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CONTRA COSTA
MENTAL HEALTH COMMISSION

Mental Health Commission
MHSA-Finance Committee Meeting
Thursday, November 18, 2021, 1:30-3:00 PM
Via: Zoom Teleconference:

https://zoom.us/j/5437776481
Meeting number: 543 777 6481
Join by phone:
1 669 900 6833 US
Access code: 543 777 6481

AGENDA

I. **Call to order/Introductions**

II. **Public comments**

III. **Commissioner comments**

IV. **Chair comments**

V. **APPROVE minutes from the October 21, 2021 MHSA-Finance Committee meeting**

VI. **RECEIVE Lincoln Families Program & Fiscal Review discussion and documentation for its Multi-Dimensional Family Therapy (MDFT) Program for the Lincoln Child Center, Allison Staulcup Becwar, LCSW, President & CEO, Lincoln Families**

VII. **Update on state level Incompetent to Stand Trial (IST) Solutions Workgroup Developments—Douglas Dunn, Chair MHSA-Finance Committee**

VIII. **Motion—ask Contra Costa Behavioral Health Services (CCBHS) to include Institute of Mental Diseases (IMD) Mental Health Rehabilitation Center (MHRC) facilities, programming and staffing needs in its upcoming Behavioral Health Continuum Infrastructure competitive grant applications to the state**

IX. **Adjourn**

Mental Health Services Act (MHSA)

Program and Fiscal Review

I. **Date of On-site Review:** May 30, 2017
Date of Exit Meeting: September 18, 2017

II. **Review Team:** Stephanie Chenard and Gerold Loenicker

III. **Name of Program:** Lincoln
51 Marina Blvd, Suite D
Pittsburg, CA 94565

IV. **Program Description.** Lincoln was founded in 1883 as the region's first volunteer-run, non-sectarian, and fully integrated orphanage. As times and community needs evolved, Lincoln's commitment to vulnerable children remained strong. In 1951, Lincoln began serving abused, neglected and emotionally challenged children. Today, Lincoln has a continuum of programs to serve challenged children and families throughout the Bay Area. Their community based services include early intervention programs in several Bay Area school districts aimed at stopping the cycle of violence, abuse and mental health problems for at-risk children and families.

Lincoln works with Contra Costa Behavioral Health Services (CCBHS) to provide a Full Service Partnership Program for youth throughout the County. As part of the Full Service Partnership, Lincoln utilizes the evidence based practice of Multidimensional Family Therapy (MDFT). This is a comprehensive and multi-systemic family-based outpatient therapeutic intervention for youth and adolescents with co-occurring substance use and mental health disorders or who may be at high risk for continued substance abuse and other problem behaviors, such as conduct disorder and delinquency. The age range of the consumers they serve is 11-19 (up until the consumer's 20th birthday). Working with the youth and their families, MDFT helps youth develop more effective coping and problem solving skills for better decision making, and helps the family improve interpersonal functioning as a protective factor against substance abuse and related problems. Services are delivered over 4 to 6 months with weekly or twice-weekly, face-to-face contact, either in the home, the community or in the clinic. After care services are additionally available for up to three months after the conclusion of the program.

V. Purpose of Review. Contra Costa Behavioral Health Services (CCBHS) is committed to evaluating the effective use of funds provided by the Mental Health Services Act. Toward this end a comprehensive program and fiscal review was conducted of the above program. The results of this review are contained herein, and will assist in a) improving the services and supports that are provided, b) more efficiently support the County's MHSA Three Year Program and Expenditure Plan, and c) ensure compliance with statute, regulations and policy. In the spirit of continually working toward better services we most appreciate this opportunity to collaborate together with the staff and clients participating in this program/plan element in order to review past and current efforts, and plan for the future.

VI. Summary of Findings.

Topic	Met Standard	Notes
1. Deliver services according to the values of the MHSA	Met	Consumers and family members indicate the program meets the values of MHSA
2. Serve the agreed upon target population.	Met	Program only serves clients that meet criteria for the County's children's full service partnership admission criteria.
3. Provide the services for which funding was allocated.	Met	MHSA only funds services consistent with the Three Year Plan
4. Meet the needs of the community and/or population.	Met	Services are consistent with the Three Year Plan
5. Serve the number of individuals that have been agreed upon.	Met	Target service numbers are reached.
6. Achieve the outcomes that have been agreed upon.	Met	Program meets its outcomes
7. Quality Assurance	Partially Met	Utilization review indicated program meets most quality assurance standards
8. Ensure protection of confidentiality of protected health information.	Met	The program is HIPAA compliant

9. Staffing sufficient for the program	Met	Staffing level supports targeted service numbers.
10. Annual independent fiscal audit	Met	No material or significant weaknesses were noted.
11. Fiscal resources sufficient to deliver and sustain the services	Met	Lincoln has significant net assets to withstand significant revenue interruptions.
12. Oversight sufficient to comply with generally accepted accounting principles	Met	Staff is well qualified and program has good internal controls and monthly review processes.
13. Documentation sufficient to support invoices	Met	Organization provided documentation that reconciles to monthly invoices.
14. Documentation sufficient to support allowable expenditures	Met	Method of accounting for personnel time and operating costs appear to be supported.
15. Documentation sufficient to support expenditures invoiced in appropriate fiscal year	Met	No billings noted for previous fiscal year expenses and documentation supports that funds are invoiced in the appropriate fiscal year.
16. Administrative costs sufficiently justified and appropriate to the total cost of the program	Met	Contract budget reflects indirect rate of 16.4%.
17. Insurance policies sufficient to comply with contract	Met	Necessary insurance is in place
18. Effective communication between contract manager and contractor	Met	The County and program meet regularly.

VII. Review Results. The review covered the following areas:

1. **Deliver services according to the values of the Mental Health Services Act** (California Code of Regulations Section 3320 – MHSA General Standards). Does the program/plan element collaborate with the community, provide an

integrated service experience, promote wellness, recovery and resilience, be culturally competent, and be client and family driven.

Method. Consumer, family member, and service provider interviews and consumer surveys.

Discussion. The results of 11 consumer surveys were received. The majority of the survey responses were consistent with consumer interviews; namely, they show a positive evaluation of the program; and that the program adheres to MHSA values.

