licensing/Certification
Sacramento	2	CRT	1,212,720.00	1,077,804.11	134,915.89	-	15/15		Complete
San Bernardino	2	CRT	3,945,906.00	3,945,906.00	-	-	16/16		Complete
Kings	3	CRT	995,903.84	-	995,903.84	-	0/0		Forfeited
Los Angeles	3	MCS	135,000.00	127,922.56	7,077.44	-		5/5	Complete
Mendocino	3	CRT	500,000.00	-	-	500,000.00	0/10		Site Secured
Sacramento	3	CRT	5,732,583.00	1,912,205.75	-	3,820,377.25	0/45		Site Secured/ Under Construction
San Bernardino	3	CRT	3,054,094.00	-	-	3,054,094.00	0/16		Licensing/Certification
Alameda	4	CRT	1,729,558.00	1,240,627.00	-	488,931.00	0/14		Under Construction
Alameda	4	CSU	2,183,118.00	1,412,864.00	-	770,254.00	0/12		Under Construction
Kern	4	CSU	1,701,924.00	1,701,924.00	-	-	12/12		Complete
Napa	4	CSU	1,998,183.38	1,998,183.38	-	-	8/4		Complete
San Bernardino	4	CRT	4,886,185.00	-	-	4,886,185.00	0/16		Licensing/Certification
San Bernardino	4	CSU	2,700,000.00	-	-	2,700,000.00	0/20		Licensing/Certification
San Luis Obispo	4	CSU	971,070.00	971,070.00	-	-	4/4		Complete
Solano	4	CRT	2,000,000.00	1,980,642.09	19,357.91	-	16/16		Complete
Sonoma	4	CRT	870,343.00	870,343.00	-	-	10/10		Complete

County and Funding Round		Program	Awarded	Disbursed	Forfeited	Remaining	Beds Operational/Expected	Vehicles	Project Status
Alameda	5	CRT	1,082,077.06	-	-	1,082,077.06	0/16		Planning Stage
Alameda	5	CSU	1,394,972.62	-	1,394,972.62	-	0/0		Forfeited
Imperial	5	MCS	209,628.50	209,628.50	-	-		9/9 <sup>1</sup>	Complete
Kern	5	MCS	30,200.00	30,200.00	-	-		25/25 <sup>1</sup>	Complete
Marin	5	CSU	946,000.00	-	-	946,000.00	0/5		Under Construction
Merced	5	CSU	1,089,000.00	-	-	1,089,000.00	0/8		Site Secured
Napa	5	CRT	2,152,701.00	-	-	2,152,701.00	0/4		Planning Stage
Orange	5	CSU	3,076,811.00	-	-	3,076,811.00	0/16		Site Secured/ Under Construction
Sacramento	5	MCS	100,000.00	100,000.00	-	-		2/2	Complete
San Bernardino	5	CRT	4,605,681.00	-	-	4,605,681.00	0/10		Licensing/Certification
San Bernardino	5	CSU	3,050,000.00	-	-	3,050,000.00	0/20		Licensing/Certification
San Bernardino	5	MCS	275,359.00	-	-	275,359.00		8/8	Complete
San Diego	5	CSU	1,791,000.00	1,791,000.00	-	-	8/8		Complete
San Mateo	5	CRT	966,642.00	280,263.64	-	686,378.36	0/13		Under Construction
Santa Barbara	5	CRT	1,100,000.00	-	-	1,100,000.00	0/6		Under Construction
Santa Cruz	5	CSU	124,768.00	-	124,768.00	-	0/0		Forfeited
Santa Cruz	5	MCS	122,324.00	122,324.00	-	-		5/5	Complete
Shasta	5	CSU	565,098.26	-	565,098.26	-	0/0		Forfeited
Alameda	PR	PRC	373,172.00	-	373,172.00	-	0/0		Forfeited
Santa Cruz	PR	PRC	1,126,828.00	1,055,775.52	-	71,052.48	2/2		Complete
Sonoma	PR	PRC	750,000.00	-	-	750,000.00	0/6		Planning Stage
Trinity	PR	PRC	750,000.00	750,000.00	-	-	6/4		Complete
<b>GRAND TOTAL</b>			<b>\$ 136,460,896.97</b>	<b>\$ 51,232,408.01</b>	<b>\$ 5,801,719.90</b>	<b>\$ 79,426,769.06</b>	<b>270/782</b>	<b>110/110<sup>1</sup></b>	

<sup>1</sup>Includes IT Equipment for an equivalent number of teams.

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

- 1) "Planning Stage" - projects that have not yet secured control of property or, for MCSTs, equipment or vehicles have not yet been ordered.
- 2) "Site Secured" - projects that have secured control of a site through lease or purchase but have not yet started construction or, for MCSTs, the vehicles or equipment have been ordered but not yet delivered.
- 3) "Under Construction" - projects where construction has begun or, for MCSTs, the grantee has taken delivery of the vehicles or equipment.
- 4) "Licensing/Certification" - projects that have finished construction and are waiting for final licensing and/or certification.
- 5) "Complete" - projects are operational and providing mental health services.



Exhibit B: Personnel Funding  
Projects - Details by Round

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

September 2018  
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County and Funding Round		Personnel Funding: Years 1 through 5				Personnel
		Approved	Disbursed	Forfeited	Remaining	Hired/Expected
Contra Costa	1	\$ 1,880,933.45	\$ 912,169.43	\$ 216,390.64	\$ 752,373.38	3.25/3.25
Lake	1	711,140.00	409,483.82	17,200.18	284,456.00	2/2
Los Angeles	1	5,614,705.90	3,368,823.54	-	2,245,882.36	15/15
Marin	1	1,760,840.25	703,018.82	353,485.33	704,336.10	4/4
Mendocino	1	203,565.90	122,139.54	-	81,426.36	0.5/0.5
Riverside	1	2,997,076.10	1,798,245.66	-	1,198,830.44	13/13
Sacramento	1	1,057,952.60	835,632.44	10,729.64	211,590.52	3/3
San Joaquin	1	2,327,603.10	1,061,936.66	359,278.76	906,387.68	6/6
San Joaquin	2	98,614.24	-	73,960.68	24,653.56	0.5/0.5
Santa Barbara	1	3,317,629.80	1,990,577.88	-	1,327,051.92	10/10
<b>TOTAL</b>		<b>\$ 19,970,061.34</b>	<b>\$ 11,202,027.79</b>	<b>\$ 1,031,045.23</b>	<b>\$ 7,736,988.32</b>	<b>57.25/57.25</b>