
SENATE COMMITTEE ON PUBLIC SAFETY

Senator Nancy Skinner, Chair

2017 - 2018 Regular

Bill No: SB 1010 **Hearing Date:** March 20, 2018
Author: Beall
Version: March 12, 2018
Urgency: No **Fiscal:** Yes
Consultant: SJ

Subject: *Parolees: Supportive Housing Pilot Program*

HISTORY

Source: Californians for Safety and Justice
Corporation for Supportive Housing
County Behavioral Health Directors Association of California
Housing California

Prior Legislation: SB 1013 (Beall) Held in Senate Appropriations (2016)
SB 1021 (Comm. on Budget), Ch. 41, Stats. of 2012
AB 900 (Solorio), Ch. 7, Stats. of 2007

Support: ACLU of California; Anti-Recidivism Coalition; California Catholic Conference;
California Correctional Peace Officers Association; Disability Rights California;
Non-Profit Housing Association of Northern California; Steinberg Institute

Opposition: None known

PURPOSE

The purpose of this bill is to create a supportive housing pilot program for parolees who are homeless or at risk of homelessness using existing funding.

Existing law authorizes the Department of Corrections and Rehabilitation (CDCR) to obtain day treatment, and to contract for crisis care services, for parolees with mental health problems. States that day treatment and crisis care services should be designed to reduce parolee recidivism. Requires CDCR to work with counties to obtain day treatment and crisis care services for parolees with the goal of extending the services upon completion of the offender's period of parole, if needed. (Pen. Code § 3073.)

Existing law defines "serious mental disorder" as a mental disorder that is severe in degree and persistent in duration, which may cause behavioral functioning which interferes substantially with the primary activities of daily living, and which may result in an inability to maintain stable adjustment and independent functioning without treatment, support, and rehabilitation for a long or indefinite period of time. Serious mental disorders include, but are not limited to, schizophrenia, bipolar disorder, post-traumatic stress disorder, as well as major affective disorders or other severely disabling mental disorders. (Welf. & Inst. Code § 5600.3, subd. (b)(1).)

Existing law declares that it is the intent of the Legislature to provide evidence-based, comprehensive mental health and supportive services, including housing subsidies, to parolees who suffer from mental illness and are at risk of homelessness, in order to successfully reintegrate the parolees into the community, increase public safety, and reduce state costs of recidivism. (Pen. Code § 2985.)

Existing law defines “supportive housing” as housing with no limit on length of stay, that is occupied by the target population, and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. Further specifies that supportive housing is decent, safe, and affordable. (Pen. Code § 2985.1.)

Existing law requires CDCR to provide a supportive housing program that provides wraparound services to mentally ill parolees who are at risk of homelessness using funding appropriated by the Legislature for that purpose. (Pen. Code § 2985.2, subd. (a).)

Existing law requires providers participating in this program to comply with all of the following:

- 1) Provide services and treatment based on best practices;
- 2) Demonstrate that the program reduces recidivism and homelessness among program participants; and
- 3) Have prior experience working with county or regional mental health programs. (Pen. Code § 2985.2, subd. (b).)

Existing law requires that an eligible inmate or parolee have a serious mental disorder, as defined, and a history of mental health treatment in the prison system. He or she must voluntarily participate and either be a homeless parolee or an inmate pending release who is likely to be homeless upon release. (Pen. Code § 2985.2, subd. (c).)

Existing law provides that a person is “likely to become homeless upon release” if he or she has a history of “homelessness,” as defined under federal law, and if both of the following are true:

- 1) He or she has not identified a fixed, regular, and adequate nighttime residence for release.
- 2) His or her only identified nighttime residence for release includes a supervised publicly or privately operated shelter designed to provide temporary living accommodations, or a public or private place not designed for, or is not ordinarily used as, a regular sleeping accommodation for human beings. (Pen. Code § 2985.2, subd. (c) (3).)

