

TITLE 9, CALIFORNIA CODE OF REGULATIONS
Mental Health Services Act General System Development Housing
Notice published: July 2, 2010

NOTICE OF PROPOSED RULEMAKING

NOTICE IS HEREBY GIVEN that the Department of Mental Health (“Department”) is proposing to take the action described in the Informative Digest after considering all comments, objections, and recommendations regarding the proposed action.

PUBLIC HEARING

The Department will hold a public hearing starting at 10:00 a.m. on August 18, 2010, at the California Department of Water Resources Auditorium located at 1416 9th Street, 1st Floor in Sacramento, California. The Auditorium is wheelchair accessible. At the hearing, any person may present statements or arguments orally or in writing relevant to the proposed action described in the Informative Digest. The Department requests but does not require that persons who make oral comments at the hearing also submit a written copy of their testimony at the hearing.

WRITTEN COMMENT PERIOD

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to the Department. Comments may also be submitted by facsimile (FAX) at 916-651-3852 or by e-mail to Regulations@dmh.ca.gov . The written comment period closes at **5:00 p.m. on August 16, 2010**, or at the conclusion of the public hearing, if any, whichever comes later, to the contact person listed below. The Department will consider only comments received at the Department offices or at the public hearing, by that time. Submit comments to:

Stephanie L. Fields
Department of Mental Health
1600 9th Street, Room 435
Sacramento, CA 95814
(916) 651-1446

Backup Contact:

Alice Lee
Department of Mental Health
1600 9th Street, Room 435
Sacramento, CA 95814
(916) 654-2319

AUTHORITY AND REFERENCE

Pursuant to the authority vested by Sections 5898 of the Welfare and Institutions Code, the Department of Mental Health (Department) is seeking changes to Division 1 of Title 9 of the California Code of Regulations as follows: Adopt Article 2, Sections 3200.028 and 3200.252, Amend Article 6 Sections 3630 and 3650, and Adopt Article 6, Sections 3630.05, 3630.10, and 3630.15. This proposed action implements, interprets, and makes specific Welfare and Institutions Code sections 5813.5, 5878.1, 5664, 5830, 5847, and 5848.”

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

This rulemaking action clarifies and makes specific the circumstances when housing is an eligible expenditure under Community Services and Supports (CSS) General System Development (GSD). CSS is a component within the Mental Health Services Act (MHSA). Housing expenditures under GSD shall be allowable when they expand housing resources.

The California voters approved Proposition 63 during the November 2004 General Election. Proposition 63 became effective on January 1, 2005 as the Mental Health Services Act (MHSA). The MHSA expands mental health services to children/youth, adults and older adults who have serious mental illness or serious emotional disturbance and whose service needs are not being met through other funding sources. Through imposition of a 1% tax on personal income in excess of \$1 million, the MHSA provides the opportunity for the Department of Mental Health (DMH) to offer increased funding, personnel and resources to support county mental health programs and monitor progress toward statewide goals for children/youth, adults, older adults and families.

The MHSA directs the county mental health programs to develop and submit a three-year plan to DMH, which DMH has called the Three-Year Program and Expenditure Plan (Plan). The Plan is comprised of five components of activities and/or services for which the funding established under the MHSA can be spent. The components are Community Services and Supports for children, transition-age youth, adults and older adults; Capital Facilities and Technological Needs; Workforce Education and Training; Prevention and Early Intervention; and Innovative Programs.

Given the scale of each component, DMH is implementing each component on a sequential and/or phased-in approach. Accordingly, regulations related to each component are being drafted through a concurrent process as the MHSA components are developed. The Department drafted regulations governing the Community Services and Supports first and these were made final in February 2008. Since it was imperative that the Department begin to distribute funds to the Counties to allow the programs and services to commence, the Department included in this initial regulatory package, fiscal

reporting requirements and implemented regulations based on its authority in the law and its current accounting system.

These proposed regulations clarify the circumstances when housing is an eligible expenditure under Community Services and Supports (CSS) General System Development (GSD). Housing expenditures under GSD shall be allowable when they expand housing resources.

