



DEPARTMENT OF MENTAL HEALTH

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DMH Legislative Report for the Mental Health Commission – May 23, 2024

DMH continues to identify bills introduced in this legislative session and prioritizes and analyzes legislation according to the impact on our operations and the public mental health safety net. Therefore, the Department's list of priority bills will change as amendments and bill dispositions happen throughout the session. This report includes an update on the Governor's recent announcement on Prop 1 bond funds to be released, the May Revise impact, and our current list of priority bills and other proposals of interest.

May Revise Impact

The Governor's May Revise budget, released earlier this month, includes three main proposals that impact the behavioral health safety net:

1. Elimination of Round 6 of the State's Behavioral Health Continuum Infrastructure Program (BHCIP) = Loss of \$450M in expected one-time funds (state-wide).

The May Revise proposes the elimination of \$450.7 million one-time (\$70 million in 2024-25 and \$380.7 million in 2025-26) from the last round (Round 6) of BHCIP, while maintaining \$30 million one-time General Fund in 2024-25. This proposed cut will not result in reductions to currently operating facilities or beds. However, any reduction in planned expansions will limit the ability of the County and DMH to fill critical gaps in our continuum of care and to address the large unmet need for additional treatment beds. Although the Governor also announced the first round of \$3B+ in Prop 1 Bond funds to be released late in 2024/early 2025, the eligibility criteria for those funds has not yet been released. Therefore, the Department does not yet know whether the projects that were planned for submission for BHCIP Round 6 will be eligible for funding under the Prop 1 Bond funds.

2. Reduction of Behavioral Health Bridge Housing (BHBH) Rounds 3 and 4 = Loss of \$340M in expected one-time funds (state-wide).

The May Revise proposes the reduction of BHBH Rounds 3 and 4 by 50%, for a total reduction of \$340M (\$132.5 million in 2024-25 and \$207.5 million in 2025-26). The Administration has not yet provided clarifying details to explain how these proposed cuts will be implemented. For example, we do not know if the Administration will simply cut each application award in half, or if the State will instead grant fewer, full awards. DMH recently submitted applications for BHBH Round 3 funding, but awards have not yet been

announced. Therefore, at this time it is difficult to know how this proposed cut may impact the County.

3. Reduction of Healthcare Workforce Funding = Loss of over \$1B in workforce investments over multi-year period (state-wide).

The May Revision proposes the elimination of \$300.9 million in 2023-24, \$302.7 million in 2024-25, \$216 million in 2025-26, \$19 million in 2026-27, and \$16 million in 2027-28 for various healthcare workforce initiatives overseen by the Department of Health Care Access and Information (HCAI) including community health workers, nursing, social work, addiction psychiatry and medicine fellowships, Song-Brown residencies, Health Professions Career Opportunity Program, the Psychiatry Local Behavioral Health Program, and California Medicine Scholars Program. The May Revision also eliminates \$189.4 million Mental Health Services Fund for programs that were proposed to be delayed to 2025-26 in the Governor's January Budget proposal. DMH does not expect any direct impact to the Department's finances due to this cut. However, any reduction in workforce development funds will limit the Department's ability to address the workforce shortages that we and our contracted partners are experiencing. Although the State has plans for, and is developing, additional healthcare workforce initiative funding streams through BH-CONNECT (1115 Medic-Aid Waiver) and Prop 1, those funds were expected to come on top of the Healthcare Workforce funds that are proposed for reduction in the May Revision.

New Information Regarding Prop 1 Bond Funds

Earlier this week the Administration announced that the State will be releasing a request for applications for \$3.3B in Prop 1 Bond Funds in the next few months. These funds are intended to support the development of behavioral health outpatient treatment slots, beds (residential/inpatient), and/or community campuses that fill a gap in the local or regional behavioral health continuum of care. These funds will be awarded by the State through the existing BHCIP funding mechanism. This first round of Prop 1 bond funding will be titled "Bond BHCIP Round 1: Launch Ready" and will be released in the Summer of 2024, with awards to be announced in the Fall of 2024, and the funds to be provided in early 2025. Round 1 includes \$1.5B in funds for counties, cities and tribal entities and will be awarded on a competitive basis (without regional funding caps). Round 1 also includes an additional \$1.8B in funds for counties, cities, tribal entities, non-profit and for-profit organizations. This \$1.8B in funds will be subject to regional funding caps and will also be awarded on a competitive basis. All applications for funding must have the support of the local behavioral health director and must commit to serving the Medi-Cal population.

DMH and DPH-SAPC have initiated conversations to ensure a coordinated response from the County's behavioral health departments to these initial rounds of Prop 1 Bond funding.

Priority Legislation

- [**AB 2489**](#), **Local Agencies: Contracts for Special Services (Ward)**, provides that existing law authorizes a county board of supervisors to contract for certain types of special services. This

bill would require the board or a representative, at least ten months before beginning a procurement process to contract with persons for special services that are currently, or were previously, performed by employees of the county represented by an employee organization, to notify the exclusive employee representative of the workforce affected by the contract. Furthermore, the contractor or contracted agency must employ staff who meet or exceed the minimum qualifications and standards required of bargaining unit civil service employees who perform or performed the same job functions.