Existing law requires each provider to offer services to obtain and maintain health and housing stability while participants are on parole, to enable the parolee to comply with the terms of parole, and to augment mental health treatment provided to other parolees. The services must be offered to participants in their home, or be made as easily accessible to participants as possible and are required to include, but are not limited to, all of the following:

- Case management;
- Parole discharge planning;
- Housing location and, if necessary, move-in cost assistance;
- Rental subsidies;

- Linkage to vocational, educational, and employment services;
- Assistance in entitlement applications and appeals;
- Transportation assistance to obtain services and healthcare; or
- Assistance in obtaining identification. (Pen. Code § 2985.3, subd. (a))

Existing law requires that for eligible inmates pending release, the provider shall collaborate with a participant's parole agent and case manager or intake coordinator, as specified, to do the following:

- Receive all prerelease assessments and discharge plans.
- Draft a plan for the participant's transition into housing that serves the participant's needs and is affordable, such as permanent supportive housing, or a transitional housing program that includes support services and demonstrates a clear transition pathway to permanent housing.
- Engage the participant to actively participate in services upon release.
- Assist in obtaining identification for the participant, if necessary.
- Assist in applying for any benefits for which the participant is eligible. (Pen. Code § 2985.3, subd. (b).)

Existing law requires the service provider to do the following to facilitate the parolee's transition into the community to do the following:

- At least quarterly, assess a participant's needs and include in the assessment a plan for permanent housing after parole.
- Transition participants from CDCR rental assistance into mainstream rental assistance, such as specified federal programs, if necessary for the parolee to remain in stable housing.
- Include in the parole discharge plan the need for and prioritize linkage to county mental health services and housing opportunities supported by specified legislation and other funding sources that finance permanent supportive housing for the mentally ill. (Pen. Code § 2985.3, subd. (c).)

Existing law requires providers to identify and locate supportive housing and transitional housing for participants before release or as soon as possible upon release. (Pen. Code § 2985.4, subd. (a).)

Existing law requires providers to report to CDCR as follows:

- Number of participants served and types of services provided.
- The outcomes for participants, including the number who graduated to independent living, the number who remain in or moved to permanent housing, the number who ceased to participate in the program, and the number who returned to state prison.
- The number of participants who successfully completed parole and transitioned to county mental health programs. (Pen. Code § 2985.5, subd. (a).)

Existing law directs CDCR to analyze costs in comparison to savings as a result of reduced recidivism rates from the supportive housing program, excluding federal funds. Requires CDCR to report this material annually. (Pen. Code § 2985.5, subd. (c).)

This bill includes the following legislative findings and declarations:

- 1) Evidence shows that “supportive housing” effectively reduces recidivism and improves the tenant’s ability to recover from mental illness.
- 2) A supportive housing program for mentally ill parolees previously created by the Legislature and intended to use funds budgeted for the Integrated Services for Mentally Ill Parolees has not been referred to in the budget by name and funds have not been used for their legislatively intended purposes.
- 3) It is the intent of the Legislature to strengthen corrections programs to ensure that CDCR promotes the evidence-based, wraparound services, including rental subsidies in an amount adequate to allow mentally ill parolees experiencing homelessness, or at risk of experiencing homelessness upon release from prison, to obtain and maintain housing stability during and after the term of parole, thereby reducing recidivism among parolees with a history of homelessness.
- 4) It is the intent of the Legislature in enacting this act to provide evidence-based, comprehensive mental health and supportive services, including housing subsidies, to parolees who suffer from mental illness and are either homeless or at risk of homelessness, in order to successfully reintegrate the parolees into the community, increase public safety, and reduce state costs of recidivism.

This bill defines “bridge rental assistance” as rental assistance paid to participating landlords while the homeless services provider and the program participant seek permanent rental assistance that allows the program participant to remain in the same housing or, when feasible, allows the program participant to be responsible for paying the rent after the program participant is no longer on parole.

This bill defines “fair market rent” as the rent, including the cost of utilities, other than the telephone, as established by the United States Department of Housing and Urban Development, for units of varying sizes, as determined by the number of bedrooms, that must be paid in the market area to rent privately owned, existing, decent, safe, and sanitary rental housing of a modest nature with suitable amenities.

This bill uses the same definition of “homelessness” as used in federal regulations.