Questions	**Responses: n=11**				
Please indicate how strongly you agree or disagree with the following statements regarding persons who work with you:	Strongly Agree 4	Agree 3	Disagree 2	Strongly Disagree 1	I don't know n/a
1. Help me improve my health and wellness.	Average score: 3.28 **(n=11)**				
2. Allow me to decide what my own strengths and needs	Average score: 3.40 **(n=10)**				
3. Work with me to determine the services that are most helpful	Average score: 3.50 **(n=10)**				
4. Provide services that are sensitive to my cultural background.	Average score: 3.50 **(n=10)**				
5. Provide services that are in my preferred language	Average score: 3.55 **(n=11)**				
6. Help me in getting needed health, employment, education and other benefits and services.	Average score: 3.37 **(n=11)**				
7. Are open to my opinions as to how services should be provided	Average score: 3.55 **(n=11)**				
8. What does this program do well?	• Helped with school • Responds quickly to the needs of the child and the family as a whole. Shows compassion and respect for each family members position. Willing to travel for the needs of the family. • Being able to empathize and relate to personal life and relationships. Also appointments are well scheduled. • Acts like it really cares. Provides in depth counseling.				

<table>
<tr><td></td><td colspan="4">• This program helps me communicate with my family in a healthy manner.
• I like being able to talk about my problems and working on how to solve them.</td></tr>
<tr><td>9. What does this program need to improve upon?</td><td colspan="4">• Help with housing
• “My mom needs therapy.”</td></tr>
<tr><td>10. What needed services and supports are missing?</td><td colspan="4">• Housing</td></tr>
<tr><td rowspan="2">11. How important is this program in helping you improve your health and wellness, live a self-directed life, and reach your full potential?</td><td>Very Important
4</td><td>Important
3</td><td>Somewhat Important
2</td><td>Not Important
1</td></tr>
<tr><td colspan="4">Average score: 3.64 (n=11)</td></tr>
<tr><td>12. Any additional comments?</td><td colspan="4">• I really appreciate the help</td></tr>
</table>

<u>Consumer Interview</u>

Due to the nature of the services being delivered almost exclusively in the field, and because of the time commitments of the families and consumers, we were only able to meet with one consumer for a face-to-face interview. The consumer had been referred to the program through juvenile probation and had just finished the full six month program. She had tried several different programs before Lincoln’s MDFT program, but none of the previous programs were a good fit for her or her family’s needs.

Overall, the consumer was very appreciative of the services provided by Lincoln. She felt that there was strong cultural grounding in the treatment plan, and that input from her and her family was solicited and valued as part of the treatment plan, empowering her to put in greater effort, and gaining confidence. During the interview, some of the other things specifically identified as positives of the program were:

- The family component was key to success – it helped repair and strengthen family relationships, and was useful in helping to find common ground with family members.
- The skills and coping activities learned helped to moderate emotions and control anger.
- Flexibility – able to provide services in the community.

These positives clearly speak to several of the MHSA values. However, the consumer also identified some areas of improvement. She indicated that she felt the program could benefit from more therapist availability. She also indicated that she was interested in participating in some kind of mentorship program as part of the next steps in her recovery. Determining linkages to organizations that specialize in peer volunteer mentoring may be an opportunity for Lincoln to explore.

Staff Interview:

Overall, five individual program staff were interviewed in two sessions: a program management session and a line staff group interview (two clinicians and a family advocate). Staff shared that the program receives their referrals from several sources, primarily from juvenile probation, county children's clinics, or Seneca's START program (as a next step in treatment). Lincoln's MDFT team provides care to the child and whole family, according to the MDFT evidence-based model, which focuses on larger goals for the program, then smaller goals for each session. This is achieved through multiple sessions: individual child/consumer sessions, parenting sessions, and whole family sessions. The MDFT uses a "parents are the medicine" philosophy. Staff reported that "collateral support" can be providing support to youth in court or in schools, and providing support to the family to build and empower them. According to program staff, one of the principal strengths of the program is the flexibility the model allows, especially for the family advocate, who can be very responsive to the needs of the family. Program management indicated that the model can be used in a cross-over situation with youth who are receiving Educationally Related Mental Health Services (ERMHS) as long as MDFT has the lead in treatment, and reported that this cross-over appears to be working well, so far.

During the interview, staff also shared hindrances they faced in providing services to the youth, such as youth aging out of the system of care while still in the program. Turning 18 presents challenges working with parents or the foster care system. Staff also faced difficulty coordinating aftercare, and linking the youth to other county services. However, staff did indicate that overall they felt like they were meeting the needs of their clients, and appreciated the flexibility to tailor treatment to their client's cultural background.

Results. Interviews with program participants and service providers as well as program participant survey results all support that Lincoln delivers services in accordance with the values of MHSA.

2. **Serve the agreed upon target population.** For Community Services and Supports, does the program serve children or youth with a serious emotional disturbance. Does the program serve the agreed upon target population (such as age group, underserved community).
   Method. Compare the program description and/or service work plan with a random sampling of client charts or case files.
   Discussion. The Lincoln MDFT Full Service Partnership program accepts referrals from the County, often through the juvenile probation department, clinics, and other full-service partnership providers. The MHSA chart review conducted by the MHSA Program and Fiscal Review team confirms the agreed upon target population for full service partnerships.

   Contra Costa Behavioral Health Services also performs a utilization review on all programs which bill Medi-Cal, including Lincoln. On July 6, 2016 a Level Two Centralized Utilization Chart Review was conducted. For all of the charts reviewed*, clients met medical necessity for specialty mental health services as specified in the Welfare and Institutions Code (WIC) Section 5600.3(a).

   **(Please see longer discussion about this review in Section 7 below.)*

   Results. The program serves the agreed upon population.

3. **Provide the services for which funding was allocated.** Does the program provide the number and type of services that have been agreed upon.
   Method. Compare the service work plan or program service goals with regular reports and match with case file reviews and client/family member and service provider interviews.
   Discussion. Monthly service summaries and 931 and 864 Reports from CCBHS's billing system show that the Lincoln's Full Service Partnership program is providing the number and type of services that have been agreed upon. Services include Multidimensional Family Therapy (MDFT) services, outreach and engagement, case management, outpatient mental health services, crisis intervention, and flexible funds. Both program staff and participants indicated services are available on a 24-7 basis via an after-hours crisis phone line.
   Results. The program provides the services for which funding was allocated.

