Date of Hearing: July 10, 2019

ASSEMBLY COMMITTEE ON EDUCATION
Patrick O'Donnell, Chair
SB 582 (Beall) – As Amended May 17, 2019

[Note: This bill was double referred to the Assembly Health Committee and was heard by that Committee as it relates to issues under its jurisdiction.]

SENATE VOTE: 38-0

SUBJECT: Youth mental health and substance use disorder services

SUMMARY: Requires the Mental Health Services Oversight and Accountability Commission (MHSOAC) to allocate at least one-half of the Investment in Mental Health Wellness Act (IMHWA) of 2013 triage grant program funds to local educational agency (LEA) and mental health partnerships, to support prevention, early intervention, and direct services to children and youth. Specifically, **this bill**:

1) Requires the MHSOAC, after July 1, 2021, when making triage grants under IMHWA, to allocate at least one-half of the funds to LEA and mental health partnerships, as specified, through a competitive process.

2) Provides that after July 1, 2026, the MHSOAC may, if it determines that funds are not being allocated due to a lack of qualified applicants, redirect any funds left unallocated for purposes that are consistent with the priorities of the MHSOAC, as specified.

3) Requires the MHSOAC, in consultation with the Superintendent of Public Instruction (SPI), to establish criteria for the allocation of funds. Requires, in order to be eligible to receive funding, a partnership to include one or more LEAs and one or more mental health partners. Requires a mental health partner to be either a county, including a county mental health plan or a qualified mental health provider operating as part of the county mental health plan network.

4) Requires funding allocated to be available to support prevention, early intervention, and direct services, including but not limited to, support for personnel, training, and other strategies that respond to the mental health needs of children and youth, as determined by the MHSOAC.

5) Provides that the strategies in 5) above may include, but are not limited to, the following:

    a) Communication, coordination, and referral;

    b) Monitoring service delivery to ensure the individual accesses and receives services;

    c) Monitoring the individual’s progress; and,

    d) Providing placement service assistance and service plan development.

6) Requires funding allocated to be made available to meet the mental health needs of children and youth, including those with an individual education plan (IEP) under the federal Individuals with Disabilities Education Act (IDEA) or a plan adopted under the federal Rehabilitation Act of 1973, as well as other children and youth in need of mental health services.

7) Requires the MHSOAC, in consultation with the SPI, to give positive consideration to each of the following factors in determining grant recipients:

   a) Need for mental health services for children and youth, including campus-based mental health services, as well as potential gaps in local service connections;

   b) Description of the funding request, including personnel and use of peer support;

   c) Description of how the funds will be used to facilitate linkage and access to services;

   d) Ability of the LEA to obtain federal Medicaid or other reimbursement, including Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) funds;

   e) Ability of the LEA to collect information on the health insurance carrier for each child or youth in order to seek reimbursement, as specified;

   f) Ability to engage a health care service plan or health insurer in the LEA and mental health partnership, as specified;

   g) Ability to administer an effective service program and the degree to which mental health providers and LEAs will support and collaborate; and,

   h) Geographic areas or regions of the state, including rural, suburban, and urban areas, as specified.

8) Requires the MHSOAC, in consultation with the SPI, to determine maximum funding awards, and to take into consideration the level of need, population to be served, and related criteria in 8) above.

9) Allows the MHSOAC to allocate less than one-half of the funds to LEA and mental health partnerships if there is an inadequate number of qualified applicants to receive the funds. Allows the MHSOAC to redirect any funds left unallocated toward youth services that are consistent with the priorities of the MHSOAC, as specified.

10) Permits funds awarded by the MHSOAC to be used to supplement, but not supplant, existing financial and resource commitments of the county, counties acting jointly, city mental health departments, qualified mental health agencies, or LEAs that receive funding.

11) Defines an LEA as a school district, a county office of education, a nonprofit charter school participating as a member of a special education local plan area, or a special education local plan area.

12) Permits the MHSOAC, without taking any further regulatory action, to implement, interpret, or make specific this bill by means of informational letters, bulletins, or similar instructions.

13) Requires the MHSOAC to provide a status report to the fiscal and policy committees of the Legislature on the progress of implementation no later than March 1, 2022.

14) Requires that implementation of this bill be subject to an appropriation in the annual Budget Act or any other statute for that purpose.