This bill defines “homeless services provider” as an organization that qualifies as an exempt organization under Section 501(c)(3) and that contracts with the relevant participating county to provide services to people experiencing homelessness, funded under the Supportive Housing Pilot Program, to provide services to participants of the program.

This bill defines “housing navigation” as services provided prior to release or in the community that assist program participants with all of the following:

- 1) Locating housing with landlords willing to accept rental assistance from the program participants;
- 2) Completing housing applications; and
- 3) Obtaining documentation needed to access housing.

This bill defines “Integrated Services for Mentally Ill Parolees Program” or “ISMIP program” as the program of supportive services and housing support provided pursuant to this article.

This bill defines “interim housing” as a temporary residence in which a program participant resides, for a period not to exceed nine months, while waiting to move into permanent housing. “Interim housing” may include housing that is paid for using motel vouchers or housing in which a program participant resides for the purpose of receiving recuperative care.

This bill requires that on or before January 1, 2020, CDCR create the Supportive Housing Pilot Program that does all of the following:

- 1) Establishes a process and timeline for finalizing a memorandum of understanding with one or more counties;
- 2) Provides a grant, using existing resources, to participating counties to fund a supportive housing program that provides rental assistance and wraparound services to mentally ill parolees who are either homeless or at risk of homelessness;
- 3) Produces a process for identifying and referring eligible participants to the pilot program;
- 4) Creates a process for evaluating the pilot program that evaluates outcomes, costs, and recidivism to jail or prison among participants; and
- 5) Sets a timeline for phasing out or extending the pilot program.

This bill provides that CDCR and participating counties agree to the following in a memorandum of understanding:

- 1) CDCR is required to use current funding to refer eligible parolees to participating counties for mental health treatment, housing navigation services, and supportive housing services; pay for the nonfederal share of the costs of mental health treatment while the participant is on parole; and use remaining resources the state would have spent on mental health treatment, if not for federal reimbursement through Medi-Cal, to pay for bridge rental assistance and services in supportive housing during the program participant’s term of parole.
- 2) Participating counties are required to provide community-based mental health treatment within the currently operating county Medi-Cal mental health program if ongoing treatment for the participant is medically necessary and after the parolee transitions off parole, fund rental assistance and services under the Mental Health Services Act program, if the participant qualifies for full-service partnership services, or under another source of funding that the county controls.

This bill authorizes CDCR to allow current participants of the ISMIP or other program used to fund this pilot program to continue to receive services as long as the participant remains eligible. As each current participant of the ISMIP or other program used to fund this pilot program transitions off parole or leaves the program, CDCR is required to refer an inmate or parolee who is eligible to be a program participant in the Supportive Housing Pilot Program.

This bill establishes eligibility criteria for participation in the Supportive Housing Pilot program. An inmate or parolee must voluntarily choose to participate, have a serious mental disorder and a history of mental health treatment in the prison’s mental health services delivery system or in a parole outpatient clinic, and currently be a homeless parolee or have a prison release date within 60 to 180 days and be likely to become homeless upon release.

This bill specifies that the rental subsidies provided by a homeless service provider must be equal to or greater than fair market rent.

This bill prohibits CDCR and homeless services providers from limiting the bridge rental assistance made available to a program participant, except to limit the period of time during which assistance is provided to the term of the program participant's parole. Permits the program participant to remain in the same housing after the bridge rental assistance ends, as long as he or she complies with the terms of the lease.

This bill requires a homeless services provider funded under the Supportive Services Housing Pilot Program to identify and locate supportive housing opportunities for a program participant prior to his or her release from state prison or as quickly upon his or her release from state prison as possible, or as quickly as possible after the program participant is identified during parole, but in no case later than nine months after the program participant agrees to participate in the program.

This bill requires that housing opportunities satisfy all of the following:

- 1) The housing is located in an apartment building, townhouses, or single-family homes, including rent-subsidized apartments leased in the open market or set aside within privately owned buildings;
- 2) The housing is not subject to community care licensing requirements or is exempt from licensing, as specified;
- 3) A program participant living in supportive housing is required to have a lease and be subject to the rights and responsibilities of tenancy; and
- 4) The housing program complies with the core components of "Housing First," as specified.