4. **Meet the needs of the community and/or population.** Is the program meeting the needs of the population/community for which it was designed. Has the program been authorized by the Board of Supervisors as a result of a community

program planning process. Is the program consistent with the MHSA Three Year Program and Expenditure Plan.

Method. Research the authorization and inception of the program for adherence to the Community Program Planning Process. Match the service work plan or program description with the Three Year Plan. Compare with consumer/family member and service provider interviews. Review client surveys.

Discussion. The Full Service Partnership programs were included in the original Community Services and Supports plan that was approved in May 2006 and included in subsequent plan updates. The program has been authorized by the Board of Supervisors and is consistent with the current MHSA Three-Year Program and Expenditure Plan. Interviews with service providers and program participants support the notion that the program meets its goals and the needs of the community it serves.

Results. The program meets the needs of the community and the population for which they are designated.

5. **Serve the number of individuals that have been agreed upon.** Has the program been serving the number of individuals specified in the program description/service work plan, and how has the number served been trending the last three years.

   Method. Match program description/service work plan with history of monthly reports and verify with supporting documentation, such as logs, sign-in sheets and case files.

   Discussion. Upon initial award of the children's FSP contract, Lincoln's MDFT target enrollment number was 50 clients. The program launched in the 2013, and at the end of their first full fiscal year of operation (13/14FY) they were reporting serving 57 clients -- well within their target. They have continued to meet their target numbers.

   Results. The program serves the number of people that have been agreed upon.

6. **Achieve the outcomes that have been agreed upon.** Is the program meeting the agreed upon outcome goals, and how has the outcomes been trending.

   Method. Match outcomes reported for the last three years with outcomes projected in the program description/service work plan, and verify validity of outcome with supporting documentation, such as case files or charts. Outcome domains include, as appropriate, incidence of restriction, incidence of psychiatric crisis, meaningful activity, psychiatric symptoms, consumer satisfaction/quality of life, and cost effectiveness. Analyze the level of success by the context, as appropriate, of pre- and post-intervention, control versus experimental group,

year-to-year difference, comparison with similar programs, or measurement to a generally accepted standard.
Discussion. Lincoln's MDFT program started during FY 13/14, and started reporting on early outcomes for that year. The program has a few well-defined primary program objectives as part of the service work plan: reduction in substance use or maintained abstinence, reduction in delinquency or maintained positive functioning, and demonstrated improvement in functioning. The program has provided an annual report summarizing their progress towards meeting their program outcomes.
Results. Overall, the program achieves its primary objectives.

7. **Quality Assurance.** How does the program assure quality of service provision.
Method. Review and report on results of participation in County's utilization review, quality management incidence reporting, and other appropriate means of quality of service review.
Discussion. CCBHS did not receive any grievances associated with Lincoln's MDFT Full Service Partnership program. The program has an internal grievance procedure in place and clients receive information on how to file complaints as part of the agency's Notice of Privacy Practices. The program undergoes regular Level 1 and Level 2 utilization reviews conducted by CCBHS's utilization review teams to ensure that program services and documentation meet regulatory standards. Level 1 and Level 2 utilization review reports indicate that Lincoln generally meets documentation and quality standards.

   On July 6, 2016, a Level Two Centralized Utilization Chart Review and a Focused Review was conducted by CCBHS. The results show that charts generally met documentation standards, with a few compliance issues, to include incomplete or incorrectly completed forms. There were several other findings related to disallowances for incomplete and late assessments, notes not being completed in a timely manner, and incorrectly billed activities. Notably, however, was a larger disallowance for two of the five charts reviewed for not meeting service necessity for MDFT. Specifically, these two clients did not document a co-occurring substance abuse disorder diagnosis. While the clients seemed to have met medical necessity for a full service partnership, without documentation of substance use, they did not qualify for MDFT under the Service Work Plan that Utilization Review (UR) staff used as a guideline for allowable services. Utilization Review staff provided feedback around standardized notes, defining allowable billable services, and timeliness of completing notes.

Lincoln submitted an appeal on July 27, 2016 for several of the disallowances, with significant discussion on the substance use criteria. In their appeal, Lincoln noted that an agreement was arrived at between the program and the CCBHS Adult Program Chief and Children Program Chief that MDFT would no longer need to require a co-occurring substance use disorder diagnosis to be treated, in order to better serve the needs of the community. While this verbal arrangement had clearly been made, the Service Work Plan with the County had not been updated to reflect this change. The County denied their appeal, citing that they could only go by the most current Service Work Plan at the time of the review. In the same appeal document, Lincoln also submitted a plan of correction for the remaining findings. At the time of this MHSA program review, Lincoln indicated that the Service Work Plan had been updated to reflect this change in criteria and services.

Results. The program has a quality assurance process in place. However, it is recommended that Lincoln continue to work with the County to ensure that any change in services is updated in the Service Work Plan on file in a timely fashion to avoid any future disallowances. It is further recommended that the program continue to provide training to their clinical staff on consistent clinical documentation.

8. **Ensure protection of confidentiality of protected health information.** What protocols are in place to comply with the Health Insurance Portability and Accountability Assurance (HIPAA) Act, and how well does staff comply with the protocol.
   Method. Match the HIPAA Business Associate service contract attachment with the observed implementation of the program/plan element's implementation of a protocol for safeguarding protected patient health information.
   Discussion. Lincoln has written policies and provides staff training on HIPAA requirements and safeguarding of patient information. Client charts are kept in locked file cabinets, behind a locked door and comply with HIPAA standards. Clients and program participants are informed about their privacy rights and rules of confidentiality.
   Results. The program complies with HIPAA requirements.

9. **Staffing sufficient for the program.** Is there sufficient dedicated staff to deliver the services, evaluate the program for sufficiency of outcomes and continuous quality improvement, and provide sufficient administrative support.
   Method. Match history of program response with organization chart, staff interviews and duty statements.

Discussion. At the time of the site visit, Lincoln indicated that there had been some recent turnover and they had two clinician vacancies on the MDFT team. However, the nature of the team approach of MDFT evidence-based treatment and program staff training allows Lincoln to provide the services outlined in the Service Work Plan with current staffing, and they seemed to be on track to hit their target number of clients served. The experience level of the treatment team varied from a few years of experience in mental health to this being their first position in mental health. Lincoln has a robust internal training program aimed at identifying and addressing a variety of mental health issues in their training process. However, one area of opportunity that staff indicated they would like to receive more training in was on trauma-specific treatment.
Results. Sufficient staffing is in place to serve the number of clients outlined in the most recent Service Work Plan.