Update since last report: The bill is held in Senate Committee on Appropriations as of 5/16/2024.

County Position: Watch

CBHDA Position: Oppose

DMH's Analysis: See below

- [AB 2557](#), Local Agencies: Contracts for Special Services (Ortega), provides that existing law authorizes a county board of supervisors to contract for certain types of special services. This bill would require the board or a representative, at least ten months before beginning a procurement process to contract for special services that are currently, or were previously, performed by employees of the county represented by an employee organization, to notify, in writing, the exclusive employee representative of the workforce affected by the contract of its determination. Furthermore, the bill would require all county contractors to provide robust quarterly performance reports which must be monitored by the board. In addition, the bill requires any contract over two years in length to be reviewed by a third-party auditor, and for that independent audit to be reviewed by the county alongside the relevant county employee bargaining unit before the contract is renewed or extended.

Update since last report: The bill passed Assembly Committee on Appropriations on 5/16/2024.

County Position: Watch

CBHDA Position: Oppose

DMH's Analysis: AB 2489 and AB 2557 would create an enormous administrative burden on DMH without any apparent accompanying benefit to the Department or our larger public mental health system. The provisions of the bills are overly restrictive and would limit the Department's ability to swiftly react to changes in our volatile revenue sources, national workforce shortages, and changes in service demand. The bills also contradict the intent of Prop 1, which is to allow the public mental health system to respond quickly to the needs of our most acutely ill clients. By limiting the Department's ability to efficiently contract for care and treatment services, these bills would also impede DMH's efforts to ensure timely access to services. Additionally, the bills are based on the inaccurate assumption that DMH can deliver all contracted services with county staff. That is not possible given our ever-changing financing and workforce shortages. DMH is working with CEO-LAIR on the County's position.

- [AB 2561](#), Local Public Employees: Vacant Positions (McKinnor), provides that the Meyers-Milias-Brown Act authorizes local public employees to form, join, and participate in the activities of employee organizations of their own choosing for the purpose of representation on matters of labor relations. This bill would require each public agency with bargaining unit vacancy rates exceeding ten percent for more than a specified number of days to meet and confer with a representative of the recognized employee organization to produce, publish, and implement a plan to fill all vacant positions.

Update since last report: The bill passed Assembly Committee on Appropriations on 5/16/2024.

DMH's Analysis: AB 2561 would create a significant amount of workload for the Department without clear benefit to our workforce, our labor partners, or our overall ability to deliver the care that our residents need. As directed by the Board of Supervisors through several motions, DMH has been engaging on this issue in a focused manner for several years. DMH has issued several reports to the Board about the status of the Department's vacancies, the Department's new and ongoing recruitment and retention initiatives, and the Department's efforts to expand the behavioral health workforce pipeline. DMH believes that there is more work to be done in filling the Department's vacancies and will continue to endeavor to fill vacant positions as needed in order to meet service and programmatic demand. However, the Department does not believe that this bill would help DMH accomplish this goal. AB 2561 would infringe upon the Department's priority-setting and decision-making authority and threaten the Department's fiscal stability by presuming that the Department has sufficient revenue and need to fill all of its vacancies.

County Position: Watch

CBHDA Position: Oppose

- [AB 2700](#), Emergency medical services: alternate destinations (Gabriel), would require the state to survey and analyze the facilities in each county that can serve as an alternate destination facility. The bill would require a local emergency medical services agency to annually report to the Emergency Medical Services Authority regarding the development of triage to alternate destination programs in its jurisdiction, as specified.

Update since last report: The bill is held in Senate Committee on Appropriations as of 5/16/2024.

DMH's Analysis: *Pending*. The department is still analyzing the revised April 23rd version of the bill.

County Position: No position taken yet

CBHDA Position: No position taken yet

- [AB 2650](#) Licensed adult residential facilities and residential care facilities for the elderly: data collection (Zbur). This bill would require, beginning on the specified date and annually

thereafter until the specified date, the Department of Social Services to collect information and send a report to each county's department of mental health or behavioral health of all licensed adult residential facilities and residential care facilities for the elderly that accept a specified Federal rate and accept residents with a serious mental disorder, and the number of licensed beds at each facility.

Update since last report: The bill is held in Senate Committee on Appropriations as of 5/16/2024.

DMH's Analysis: *Pending*. *Note: this bill is sponsored by LARCA (Licensed Adult Residential Care Association)*

County Position: No position taken yet

CBHDA Position: No position taken yet

- **SB 1082, Augmented Residential Care Facilities (Eggman)**, Requires the State Department of Health Care Services, jointly with the County Behavioral Health Directors Association of California, to implement a certification program to provide augmented services to adults with serious mental illness in homelike community settings, and requires those settings to be licensed by the State Department of Social Services as a type of enhanced behavioral supports home known as an augmented residential care facility.