Supporting documentation and relevant materials the Department relied upon in the Initial Statement of Reasons and/or the Informative Digest include,

DMH Information Notice 08-05 Community Services and Supports GSD Housing
(Superseded by DMH Information Notice: 08-12)

Enclosure 1 - Examples of Community Services and Supports
-General System Development Housing Costs (Project-Based)

DMH Information Notice 08-12 Community Services and Supports GSD Housing
(Supersedes DMH Information Notice: 08-05)

Enclosure 1 - Examples of Community Services and Supports
-General System Development Housing Costs
(Project-Based)

Enclosure 2 - County Certification - General System Development
Housing

Enclosure 3 - General System Development Project Fact Sheet

Enclosure 4 - Annual Status Report - General System Development
Project

DMH Information Notice 08-31 Community Services and Supports GSD Housing
- Project-Based Operating Subsidy Clarification

This Informative Digest accompanies the proposed regulations to amend two regulations and adopt five regulations, located in the California Code of Regulations Title 9, Division 1, Chapter 14, Article 2, Definitions and Article 6, Community Services and Supports which expands an existing service category within the already existing component of the CSS.

THE DEPARTMENT HAS MADE THE FOLLOWING INITIAL DETERMINATIONS:

Mandate on local agencies and school districts: None.

Cost or savings to any state agency: None.

Cost to any local agency or school district which must be reimbursed in accordance with Government Code sections 17500 through 17630: None

Other nondiscretionary cost or savings imposed on local agencies: None

Cost or savings in federal funding to the state: None.

Significant, statewide adverse economic impact directly affecting business including the ability of California businesses to compete with businesses in other states: None

Cost impacts on a representative private person or businesses: The Department is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Adoption of these regulations will not:

- (1) create or eliminate jobs within California;
- (2) create new businesses or eliminate existing businesses with California; or
- (3) affect the expansion of business currently doing business within California.

Significant effect on housing costs: None.

BUSINESS IMPACT/SMALL BUSINESSES

The Department of Mental Health has made a determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states. The proposal does not affect small businesses as defined by section 11342.610. The impact is limited to County budget offices who would have performed the financial calculations related to completing the Annual Revenue and Expenditure Report and does not require any significant change in their business practices.

CONSIDERATION OF ALTERNATIVES

In accordance with Government Code section 11346.5, subdivision (1)(13), the Department must determine that no reasonable alternative which it will consider or that will otherwise be identified and brought to its attention will be more effective in carrying out the purpose for which this action is proposed or will be as effective and less burdensome to affect private persons than the proposed action described in this Notice.

CONTACT PERSONS

Inquiries concerning the proposed administrative action may be directed to:

Stephanie L. Fields
Department of Mental Health
1600 9th Street, Room 435
Sacramento, CA 95814
(916) 651-1446

Backup Contact:

Alice Lee
Department of Mental Health
1600 9th Street, Room 435
Sacramento, CA 95814
(916) 654-2319

Please direct requests for copies of the proposed text of the regulations, the Initial Statement of Reasons, or other information upon which the rulemaking is based to Ms. Fields at the above address. Comments may also be submitted by facsimile (FAX) at (916) 651-3852 or by e-mail to Regulations@dmh.ca.gov. Comments must be submitted prior to **5:00 p.m. on August 16, 2010**.

AVAILABILITY OF STATEMENT OF REASONS, TEXT OF PROPOSED REGULATIONS, AND RULEMAKING FILE

The Department has available the rulemaking file for inspection and copying at its office at 1600 9th Street room 435, Sacramento, CA 95814. As of the date this notice is published in the Notice Register, the rulemaking file consists of copies of the exact language of the proposed regulations, the Initial Statement of Reasons, and all of the information upon which the proposal is based. These documents may also be viewed and downloaded from the Department's website at www.dmh.ca.gov.

Following the public comment period the Department may thereafter adopt the proposals substantially as described below or may modify the proposals if the modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption from the person designated in this Notice as contact person and will be mailed

to those persons who submit written comments related to this proposal, or who provide oral testimony if a public hearing is held, or who have requested notification of any changes to the proposal.

AVAILABILITY OF THE FINAL STATEMENT OF REASONS

Upon its completion, copies of the Final Statement of Reasons may be obtained by contacting Ms. Fields at the above address or on the Department's website at www.dmh.ca.gov.

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