10. **Annual independent fiscal audit.** Did the organization have an annual independent fiscal audit performed and did the independent auditors issue any findings.
Method. Obtain and review audited financial statements. If applicable, discuss any findings or concerns identified by auditors with fiscal manager.
Discussion. Lincoln is a not-for-profit agency impacts the lives of children and families through evolving programs. The organization has a total operating budget of $19 million and provides services for outreach and engagement, case management, outpatient mental health and crisis intervention. Today, Lincoln provides preventive, individualized, and comprehensive support services with a focus on three core areas that disrupt cycles of poverty and trauma. These areas are education – addressing obstacles that impact academic attendance and achievement; family – strengthening stability and creating permanence; and well-being- improving resiliency and wellness.
Results. Annual independent fiscal audits for FY 2013-14, 14-15 and 15-16 were provided and reviewed. No material or significant findings were noted.

11. **Fiscal resources sufficient to deliver and sustain the services.** Does organization have diversified revenue sources, adequate cash flow, sufficient coverage of liabilities, and qualified fiscal management to sustain program.
Method. Review audited financial statements and Board of Directors meeting minutes. Interview fiscal manager of program.
Discussion. The Controller indicated that current expenses are exceeding revenue due to staffing insufficiency, and when operating with a deficit, program utilizes investments to stay afloat. The program has hired new staff and expects to see changes this fiscal year that promotes growth in revenue. The outstanding

balance for line of credit significantly increased for FY 15-16 but has decreased for FY 16-17. There were no issues identified in the Board of Directors minutes related to the program or organization's fiscal position, indicating their operating cash balance is sufficient and that they have a daily process to track cash flows.
Results. Fiscal resources are currently sufficient to deliver and sustain services.

12. **Oversight sufficient to comply with generally accepted accounting principles.** Does organization have appropriate qualified staff and internal controls to assure compliance with generally accepted accounting principles.
Method. Interview with fiscal manager.
Discussion. The Controller has been with Lincoln for seven years, appears well qualified, and described established protocols that are in place to enable a check and balance system to assure compliance with generally accepted accounting principles.
Results. Sufficient oversight exists to enable compliance with generally accepted accounting principles.

13. **Documentation sufficient to support invoices.** Do the organization's financial reports support monthly invoices charged to the program and ensure no duplicate billing.
Method. Reconcile financial system with monthly invoices. Interview fiscal manager of program.
Discussion. A randomly selected invoice for each of the last three years was matched with supporting documentation provided by the agency. A clear and accurate connection was established between documented hours worked and submitted invoices. A clear and accurate connection was established between documented hours/types of mental health services and submitted invoices. Lincoln's FSP program is a specialty mental health service contract with CCBHS that is based upon established rates and billed monthly according to the documented level of service provided.
Results. Uses established software program with appropriate supporting documentation protocol

14. **Documentation sufficient to support allowable expenditures.** Does organization have sufficient supporting documentation (payroll records and timecards, receipts, allocation bases/statistics) to support program personnel and operating expenditures charged to the program.
Method. Match random sample of one month of supporting documentation for each fiscal year (up to three years) for identification of personnel costs and operating expenditures invoiced to the county.

Discussion. Line item personnel and operating costs were reviewed for appropriateness. All line items submitted were consistent with line items that are appropriate to support the service delivery.
Results. Method of allocation of percentage of personnel time and operating costs appear to be justified and documented.

15. **Documentation sufficient to support expenditures invoiced in appropriate fiscal year.** Do organization's financial system year end closing entries support expenditures invoiced in appropriate fiscal year (i.e., fiscal year in which expenditures were incurred regardless of when cash flows).
Method. Reconcile year end closing entries in financial system with invoices. Interview fiscal manager of program.
Discussion. Total contract billing was within contract limits, with no billing by this agency for expenses incurred and paid in a previous fiscal year.
Results. Lincoln appears to be implementing an appropriate year end closing system with reporting signed by the CFO.

16. **Administrative costs sufficiently justified and appropriate to the total cost of the program.** Is the organization's allocation of administrative/indirect costs to the program commensurate with the benefit received by the program.
Method. Review methodology and statistics used to allocate administrative/indirect costs. Interview fiscal manager of program.
Discussion. Lincoln produced its methodology that justifies the 16.4% indirect rate charged to the contract. The controller indicated indirect costs are allocated to the different programs based on actual personnel hours of each program.
Results. At 16.4% the indirect rate appears reasonable.

17. **Insurance policies sufficient to comply with contract.** Does the organization have insurance policies in effect that are consistent with the requirements of the contract.
Method. Review insurance policies.
Discussion. The program provided commercial general liability insurance, automobile liability, umbrella liability, professional liability and directors and officers liability policies that were in effect at the time of the site visit.
Results. The program complies with contract insurance requirements.

18. **Effective communication between contract manager and contractor.** Do both the contract manager and contractor staff communicate routinely and clearly regarding program activities, and any program or fiscal issues as they arise.
Method. Interview contract manager and contractor staff.

Discussion. To date contract management duties have been centralized within CCBHS's children's system. Moreover, the contract manager and Children's Chief meet with the program for regular monthly meetings.
Results. The program has historically had good communication with the contract manager and is receptive to feedback and willing to address concerns that may arise.

VIII. Summary of Results.

Lincoln is committed to stabilizing youth with co-occurring substance use and mental health disorders or who may be at high risk for continued substance abuse and other problem behaviors, such as conduct disorder and delinquency. Their services seek to help youth develop more effective coping and problem solving skills for better decision making, and help the family improve interpersonal functioning as a protective factor. The Lincoln Full Service Partnership adheres to the values of MHSA and serves their target population. The program is meeting the outcomes detailed in their contract. Lincoln appears to be a financially sound organization that follows generally accepted accounting principles, and maintains documentation that supports agreed upon service expenditures.

IX. Findings for Further Attention.

- It is recommended that Lincoln continue to work with the County to ensure that any change in services is updated in the Service Work Plan on file in a timely fashion to avoid any future disallowances.

- The program should continue to provide training to their clinical staff on

- consistent clinical documentation.

