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## SENATE COMMITTEE ON EDUCATION

Senator Connie Leyva, Chair

2019 - 2020 Regular

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<b>Bill No:</b>	SB 582	<b>Hearing Date:</b>	April 10, 2019
<b>Author:</b>	Beall		
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<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Chanel Matney		

**Subject:** Youth mental health and substance use disorder services.

### SUMMARY

This bill authorizes county mental health services providers and local educational agencies (LEAs), to enter into partnerships that provide mental health and substance use disorder services to youth. This bill provides that these partnerships provide prevention, early intervention, and other related mental wellness services. This bill requires the Mental Health Services Oversight and Accountability Commission (MHSOAC) to allocate at least 50 percent of the monies in the Mental Health Wellness Act (MHWA) competitive grant program to fund these partnerships. In the event that there are an insufficient number of these partnerships between LEAs and county providers among the grant applicants, this bill requires the Commission to meet the mandated 50 percent allocation by competitively awarding remaining funds to youth-oriented programs.

### BACKGROUND

Existing law:

- 1) Establishes the MHWA, which requires 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 regardless of where they live in the state. States the objectives of the MHWA as expanding access to early intervention and treatment; expanding continuum of services to address such things as crisis stabilization, intervention, and residential treatment; adding at least 600 triage personnel; and providing local communities with increased financial resources to leverage additional public and private funds to improve networks for those with mental health disorders. (Welfare and Institutions Code § 5848.5)
- 2) Requires the MHSOAC to allocate grant funds from the MHWA for triage personnel, using specified criteria, to provide intensive case management and linkage to services, as specified, for individuals with mental health disorders at various access points, including schools. (WIC § 5848.5)
- 3) Establishes the Medi-Cal Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) program for eligible people under 21 years of age to provide periodic screenings to determine health care needs, and based upon the identified health care need and diagnosis, treatment services are provided. Requires EPSDT services to be administered through local county mental health

plans under contract with the Department of Health Care Services (DHCS). (WIC § 14132)

- 4) Establishes the School-based Early Mental Health Intervention and Prevention Services for Children Act (EMHI) and authorizes the Director of the Department of Mental Health, in consultation with the Superintendent of Public Instruction, to award matching grants to local educational agencies (LEAs) to pay the state share of the costs of providing school-based early mental health intervention and prevention services to eligible students, subject to the availability of funding each year. (WIC § 4370, et seq.)
- 5) Establishes the Primary Intervention Program, using EMHI funds, to provide school-based early detection and prevention of emotional, behavioral, and learning problems in students in kindergarten and grades 1-3, with services provided by child aides under the supervision of a school-based mental health professional. (WIC § 4343, et seq.)
- 6) Creates the Youth Education, Prevention, Early Intervention and Treatment Account, pursuant to the 2016 ballot initiative Proposition 64, the Control, Regulate and Tax Adult Use of Marijuana Act,” to be administered by the Department of Health Care Services for programs for youth that are designed to educate about and to prevent substance use disorders and to prevent harm from substance abuse. (Revenue and Taxation Code § 34019)
- 7) Defines “local educational agency” as a school district, a county office of education, a nonprofit charter school participating as a member of a special education local plan area (SELPA), or a SELPA. (Education Code § 56026.3)
- 8) Sets forth the process for the development, review, and revision of a pupil’s individualized education program. (EC § 56340, et seq.)

## ANALYSIS

This bill:

### *Partnership*

- 1) Requires the Mental Health Services Oversight and Accountability Commission (MHSOAC), on or after July 1, 2021, when issuing grants pursuant to the Mental Health Wellness Act (MHWA), to allocate at least 50 percent of the funds to LEA and mental health partnerships through a competitive process.
- 2) This bill specifies that the commission may allocate less than one-half of the grant to these partnerships if there is an insufficient number of qualified applicants to receive the funds. In this event, the commission:
  - a) Must meet the 50 percent allocation mandate by redirecting any unallocated funds to grant applicants that propose to provide youth-oriented mental health services. This bill sunsets this provision in 2026.

- b) May redirect any unallocated funds that were earmarked for partnerships to other priorities that are consistent objectives of the Mental Health Wellness Act of 2013, in accordance with the priorities of the commission, effective after the sunset date of 2026 pursuant to item 2).
- 3) Requires the commission, 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 local educational agency (LEA), 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 a part of the county mental health plan network.