This bill authorizes a housing program funded under the Supportive Housing Pilot Program to use funds to provide program participants with interim housing while the program participant is waiting to obtain appropriate permanent rental housing and to complete documentation and paperwork needed to move the program participant into the rental housing.

This bill requires, in addition to the data currently required to be reported to CDCR regarding program outcomes, that a participating county provider report the number who returned to state prison, and the number who were arrested and are residing in a county jail as well as the percentage of program participants currently living in permanent housing.

This bill requires the data collected and the analysis prepared on the program to be submitted to the Legislature by January 1, 2023.

COMMENTS

1. Need for This Bill

According to the author:

Current parole practices provide inadequate supports for individuals with mental health needs who would return to the community without a home. This pilot program would allow the California Department of Corrections and Rehabilitation (CDCR) and the Department of Adult Parole Operations to assess the success of

alternative placement models in the community. Homelessness and incarceration are intrinsically linked:

- Parolees who are homeless are seven times more likely to recidivate than those who are housed;
- About half of all homeless people report a history of incarceration; and
- Parolees have great difficulties accessing housing, perpetuating a cycle of incarceration and homelessness.

State programs designed to address the needs of parolees reentering communities could be using funds more effectively to address the needs of parolees experiencing homelessness. Despite decades of research demonstrating supportive housing for parolees works to reduce recidivism and housing instability, the State currently only funds traditional transitional housing, sober living homes, or day center services, leaving many parolees who exit these programs homeless and at greater risk of recidivating.

The Integrated Services for Mentally Ill Parolees (ISMIP) program was established in California's 2007-08 budget. ISMIP is funded at \$13 million per year, and was intended to support housing and intensive case management for homeless parolees who have mental illness. It requires CDCR to pay for housing and housing-based services. ISMIP is currently used to provide the entire cost of mental health treatment to a small number of parolees, even though they are eligible for Medi-Cal (50-90% of reimbursement for costs of care). Additionally, a small percentage, if any, of the current ISMIP participants are homeless. The program is not serving its intended purpose.

SB 1010 would create a pilot program to provide supportive housing to people who are on parole. It would require CDCR to provide supportive housing to parolees experiencing homelessness or who are at risk of homelessness using existing funding, and to partner with counties once the participant transitions off of parole and into the community.

Current participants in ISMIP would continue to receive the same treatment they are currently receiving. As program participants transition off of parole, new participants will transition into the pilot program.

SB 1010 would also require CDCR to enter into a Memorandum of Understanding (MOU) with counties. CDCR would use savings from receiving federal reimbursement for mental health treatment to pay for rental assistance and services in supportive housing during the participant's term of parole. The participating county would agree to provide community-based mental health treatment and would fund rental assistance and services under Proposition 63 (Mental Health Services Act program) once the participant transitions off of parole. SB 1010 seeks to reduce recidivism rates by addressing the pressing need of housing among people on parole, especially for those with mental health issues.

2. Research on the Importance of Stable Housing for Mentally Ill Parolees

A 2007 article in the Journal of Contemporary Health Law and Policy detailed the pervasive and difficult issues concerning mentally ill inmates and parolees in California. (<<https://scholarship.law.edu/cgi/viewcontent.cgi?referer=&httpsredir=1&article=1106&context=jchlp>> [as of March 14, 2018].) Since the article was published, the California Prison Healthcare Correctional Healthcare Services has overseen the expenditure of hundreds of millions of dollars to comply with federal court orders to reform the prison healthcare system, including serious problems with mental health treatment.

Thousands of people with mental illness are currently serving terms in California prisons. These individuals receive inadequate medical and psychiatric care, serve longer terms than the average inmate, and are released without adequate preparation and support for their return to society. As a result, mentally ill offenders are more likely than general-population offenders to violate parole and return to prison.