EXISTING LAW:

1) Establishes the Mental Health Services Act (MHSA), enacted by voters in 2004 as Proposition 63, to provide funds to counties to expand services, develop innovative programs, and integrate service plans for mentally ill children, adults, and seniors through a one percent income tax on personal income above $1 million.

2) Establishes the Investment in Mental Health Wellness Act of 2013 (IMHWA), which requires triage funds appropriated by the Legislature to be made available to specified entities to be used, among other things, for a complete continuum of crisis services for children and youth 21 years of age and under. (Welfare and Institutions Code 5848.5)

3) Requires the California Department of Health Care Services (DHCS), pursuant to the MHSA and in coordination with counties, to establish a program designed to prevent mental illnesses from becoming severe and disabling and requires the program to emphasize strategies to reduce the following negative outcomes that may result from untreated mental illness:

    a) Suicide;

    b) Incarcerations;

    c) School failure or dropout;

    d) Unemployment;

    e) Prolonged suffering;

    f) Homelessness; and

    g) Removal of children from their homes.

4) Requires California counties to be responsible for both Medi-Cal specialty mental health services for seriously mental illness and for safety-net (non-Medi-Cal) community mental health services.

5) Expresses the intent of the Legislature that the governing board of each school district and each county superintendent of schools maintain fundamental school health services at a level that is adequate to accomplish all of the following: preserve pupils' ability to learn, fulfill existing state requirements and policies regarding pupils' health, and contain health care costs through preventive programs and education (Education Code 49427).

FISCAL EFFECT: According to the Senate Appropriations Committee:

1) Costs of $15 million (General Fund (GF)), ongoing, in local assistance to allocate IMHWA grants.

2) According to the MHSOAC, 2.0 Health Program Specialist II positions ($239,856) and 1.0 Research Program Specialist II ($119,928) to address the broader scope of applicant available uses, additional funding, additional preparation with California Department of Education (CDE) collaboration on level of need, as well as designing and evaluating the program outcomes to determine the effectiveness of the program. The MHSOAC would need research staff to develop metrics to evaluate the outcome of the triage grants on a statewide level.

3) The DHCS notes to the extent this bill facilitates linkages and access to services and leverages Medicaid funding, this may increase utilization of Medi-Cal Specialty Mental Health Services, and could result in additional claiming in the LEA Billing Option Program or the School-Based Medi-Cal Administrative Activities Program. According to the DHCS, this amount is indeterminate.

4) Staff notes potential one-time costs, likely between $50,000 and $100,000, for the DHCS to develop guidelines for county mental health departments to participate in the partnerships by the (GF).

5) According to the CDE, the 1.0 full-time, ongoing Education Program Consultant position to develop guidelines for local agencies to participate in the partnerships authorized in the bill, and to develop guidelines for the competitive grant program. Staff notes up to $140,000 (GF).

COMMENTS:

Need for the bill. According to the author, "Partnerships between schools and community mental/behavioral health professionals offer students and families an extended network of mental health programs and services that are easily accessible. When programs are able to identify and address student mental and behavioral challenges early, students are more likely to gain resiliency skills and be successful in school and life while the threat of later harm is reduced. Although youth mental health outreach has demonstrable benefits to children, only a handful of California schools have partnered with county mental health agencies and existing triage funds are primarily utilized for adult mental health services. A percentage of future triage grant funds should be dedicated to mental health crisis intervention services geared toward youth. SB 582 is of critical importance in providing equity in triage grant funds for youth mental health services. By directing 50% of the funds to school-based mental health strategies, SB 582 will incentivize partnerships and provide more robust mental health services in California schools."

Incidence of mental health and behavioral health issues for children and youth. A 2014 UCLA Policy Brief notes that nearly half of all Americans will need mental health treatment some time during their lifetimes, with initial symptoms frequently occurring in childhood or adolescence. According to a report by the American Institutes for Research (AIR), *Mental*

Health Needs of Children and Youth, up to 20 percent of children in the United States experience a mental, emotional, or behavioral health disorder every year.

Mental health needs of children and youth. According to a 2018 audit by the California State Auditor, between 97-98% of California children are enrolled in health coverage, with 5.5 million enrolled in Medi-Cal. The audit found that millions of children do not receive the preventive services to which they are entitled to under Medi-Cal. An annual average of 2.4 million children who were enrolled in Medi-Cal over the past five years had not received all of the preventive health services they were entitled to. California ranks 40th for all states in providing preventive health services to children.