#### *Fund*

- 4) Appropriates annually each fiscal year the sum of \$15 million from the General Fund to the commission for the purposes of this bill.
- 5) 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 commission.
- 6) Requires the commission, in consultation with the SPI, to give positive consideration when determining grant recipients to each of the following:
  - a) Description of 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 to obtain federal Medicaid or other reimbursement, as specified;
  - e) Ability of the LEA to collect information on the health insurance carrier for each child or youth, 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 to be eligible for funding, including rural, suburban, and urban areas, as specified.
- 7) Requires the commission, in consultation with SPI, to determine maximum funding awards and to take into account the criteria in # 5) above.
- 8) Permits funds awarded by the commission to be used to supplement, but not supplant, existing financial and resource commitments, as specified.

*Other*

- 9) Requires the commission 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.
- 10) Makes findings and declarations that school settings, particularly those with multitiered models that ensure prompt support for students, demonstrate that early investments result in savings and improved academic success, and by allocating funds to establish partnerships between local educational agencies and mental health plans, the entities involved can help yield greater mental health outcomes for California's youth.

**STAFF COMMENTS**

- 1) ***Need for the bill.***

*Funding*

According to the author, this bill adds much needed grant monies to support youth mental health services through the Mental Health Wellness Act (MHWA). This bill enables more robust mental health programs to be provided as wrap-around services within California schools. According to the Mental Health Services Oversight and Accountability Commission (MHSOAC), youth-centric programs receives around 15 percent of the total available triage funds (out of 50 total program applications). The author's assert that in order for California's school-age population to be adequately served, equity in the grant fund allocation is a necessary first step. This bill requires these funds to be used to incentivize counties and school districts to integrate mental health services in schools.

*Youth-focused partnerships*

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."

- 2) ***Mental Health Wellness Act funding levels.*** The 2016 Budget Act allocated \$27 million to the MHWA. According to the Commission, a second round of triage grants totaling \$83 million was awarded in 2018, and will be sustained through 2021.
- 3) ***Underfunded youth-oriented programs.*** Triage grants awarded through the MHWA fund mental health triage personnel in various settings, including schools, with a focus on children and youth. These personnel provide crisis intervention,

crisis stabilization, mobile crisis support, and intensive case management and linkage to services for individuals with mental health disorders at various points of access – including school campuses.

In 2017, the Commission found that, of 50 initial applications for triage grants that the Commission received, only six proposed programs were specific to youth services. Of these, only three of the six met or exceeded the minimum threshold score for funding. As a result, only 15 percent of the initial triage grant funds supported youth-centric programs.

The Commission states that because schools are a major access point for children to receive mental health services in their county, the triage grant funds may increase collaboration between schools and county behavioral health departments. The Commission recommended that a percentage of future triage grant funds be dedicated to mental health crisis intervention services geared toward youth.

In line with this recommendation, this bill requires the Commission to, when possible, allocate up to 50 percent of total Mental Health Wellness Act grant funds to awardees that represent a partnership between local educational agencies (LEAs) and county mental health providers.

- 4) ***Mental health services in schools.*** The federal Individuals with Disabilities Education Act provides that students with exceptional needs identified as having emotional disturbance may be eligible to receive mental health services, including counseling, psychological services, parent counseling and training, and residential placement, among others.

Prior to 2012, a student with exceptional needs, who also had mental health needs and services documented in their individualized education plan (IEP), was referred by the LEAs to county mental health agencies for treatment. After 2012, pursuant to AB 114 (Committee on Budget, Chapter 43, 2011) the responsibility of providing these services shifted to LEAs themselves, with the Superintendent of Public Instruction providing oversight.

Currently, any and all services identified in a student's IEP must be provided, whether directly by LEA employees or through contract with outside providers, such as county mental health agencies. LEAs are required to ensure services are provided to students regardless of who provides or pays for those services.