X. Next Review Date. May 2020

XI. Appendices.

Appendix A – Program MDFT Fidelity & Outcomes Report

Appendix B – Program Description/Service Work Plan

Appendix C – Service Provider Budget

Appendix D – Yearly External Fiscal Audit

Appendix E – Organization Chart

XII. Working Documents that Support Findings.

Consumer Listing

Consumer, Family Member Surveys

Consumer, Family Member, Provider Interviews

County MHSA Monthly Financial Report

County Utilization Review Report

Progress Reports, Outcomes

Monthly Invoices with Supporting Documentation

Indirect Cost Allocation Methodology/Plan

Board of Directors' Meeting Minutes

Insurance Policies

MHSA Three Year Plan and Update(s)

APPENDIX A

Program MDFT Fidelity & Outcomes Report

MDFT Fidelity & Outcomes Report

Reporting Period:	From:	7/1/2016	To:	6/30/2017
Program Name - Agency Name:	Lincoln MDFT Program Contra Costa County - Lincoln Child Center (Standard Dose)			
Date of Report:	08/11/2017			

Service Delivery Report

1.	Percentage of therapy sessions held in clinic:	11.64%
2.	Average case duration (in months):	5.32
3.	Total number of cases served during reporting period:	63
4.	Total number of cases closed during reporting period:	49
5.	Percentage of cases closed that completed at least 8 sessions (Benchmark 85% or higher):	95.92%

Percent Improvement Report

(Only includes cases closed during the reporting period)

Reporting Period:	From:	7/1/2016	To:	6/30/2017
Program Name - Agency Name:	Lincoln MDFT Program Contra Costa County - Lincoln Child Center			
Date of Report:	08/11/2017			
Number of Closed Cases:	49			

		Benchmark 30% or more
1.	Marijuana and/or Alcohol Use:	63
2.	Hard Drug Use:	75
3.	Delinquency/Crime:	69
4.	Aggressive and Violent Behavior:	71
5.	School Attendance:	34
6.	Mental Health Functioning:	39
7.	Family Violence:	47
8.	Family functioning:	39
9.	School Grades/Performance:	45
10.	Peer Affiliation:	38

Behavioral Outcomes Report

(Only includes cases closed during the reporting period)

Reporting Period:	From: 7/1/2016 To: 6/30/2017
Program Name - Agency Name:	Lincoln MDFT Program Contra Costa County - Lincoln Child Center
Date of Report:	08/11/2017
Number of Closed Cases:	49

		Benchmark 80% or more
1.	Percent of youth living at home/not in placement:	95.92%
2.	Percent of youth in school/working:	77.55%
3.	Percent of youth with no new arrests:	93.88%
4.	Percent of families with no new child abuse/neglect reports:	97.96%
5.	Percent of youth with marijuana/alcohol use less than 10 days per month:	77.55%
6.	Percent of youth with no hard drug use:	85.71%
7.	Percent of youth who never or rarely engage in illegal activities other than drug/alcohol use, shoplifting, trespassing, loitering, truancy, etc.:	79.59%
8.	Percent of youth who never or rarely engage in violent behavior:	91.84%
9.	Percent of youth with stable mental health functioning:	79.59%

10.	Percent of youth who do not affiliate mostly or exclusively with anti-social peers:	79.59%
11.	Percent of youth not at high risk for STDs and pregnancy:	91.84%
12.	Percent of families who are not characterized by poor family functioning:	81.63%
13.	Percent of families who do not regularly resort to family violence:	95.92%
14.	Percent of youth not on probation:	26.53%
15.	Percent of youth with no open child welfare case:	95.92%
16.	Percent of cases closed successfully:	73.47%
17.	Reason for treatment discharge:	
a.	Percentage met most treatment goals:	53.06%
b.	Percentage maximum gain:	24.49%
c.	Percentage discharged to juvenile justice facility:	4.08%
d.	Percentage moved out of area/unable to locate:	4.08%
e.	Percentage discharged to residential/inpatient treatment care:	2.04%
f.	Percentage youth/family dropped out of treatment before goals were met:	12.24%
g.	Percentage unknown:	0%

SUMMARY:

Implementation is related to Outcomes. In general, research shows that outcomes improve as adherence to implementation requirements improve.

Service Delivery & Therapy Sessions:

Case Duration:

Case duration is within the target of 90 – 180 days at 5.32 months per case on average. This shows that cases are being retained but also closed within a reasonable time frame (not dragging cases out too long). Engagement (cases closed with 8 sessions or more completed) was 95%, which is above the 85% target. These figures were based on a total of 63 cases seen in the year and 49 closed, which is impressive.

Clinical Improvement

The Behavioral Outcomes at discharge were exceptional, with 12 of 15 indicators at or above the 80% benchmark and another 2 indicators above the 75% mark. In particular,

96% of youth were still living in the home at treatment completion (this is outstanding), and hence costly out-of-home placement was prevented. Additionally, 94% had no new arrests and 92% were never/rarely engaging in violence. Family-level outcomes were excellent, with 96% not resorting to violence, 98% having no child neglect or abuse reports, 82% exhibiting decent family functioning, and 96% not having an open child welfare case at discharge. An impressive 92% of youth were not at high risk for STDs, 94% had no new arrests, and 86% had no hard drug use at the end of treatment.

The majority of youth and families had stable functioning at discharge according to virtually all indicators: having stable mental health functioning (80%), never/rarely engaging in major criminal acts (80%), not affiliating mainly with anti-social peers (80%), and less than 10 days of marijuana/alcohol use (78%). In addition, 78% were in school or working at the end of treatment.

A remarkable 78% of cases met most or all of their treatment goals or maximum gains. Only 2% were discharged to residential/inpatient treatment care, and only 4% were placed in the juvenile justice system. Only 12% of youth and their families dropped out of treatment before treatment goals were met. Wow!

Only one area was below 50%: only 27% were off probation at the end of treatment.

Overall, 74% of cases were reported to have closed successfully. This is exceptional!

Percent Improvement: The average percent improvement on key outcomes from Intake to Discharge was outstanding, with ALL of the 10 key areas showing improvement of 30% or greater. This is unheard of even among other exceptional MDFT programs. The greatest improvements were in the most important areas of crime, violence, and substance use: there was a 69% improvement in delinquency/crime, 71% improvement in aggression/violence, 63% average reduction in marijuana and/or alcohol use, and 75% reduction in hard drug use. Data also show a 47% decrease in family violence and 39% improvement in family functioning. School attendance increased by 34% and school grades/performance improved by 45%. There was a 38% reduction in negative peer affiliation and 39% improvement in mental health functioning. Outstanding!