According to a research brief, *Investments in Students' Physical and Mental Health in California's Public Schools*, published in 2018 as a part of the Getting Down to Facts II Study, "Child mental health is an increasingly important concern throughout the state due to rising rates of school shootings, teen hospitalizations for self-inflicted harm, and teen suicides. More than seven percent of children in California suffer from a serious emotional disturbance, and more than one in five female high school students report experiencing suicidal thoughts. Public schools can be a relatively desirable location for efficient and widespread distribution of mental health services to children. However, California provides fewer physical and mental health services in schools than almost any other state."

School-based and school-linked mental health services for pupils. Across the country, school systems are increasingly joining forces with community health, mental health, and social service agencies to promote student well-being and to prevent and treat mental health disorders. Because children spend more time in school than in community mental health centers, schools are well positioned to link students with mental health services.

Mental health services that are provided in schools may include counseling, brief interventions to address behavior problems, assessments and referrals to other systems. Providing mental health services in a school-based setting helps address barriers to learning and provides supports so that all students can achieve in school and ultimately in life. Schools are also places where prevention and early intervention activities can occur in a non-stigmatizing environment.

Research suggests that comprehensive school mental health programs offer three tiers of support:

- Universal mental health promotion activities for all students;
- Selective prevention services for students identified as at risk for a mental health problem; and
- Indicated services for students who already show signs of a mental health problem.

Schools offering such programs may rely on partnerships with community systems, such as community mental health centers, hospitals, and universities. Schools, working with their community partners, can collect prevalence data to build a foundation to plan, develop, and implement comprehensive mental health programs and services through strong school-community partnerships.

Barriers to seeking treatment for mental and behavioral health disorders. Studies cite a lack of insurance coverage as one of the barriers to children and youth receiving mental health services. However, as mental health and substance abuse services were deemed to be an essential health benefit under the Affordable Care Act, this may be somewhat mitigated. Additional barriers to accessing mental health services include parents with limited English proficiency – 88% of children whose parents had limited English proficiency did not receive any mental health treatment compared to 66% of children with English proficient parents. Other barriers include the complexity of the care system, the inadequate linguistic capacity of existing professional services and resources, as well as the stigmas and cultural barriers to recognizing and seeking treatment for mental health problems.

***Public mental health delivery system*.** A report from the California Health Care Foundation published in March of 2018 entitled "Mental Health in California: For Too Many, Care Not There," stated that California's mental health delivery system is a complex one. California counties are responsible for both Medi-Cal specialty mental health services for the seriously mentally ill and for safety-net (non Medi-Cal) community mental health services.

While counties have the same mandate and same funding streams, each county approaches the delivery of care in its own way. Oftentimes a county may be unaware of programs or activities being conducted in other counties – programs that may work well in their own community. Many counties lack resources and may be unable to develop the level of expertise required to develop or implement new ideas or concepts.

***Proposition 63: The Mental Health Services Act (MHSA)*.** Proposition 63 was passed by voters in November, 2004. The MHSA imposes a one percent income tax on personal income in excess of $1 million and creates the 16 member MHSOAC, charged with overseeing the implementation of MHSA. The MHSA addresses a broad continuum of prevention, early intervention and service needs as well as providing funding for infrastructure, technology and training needs for the community mental health system.

The MHSA requires each county behavioral health department to prepare and submit a three-year plan to DHCS that must be updated each year and approved by DHCS after review and comment by the Commission. In their three-year plans, counties are required to include a list of all programs for which MHSA funding is being requested and that identifies how the funds will be spent and which populations will be served. Counties must submit their plans for approval to the Commission before the counties may spend certain categories of funding, including the following:

1) **Community Services and Supports**: Provides direct mental health services to the severely and seriously mentally ill, such as mental health treatment, cost of health care treatment, and housing supports.

2) **Prevention and Early Intervention**: Provides services to mental health clients in order to help prevent mental illness from becoming severe and to improve timely access for underserved populations. Prevention and early intervention programs emphasize strategies to reduce negative outcomes that may result from untreated mental illness: suicide, incarcerations, school failure or dropout, unemployment, prolonged suffering, homelessness, and removal of children from their homes.