- 5) ***Student mental health services audit.*** According to the Senate Health Committee analysis for this bill, "In January 2016, the California State Auditor released report 2015-112, which reviewed the effect of AB 114 mental health services provided to pupils through IEPs. Among the findings were: the mental health services and providers did not change at the four LEAs reviewed; in some cases LEAs removed mental health services from student IEPs because of AB 114 and for other students the LEAs could not explain why services were removed; the California Department of Education (CDE) had not performed an analysis of the education outcomes to determine if pupil outcomes had improved; CDE did not require LEAs to track total expenditures for mental health services;

none of the four local educational agencies (LEAs) could determine their total costs to provide mental health services; and, only one of the four LEAs had contracted with its county to access certain funding for mental health services through Medi-Cal.

“The audit, among other things, recommended the Legislature require counties to enter into agreements with special education local plan areas (SELPA), to allow SELPAs and their LEAs to access federal funding.”

6) ***Partnerships between LEAs and mental health providers***

*Desert Mountain LEA and San Bernardino County*

The auditor’s report found that the Children’s Center at Desert Mountain SELPA’s collaboration with San Bernardino County is financially beneficial for both the SELPA and the county. The SELPA contributes a portion of San Bernardino’s match of federal reimbursements, saving the county funds that it would otherwise have to contribute as the local entity. Under the terms of its agreement with San Bernardino, Desert Mountain was able to access approximately \$4 million in federal Early and Periodic Screening, Diagnosis, and Treatment funds to provide mental health services in the 2014–15 fiscal year. This arrangement enables Desert Mountain to provide mental health services to Medi-Cal-eligible students regardless of whether the students have IEPs.

*Mt. Diablo LEA and Mt. Diablo county mental health department*

The State audit also describes a contractual agreement between Mt. Diablo Unified School District and the county mental health department. This partnership allowed Mt. Diablo to receive Medi-Cal funds as a provider of Early and Periodic Screening, Diagnosis, and Treatment services to Medi-Cal-eligible students.

7) ***Prioritizing youth-focused, school-based programs.*** This bill authorizes and establishes a framework for counties and LEAs to enter into youth mental health partnerships. This bill requires the Commission to award at least 50 percent of Mental Health Wellness Act grant funds be allocated to such partnerships.

In the event that an insufficient number of county-LEA partnerships apply for the grant, this bill provides that the Commission may allocate less than 50 percent of available grant funding to these youth-focused, school-based partnerships. In this case, and until the year 2026, this bill requires remaining funds in the 50 percent allocation to be awarded to other youth-focused programs.

After 2026, this provision sunsets. Up to 50 percent of funds must be awarded to LEA and county partnerships. If an insufficient number of partnerships are available to receive the funds, any remaining funds may be reallocated to other categories of applicants, based on priority and need, as determined by the Commission.

8) ***Related legislation.*** AB 8 (Chiu and Eduardo Garcia) would require, on or before December 31, 2022, a school of a school district or county office of

education and a charter school to have at least one mental health professional, as defined, for every 400 pupils generally accessible to pupils on campus during school hours. AB 8 is pending in the Assembly Health Committee.

AB 1126 (O'Donnell) would require CDE to collaborate with DHCS to streamline and simplify the processes whereby LEAs and county behavioral health agencies collaborate to leverage available funding to provide mental health services to pupils. AB 1126 is set to be heard in the Assembly Education Committee on April 10, 2019.

SB 428 (Pan and Portantino) would require an applicant for a clear multiple or single subject teaching credential to complete a course in youth mental health first aid. SB 428 is set to be heard in the Senate Education Committee on April 10, 2019.

- 9) **Prior legislation.** SB 1019 (Beall, 2018), SB 191 (Beall, 2017) which was held in the Senate Appropriations Committee, and SB 1113 (Beall, 2016) were substantially similar to this bill. SB 1019 was vetoed by the Governor whose veto message read:

***This bill would require the Mental Health Services Oversight and Accountability Commission to allocate at least half of its triage grant funds to local education and mental health partnerships.***

***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 1113 was vetoed by the Governor, whose veto message read:

***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.***

## SUPPORT

Alameda Unified School District  
 Amador County Unified School District  
 Association of California School Administrators  
 California Alliance of Child and Family Services  
 The California Association of Local Behavioral Health Boards and Commissions

Disability Rights California  
Hillsides  
La Mesa-Spring Valley School District  
Los Angeles Trust for Children's Health  
Los Angeles Unified School District  
Mental Health Services Oversight and Accountability Commission  
Murrieta Valley Unified School District  
Seneca Family of Agencies

**OPPOSITION**

None received

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