RECOMMENDATIONS

We note exceptional improvements in ALL areas, most notably in terms of crime, violence, and substance use. Outstanding outcomes were seen across domains. Excellent outcomes were noted across the board, and no declines in any area were seen. Wonderful work!

Overall, this is outstanding given the sheer number of cases seen, and the fact that this was a challenging year in terms of staff turnover, training, and demands on supervisors. We understand the supervisors and trainer were stretched thin, and therapists were going above and beyond to meet the needs of their families. We commend the team for

excellent adherence to implementation parameters and outstanding clinical work and outcomes with their cases!

APPENDIX B

Program Description/Service Work Plan

Lincoln

Point of Contact: Christine Stoner-Mertz, CEO
Contact Information: 1266 14th St, Oakland CA 94607, (510) 273-4700
chrisstoner@lincolnchildcenter.org

1. **General Description of the Organization**

Lincoln was founded in 1883 as the region's first volunteer-run, non-sectarian, and fully integrated orphanage. As times and community needs evolved, Lincoln's commitment to vulnerable children remained strong. In 1951, Lincoln began serving abused, neglected and emotionally challenged children. Today, as a highly respected provider of children's services, Lincoln has a continuum of programs to serve challenged children and families throughout the Bay Area. Their community based services include early intervention programs in the Oakland and Pittsburg School Districts aimed at stopping the cycle of violence, abuse and mental health problems for at-risk children and families.

2. **Program: Multi-Dimensional Family Therapy (MDFT) – Full Service Partnership CSS**

Multidimensional Family Therapy (MDFT), an evidence-based practice, is a comprehensive and multi-systemic family-based outpatient program for youth and adolescents with co-occurring substance use and mental health disorders who may be at high risk for continued substance abuse and other problem behaviors, such as conduct disorder and delinquency. Working with the youth and their families, MDFT helps youth develop more effective coping and problem solving skills for better decision making, and helps the family improve interpersonal functioning as a protective factor against substance abuse and related problems. Services are delivered over 4 to 6 months, with weekly or twice-weekly, face-to-face contact, either in the home, the community or in the clinic.

a. Scope of Services

- Services include but are not limited to:
- Outreach and engagement
- Case management
- Outpatient Mental Health Services
- Crisis Intervention
- Collateral Services

- Group Rehab
- Flexible funds
- Contractor must be available to consumer on 24/7 basis

b. Target Population: Children ages 11 to 19 years in West, Central and East County experiencing co-occurring serious mental health and substance abuse disorders. Youth and their families can be served by this program.
c. Payment Limit: $874,417
d. Number served: The program served 78 clients in FY15/16.
e. Outcomes: For FY 15/16:
   - Reduction in incidence of psychiatric crisis
   - Reduction of the incidence of restriction

Table 5. Pre- and post-enrollment utilization rates for 78 Lincoln Child Center, participants enrolled in the FSP program during FY 15-16

	No. pre-enrollment	No. post-enrollment	Rate pre-enrollment	Rate post-enrollment	%change
PES episodes	19	9	0.032	0.012	-62.5
Inpatient episodes	2	2	0.003	0.004	+33.3
Inpatient days	6	8	0.010	0.004	-60
JACS	25	15	0.037	0.022	-40.5

SERVICE WORK PLAN

Agency: **Lincoln**
Contract #:
Fiscal Year: **2016/2017**
Title of Program: **Multidimensional Family Therapy (MDFT)**

I. Scope of Services

Lincoln will provide a Children's Behavioral Health Program funded by EPSDT and MHSA, utilizing Multidimensional Family Therapy to 11-19 year olds experiencing either co-occurring mental health and substance abuse related disorders or solely mental health disorders that qualify youth for a Full Service Partnership MH program. Youth and their families throughout Contra Costa County can be served through this program. The length of treatment in the MDFT model ranges. On average, treatment lasts 4-6 months, plus After-Care services lasting 6-8 weeks in which MH services are provided as needed. Thus, MDFT length of treatment, which includes After-Care services per the EBP model, ranges from 5-9 months in total. Treatment may be extended past 9 months if the need is determined. If additional services are required after 9 months, additional authorization would be requested.

II. Types of Mental Health Service/Other Service-Related Activities

Lincoln will provide mental health services for 50-100 youth per fiscal year. Services include, but are not limited to:

* Outreach and engagement
* Case Management
* Outpatient Mental Health Services
* Crisis Intervention
* Flexible Funding

On-Call Policy: Lincoln MDFT staff will provide 24 hour coverage for open cases in the MDFT program. Families will be provided with a dedicated on-call number for the MDFT program and encouraged to call that line for all after-hours and weekend emergencies. Clinicians and

supervisors will share on-call duties based on a rotating weekly schedule. Family Advocates will not be included in the on-call coverage plan.

Program Manager will be responsible for creating and maintaining the schedule to ensure coverage. To coordinate care, all clinicians will complete data forms (On-Call Notes) about their cases, including all necessary emergency information and relevant case information, including current interventions and strategies. On-Call Notes will be updated monthly to provide up to date information. The on-call staff will have these forms compiled in an on-call binder to assist them with any after-hour work. Emergency calls made to the on-call line will be assessed for need and triaged. Possible on-call responses include phone de-escalation of client/family crisis and/or assisting the client/family to call emergency services.

III. Criteria for Eligibility of Services:

A. Admissions:

County Mental Health shall determine eligibility criteria to ensure clients meet FSP level of need. All participants eligible to be enrolled will meet the following criteria:

1. Youth 11-19 years of age and their families
2. Must meet medical necessity in accordance with Medi-Cal requirements
3. Must meet MDFT model criteria for appropriateness of fit
4. Must meet *one* of the following criteria:
    a. On probation
    b. Referred from the Contra Costa Mental Health Children's System of Care
    c. CALOCUS 17+

B. Discharge Criteria:

Participants will be discharged from services in the following scenarios: (1) The youth has completed the course of treatment as determined by the MDFT model (2) It is determined that the youth requires a higher level of care to address substance use issues (3) The guardians and/or youth refuses to participate in services by not being involved in the development of the Partnership Plan and/or refusal to attend services, or (4) The guardian requests (either written or verbal form) state that they no longer wish to have services for their child, or (5) The youth and family moves away from the specified service area. For those youth whose families move away from the specified service area, Contractor will work with existing mental health programs and attempts to provide a smooth transition for the child/family.