Although conditions in the state's prisons have improved since the article was published, the article's recommendations regarding wraparound services for mentally ill parolees upon release from prison are still relevant. The ISMIP and this bill appear to implement or require these recommendations:

If intake diagnoses prisoners' mental illnesses and the prison sentence treats them, release should prepare prisoners to treat their condition outside prison and, one hopes, avoid further incarceration. Recidivism can be reduced if re-entry is planned, if intervention is frontloaded, and if parole officers embrace the harm reduction principle (a public-health-oriented rather than criminal-justice-oriented approach to dealing with parole infractions). Investments in release programs should ultimately generate a virtuous cycle; when prisoner recidivism decreases, more resources are freed for treatment within the prison system and within non-penal mental health institutions.

The most effective post-release programs follow the integrated services model, concentrating on the period immediately following release and coordinating multiple services such as mental health, parole, therapeutic treatment for drug and alcohol addiction, housing, and employment. For example, prisoners about to be released should have an adequate supply of medication (at least seventy-two hours' worth), some form of housing, and contacts with a coordinated team of correctional and social services staff.

Such efforts will aid the recently-released prisoners as they enter parole, seek permanent housing, pursue job training and employment, enroll in drug and alcohol abuse counseling, and receive restored government benefits such as Temporary Aid to Needy Families, Medi-Cal, Medicaid, Social Security, and State and Social Security Disability Insurance.

The article then specifically addressed positive outcomes that resulted from providing the mentally ill, including former inmates, with stable housing. The article described the programs implemented through AB 2034 (Steinberg) Ch. 518 Stats. 2000. That bill continued an earlier pilot project to provide grants to counties and cities for mental health treatment of the homeless

and those at risk of becoming homeless or incarcerated. Stable housing was shown to substantially reduce recidivism:

Over three years, participants in AB 2034 pilot programs reduced days spent in incarceration by 72.1% and the number of incarcerations by 45.9%. Participants' ability to secure housing was a foundation for successful treatment. What has become apparent to most providers and stakeholders is the therapeutic significance of having a stable place to live, and the foundation this provides for individuals' ability and desire to make progress in other aspects of their lives. (Internal quotation marks and citations have been omitted in the material quoted from the article.)

3. Amendments

The author intends to offer amendments to fix drafting errors. The bill as currently drafted repeals the ISMIP program which is not the author's intent. The amendments will restore the code sections pertaining to the ISMIP program, and will add new code sections with the language creating the supportive housing pilot program.

4. Support

According to the Steinberg Institute:

Homelessness and incarceration are inherently linked. Parolees who are homeless are seven times more likely to recidivate than those who are housed and about half of all homeless individuals report a history of incarceration. As a result, parolees have great difficulties accessing housing, perpetuating a cycle of incarceration and homelessness.

We know that providing homeless parolees a stable, affordable place to live, along with services that promote housing stability—the combination known as “supportive housing”—is an evidence-based intervention proven to reduce recidivism. California data reveals supporting housing tenants are able to decrease their days incarcerated by over 60%. The Integrated Services for Mentally Ill Parolees Program (ISMIP)...was intended to support intensive case management and housing for homeless mentally ill parolees. Yet, ISMIP is now used to provide the entire costs of mental health treatment to a small number of parolees, even though these parolees are eligible for Medi-Cal, and eligible for 50-90% of federal reimbursement for costs of care.

Senate Bill 1010 would require the California Department of Corrections and Rehabilitation (CDCR) to use an existing program, such as ISMIP, to pilot providing supportive housing to parolees experiencing homelessness. Under this pilot, current participants in ISMIP (or other program CDCR identifies) would be able to continue to receive Medi-Cal funded treatment in the community. As program participants transition off of parole, new participants experiencing homelessness would transition into the pilot program.

A pilot program providing supportive housing to homeless parolees transitioning into an existing program would address the needs of homeless parolees and reduce recidivism among this population, within current State resources. For these reasons, we strongly suggest this innovative legislation.

The California Correctional Peace Officers Association supports the bill stating:

CCPOA recognizes that housing is paramount to the successful re-entry of former offenders. The absence of adequate housing accommodations leads to perpetual incarceration and high recidivism rates, which only inflate costs and potential victimization. This bill ensures that resources have been appropriated for individuals suffering from mental illness and/or homelessness receive the support that they deserve and are given the best opportunity to successfully re-enter California communities.

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