Update since last report: The bill is held in Senate Committee on Appropriations as of 5/16/2024.

DMH's Analysis: *Pending*

County Position: No position taken yet

CBHDA Position: No position taken yet

- **SB 1238 Lanterman-Petris-Short Act: designated facilities (Eggman)**. This bill provides that under the Lanterman-Petris-Short Act, when a person, as a result of a mental health disorder, is a danger to others or to themselves, or gravely disabled, as defined, the person may, upon probable cause, be taken into custody for a specified period for assessment, evaluation, and crisis intervention, or placement for evaluation and treatment in a facility designated by the county for evaluation and treatment and approved by the State Department of Health Care Services.

Update since last report: The bill passed Assembly Committee on Appropriations on 5/16/2024.

DMH Analysis: *Pending*

County Position: No position taken yet

CBHDA Position: Oppose unless amended

- **SB 1400, Criminal Procedure: Competence to Stand Trial (Stern)**. This bill would remove the option for the Court to dismiss a MIST case and would instead require the court to hold a hearing to determine if the defendant is eligible for diversion. If the defendant is not eligible for diversion, the bill would require the court to hold a hearing to determine whether the defendant will be referred to outpatient treatment, conservatorship, or the CARE program, or if the defendant's treatment plan will be modified. This bill would also remove the requirement that the court dismiss the case if the defendant is already on a grant of diversion for a misdemeanor case.

DMH's Analysis: SB 1400 removes the option for a court to dismiss a criminal case and compels the court to choose to either make a treatment plan with a provider, refer the client to AOT, refer the client to the conservatorship process, or refer the client to CARE Court. These four choices (all of which exist today), all require the voluntary participation of the client, except for the conservatorship process.

It is important to note that based upon the Department's experiences with this client population, DMH is not confident that additional attempts to offer the clients voluntary services or treatment will result in a higher uptake of treatment or services. Furthermore, a court referral to one of the programs offered to MIST clients does not automatically result in the MIST client accepting or being eligible to receive services in these programs. The Department believes that this measure would result in more referrals, hearings, and other procedural activities that only obligate the providers to spend more time in court hearings but are not likely to result in higher client service uptake.

Update since last report: The bill passed Assembly Committee on Appropriations on 5/16/2024.

County Position: Watch

CBHDA Position: No position taken yet

Additional Bills of Interest

- **AB 1588 Affordable Internet and Net Equality Act of 2024 (Wilson)**, Requires the State and agencies to only enter into a procurement contract with an internet service provider offering affordable home internet service, or with a provider participating in the Federal Affordable Connectivity Program, or any other State or Federal program that offers broadband affordability assistance for households that qualify, and that offers to households that qualify for those programs internet service that costs no more than a specified amount per month and meets speed requirements.

County Position: Watch

CBHDA Position: No position taken yet

Comments: A Motion to Support AB 1588 is on the 5/21/2024 Board agenda. (attached)

- [AB 1907 California Child and Family Service Review System \(Pellerin\)](#), require the California Child and Family Service Review System to include data from the Child and Adolescent Needs and Strengths (CANS) assessment tool.

Update since last report: The bill passed Assembly Committee on Appropriations on 5/16/2024.

County Position: Watch

CBHDA Position: No position taken yet

- [SB 11 California State University: mental health counseling \(Menjivar\)](#), would require the California State University system to have one full-time mental health counselor for every 1,500 students. The bill would also establish the CSU Mental Health Professionals Act, contingent upon an appropriation of one-time funds, which would provide financial incentives for CSU students to become mental health counselors in the state. DMH supports efforts to expand the pipeline of students into the public mental health system, and therefore is watching how SB 11 proceeds through the legislature.

Update since last report: The bill remains pending for an Assembly Committee Appropriations hearing date. There has been no action on the bill since 7/13/2023. This bill is not expected to advance any further during this legislative cycle.

County Position: No position taken yet

CBHDA Position: No position taken yet

- [SB 402 Involuntary Commitment \(Wahab\)](#). This bill would authorize a licensed mental health professional, who is designated by the county, to place an individual on an involuntary hold. The bill defines “licensed mental health professional” as a psychiatrist, psychologist, licensed clinical social worker, licensed marriage and family therapist, or a licensed professional clinical counselor who has completed all required supervised clinical experience. The bill specifies that a licensed mental health professional does not need to be direct staff of, or contracted by, the county.

DMH Analysis: DMH has no concerns with the bill language as amended on 01/12/2024.

Update since last report: The bill is pending to be heard in Assembly Committees on Health and Judiciary as of 4/29/2024. The bill has until 08/31/2024 to pass out of committee to continue advancing through this legislative session.

County Position: Watch

CBHDA Position: Oppose

Additional Resources (attached)

DMH Legislative Report for the MHC
May 23, 2024

- DMH Master Bill List
- [AB 1588 Board Motion](#)