IV. Program Facilities/Hours of Operation/Staffing

A. Program Facilities Location(s)

Main site will be located at 51 Marina Boulevard, 1st floor, Pittsburg, CA 94565. Services will mainly take place in locations such as participant's home and in the community. On occasion, clients may be seen at the Pittsburg office for assessments, family meetings, and/or other required appointments.

B. Contact Person and Phone Number

Kelly Collyer, Director Family Therapy, for Lincoln. (510) 867-1006.
Renee Lesti, Clinical Program Manager, for Lincoln MDFT. (510) 421-6866.
General information can also be obtained by calling Lincoln's main offices at (510) 273-4700.

C. Program Hours of Operation

Lincoln will provide services between the hours of 8:00a, and 8:00pm Monday through Friday, with on-call services available 24/7.

D. Program Staffing (including staffing pattern)

Lincoln will employ a minimum of 10.25 FTE. In the MDFT Program Lincoln will employ 8 FTE to provide direct service. Of the direct service positions, there are 6 MDFT Clinicians and 2 Family Advocates. 1 FTE and 0.6 FTE managers, and 0.5 clerical support.

V. Service Documentation

Lincoln will provide documentation of services as determined by Medi-Cal and MHSA requirements and will collaborate with County personnel to enter PSP data. Assessments and treatment plans will be completed within the first 60 days. A Discharge Summary will be completed at discharge. This information will be entered into PSP and charts will be brought to CCCBHS Central County Clinic for Utilization Review. Other components of evaluation and outcomes tracking are to be determined in accordance with State and County guidelines.

VI. Billing Procedure

Contractor shall submit to Mental Health each month a Demand for Payment (Form D15) for services rendered.

Demands for payment should be submitted by mail to:

Helen Kearns, Project Manager
Contra Costa County Children's Mental Health Division
1340 Arnold Drive, Suite 200
Martinez, CA 94553
(925) 957-5125

VII. Program Outcomes

A. Seventy percent of youth who complete treatment will have reduced substance use or maintained abstinence.
B. Seventy percent of youth who complete treatment will have reduced delinquency or maintained positive functioning in this target area.
C. Sixty percent of youth enrolled will demonstrate improvement in functioning.

VIII. Performance Outcome Measures

A. CANS to measure functioning in multiple domains during Initial Assessment and at discharge.
B. GAIN-Q3 to measure functioning in the following domains: school, work, stress, physical health, HIV risk behaviors, mental health (internalizing and externalizing disorders), substance use, crime and violence. Completed at intake, discharge, and 3 months post treatment.
C. Youth and caregiver surveys to assess satisfaction with services.

APPENDIX C

Service Provider Budget

Lincoln FY 2016-2017

Service Function	Time Base	County Maximum Allowance Rate (CMA)
Case Management, Brokerage	Staff Minute	$2.08
Mental Health Services	Staff Minute	$2.69
Crisis Intervention	Staff Minute	$4.00

Funding Sources	EPSDT - School	MHSA-FSP	Katie A IHBS	CC School Engagement
Federal Financial Participation	$ 2,181,951.00	$ 462,890.00	$ 553,872.00	$ 200,000.00
County Realignment	$ 2,031,951.00	$ 103,000.00	$ 553,872.00	
Mental Health Services Act for EPSDT Match		$ 359,900.00		
Mental Health Services Act for uninsured		$ 180,851.00		
Pittsburg Unified School District	$ 150,000.00			
Tides Center (Matching funds)				$ 200,000.00
Tides Center (Flex funds)				$ 53,000.00
	$ 4,363,902.00	$ 1,106,641.00	$ 1,107,744.00	$ 453,000.00
Contract Payment Limit	**$ 7,032,087.00**			

Note:

(1) For all eligible services, Contractor will bill Medi-Cal, using County's Medi-Cal Billing system under the rehabilitation option. All Federal Financial Participation (FFP) payments shall accrue to the County.

Medicare Certification and Other Health Care Insurance

If Contractor is providing Medicare services they are required to apply for Medicare certification. If Contractor is denied Medicare certification, Contractor must submit the Medicare denial notice to County before services can qualify for Medi-Cal payment. If Contractor is certified by Medicare and renders services at a place of service eligible for reimbursement under the Medicare program, Contractor must claim Medicare for services prior to claiming Medi-Cal, except as described in California Department of Health Care Services Information Notice 10-23.

If Contractor is certified by Medicare, Contractor is responsible for billing Medicare, obtaining an Explanation of Benefits (EOB) or Denial of Payment (DOP) prior to submitting a Medi-Cal bill to County for balance due for any non-covered Medicare portion to Medi-Cal. EOBs and/or DOPs must accompany Medi-Cal billing submissions. Contractor shall be solely responsible for any Medi-Cal losses resulting from their late or incorrect billings to Medicare, and late or incorrect submissions of the requisite EOBs/DOPs.

If the beneficiary has any Other Health Care (OHC) Insurance, Contractor is responsible for billing OHC Insurance and obtaining an EOB or DOP prior to submitting a Medi-Cal bill to County for balance due for any non-covered OHC portion to Medi-Cal. EOBs and/or DOPs must accompany Medi-Cal billing submissions. Contractor shall be solely responsible for any Medi-Cal losses resulting from their late or incorrect billings to OHC Insurance, and late or incorrect submissions of the requisite EOBs/DOPs.

APPENDIX D

Yearly External Fiscal Audit

Harrington Group
Certified Public Accountants, LLP

LINCOLN

FINANCIAL STATEMENTS, SUPPLEMENTAL SCHEDULES, and ADDITIONAL INFORMATION

JUNE 30, 2016 and 2015

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CONTENTS

Independent Auditors' Report	1-2
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-20
Supplemental Schedules:	
Schedule of Expenditures of Federal Awards	21
Statement of Expenditures of County of Alameda Grants	22-23
Additional Information:	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*	24
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	25-26
Schedule of Findings and Questioned Costs	27

Harrington Group
Certified Public Accountants, LLP

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Lincoln

Report on the Financial Statements

We have audited the accompanying financial statements of Lincoln (a nonprofit organization), which comprise the Statements of Financial Position as of June 30, 2016 and 2015, and the related Statements of Activities, Functional Expenses, and Cash Flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lincoln as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of Lincoln as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying Statement of Expenditures of County of Alameda Grants is also presented for additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2017, on our consideration of Lincoln's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lincoln internal control over financial reporting and compliance.