3) **Innovation**: Provides services and approaches that are creative in an effort to address mental health clients' persistent issues, such as improving services for underserved or unserved populations within the community.

Arguments in support. The MHSOAC states, "The Commission has found that children are more likely to experience or express a mental health crisis in a school setting and therefore school-based programs are best able to effectively respond and support the shared goals of promoting mental health and achieving desired educational outcomes for youth with mental health needs. When programs are able to identify and address student mental and behavioral challenges early, students are more likely to gain resiliency skills and be successful in school and life while the threat of later harm is reduced.

SB 582 allocates at least half of the triage grant funds for services targeted to youth and encourages partnerships between schools and local mental health services. Although youth mental health outreach has demonstrable benefits to children, only a handful of California schools have collaborated with county mental health agencies and existing Triage funds are mostly utilized for adult mental health services. The Commission strongly supports SB 582 and the work to increase partnerships between schools and community mental/behavioral health professionals so that California can offer students and families an extended network of mental health programs and services that are easily accessible."

Related legislation. AB 8 (Chu) of this Session would require public schools, including charter schools, to have one mental health professional who is accessible on campus during school hours for every 600 pupils by December 31, 2024, and requires counties to provide Mental Health Services Act funding to school districts, county offices of education, and charter schools for that purpose.

AB 1126 (O'Donnell) of this Session requires the MHSOAC to take specific measures to increase the transparency and accountability of mental health expenditures, and to support and share innovative practices in the delivery of mental health services, with a focus on youth mental health. This bill was held in the Assembly Appropriations Committee.

AB 1443 (Maienschein) of this Session would require the MHSOAC, subject to available funding to establish one or more technical assistance centers to support counties in addressing mental health issues as determined by the Commission, that are of statewide concern.

SB 604 (Bates) of this Session, would have required the MHSOAC, by January 1, 2021, to establish centers of excellence to provide the counties with technical assistance to implement best practices related to elements of the MHSA, would have required the centers of excellence to be funded with state administrative funds provided under MHSA. This bill was held in the Senate Appropriations Committee.

AB 875 (Wicks) of this Session would update the Healthy Start Support Services for Children Grant Program, previously administered by CDE, and identifies potential funding sources to provide health, mental health and other support services to pupils and their families.

SB 1019 (Beall) of the 2017-18 Session, was substantially similar to this bill. SB 1019 was vetoed by the Governor, with the following message:

> The bill as written would limit the Commission's authority to exercise its judgment in the distribution of these grants. I believe the better practice would be to leave this matter to the Commission.

SB 191 (Beall) of the 2017-18 Session, was substantially similar to this bill, and was held in the Senate Appropriations Committee.

SB 1113 (Beall) of the 2015-16 Session was substantially similar to this bill, and was vetoed by the Governor, with the following message:

> Despite significant funding increases for local educational agencies over the past few years, the Local Control Funding Formula remains only 96 percent funded. Given the precarious balance of the state budget, establishing new programs with the expectation of funding in the future is counterproductive to the Administration's efforts to sustain a balanced budget and to fully fund the Local Control Funding Formula. Additional spending to support new programs must be considered in the annual budget process.

SB 82 (Committee on Budget and Fiscal Review) Chapter 34, Statutes of 2013, establishes the Investment in Mental Health Wellness Act of 2013 and states the objectives of the Act regarding the need for renewed investment in community-based mental health treatment options.

REGISTERED SUPPORT / OPPOSITION:

Support

Alameda Unified School District
Amador County Unified School District
Aviva Family and Children's Services
Big Valley Joint Unified School District
California Behavioral Health Planning Council
California Academy of Child and Adolescent Psychiatry
California Alliance of Child and Family Services
Courage Campaign
David & Margaret Youth and Family Services
Disability Rights California
East Side Union High School District
Hathaway-Sycamores
Hillsides
Lake County Office of Education
Lassen County Office of Education
Los Angeles Unified School District
Mental Health Services Oversight And Accountability Commission
NAMI California
National Center For Youth Law
Oakland Unified School District
San Diego County Office of Education
San Diego; County of
San Francisco Unified School District

San Francisco Unified School District Community Advisory Committee For Special Education
Santa Clara County Office of Education
Seneca Family Of Agencies
Teachers For Healthy Kids
The California Association of Local Behavioral Health Boards and Commissions

Opposition

None on file

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