Harrington Group

San Francisco, California
January 17, 2017

LINCOLN

STATEMENTS OF FINANCIAL POSITION
June 30, 2016 and 2015

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash	$ **158,570**	$ 781,144
Accounts receivable, net of allowance of $41,064	**2,744,668**	2,394,877
Pledges receivable (Note 3)	**54,523**	112,590
Prepaid expenses	**195,575**	142,526
TOTAL CURRENT ASSETS	**3,153,336**	3,431,137
NON-CURRENT ASSETS		
Intangible asset (Note 4)	**325,104**	136,120
Investments (Note 5)	**11,418,727**	9,441,995
Property and equipment (Note 7)	**2,388,100**	2,705,936
Receivable from split-interest agreement (Note 8)	**1,487,640**	1,517,092
Note receivable (Note 9)	**-**	2,800,000
TOTAL NON-CURRENT ASSETS	**15,619,571**	16,601,143
TOTAL ASSETS	$ **18,772,907**	$ 20,032,280
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ **362,388**	$ 206,215
Accrued liabilities (Note 10)	**1,552,366**	1,834,222
Line of credit (Note 11)	**1,100,000**	350,000
Current portion of notes payable (Note 12)	**-**	5,344
TOTAL CURRENT LIABILITIES	**3,014,754**	2,395,781
NON-CURRENT LIABILITIES		
Non-current portion of notes payable (Note 12)	**-**	7,929
Contingency liability (Note 9)	**-**	2,800,000
TOTAL NON-CURRENT LIABILITIES	**-**	2,807,929
TOTAL LIABILITIES	**3,014,754**	5,203,710
NET ASSETS		
Unrestricted	**10,516,422**	9,032,523
Unrestricted - Board designated (Note 2)	**-**	59,625
Total unrestricted net assets	**10,516,422**	9,092,148
Temporarily restricted (Note 14)	**2,430,796**	2,925,487
Permanently restricted (Note 15)	**2,810,935**	2,810,935
TOTAL NET ASSETS	**15,758,153**	14,828,570
TOTAL LIABILITIES AND NET ASSETS	$ **18,772,907**	$ 20,032,280

The accompanying notes are an integral part of these financial statements.

LINCOLN

STATEMENTS OF ACTIVITIES
For the years ended June 30, 2016 and 2015

	Year ended June 30, 2016				Year ended June 30, 2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND SUPPORT								
Program revenues (Note 16)	$ 17,765,157	$ -	$ -	**$ 17,765,157**	$ 17,686,550	$ -	$ -	$ 17,686,550
Contributions	488,749	91,647		**580,396**	296,348	453,150		749,498
Interest and dividends	259,361			**259,361**	202,708			202,708
Special events	151,162			**151,162**	154,921			154,921
Cost settlement adjustments	148,915			**148,915**	902,455			902,455
In-kind contributions (Note 2)	21,502			**21,502**	122,133			122,133
Other revenue	21,084			**21,084**	1,112			1,112
Net assets released from purpose restrictions	435,338	(435,338)		-	422,373	(422,373)		-
TOTAL REVENUE AND SUPPORT	19,291,268	(343,691)	-	**18,947,577**	19,788,600	30,777	-	19,819,377
EXPENSES								
Program services	16,534,621			**16,534,621**	15,988,940			15,988,940
Support services	3,512,224			**3,512,224**	3,451,728			3,451,728
TOTAL EXPENSES	20,046,845	-	-	**20,046,845**	19,440,668	-	-	19,440,668
CHANGE IN NET ASSETS BEFORE OTHER	(755,577)	(343,691)	-	**(1,099,268)**	347,932	30,777	-	378,709
OTHER								
Gain on sale of property (Note 9)	2,800,000			**2,800,000**				-
Change in value of split-interest agreement		(100,336)		**(100,336)**		58,380		58,380
Legal fees (Note 18)	(133,689)			**(133,689)**	(223,090)			(223,090)
Net (loss) gain on investments	(486,460)	(50,664)		**(537,124)**	87,359	20,924		108,283
CHANGE IN NET ASSETS	1,424,274	(494,691)	-	**929,583**	212,201	110,081	-	322,282
NET ASSETS, BEGINNING OF YEAR	9,092,148	2,925,487	2,810,935	**14,828,570**	8,879,947	2,815,406	2,810,935	14,506,288
NET ASSETS, END OF YEAR	$ 10,516,422	$ 2,430,796	$ 2,810,935	**$ 15,758,153**	$ 9,092,148	$ 2,925,487	$ 2,810,935	$ 14,828,570

The accompanying notes are an integral part of these financial statements.

LINCOLN

STATEMENTS OF FUNCTIONAL EXPENSES
For the years ended June 30, 2016 and 2015

	Year ended June 30, 2016					Year ended June 30, 2015				
	Total Program Services	Support Services: Management and General	Support Services: Fundraising	Total Support Services	Total Expenses	Total Program Services	Support Services: Management and General	Support Services: Fundraising	Total Support Services	Total Expenses
Salaries	$ 10,809,606	$ 1,277,170	$ 353,814	$ 1,630,984	**$ 12,440,590**	$ 10,372,998	$ 1,346,292	$ 267,609	$ 1,613,901	$ 11,986,899
Payroll taxes and benefits	2,664,835	314,794	72,799	387,593	**3,052,428**	2,504,642	360,006	51,099	411,105	2,915,747
Total personnel costs	13,474,441	1,591,964	426,613	2,018,577	**15,493,018**	12,877,640	1,706,298	318,708	2,025,006	14,902,646
Professional fees	583,445	442,117	76,595	518,712	**1,102,157**	518,188	170,124	114,571	284,695	802,883
Occupancy	727,700	130,879	40,727	171,606	**899,306**	741,868	206,603	37,118	243,721	985,589
Office expenses	416,384	204,860	69,761	274,621	**691,005**	400,340	201,909	81,152	283,061	683,401
Client-related expenses	634,700	4,703	32,696	37,399	**672,099**	679,322	5,731		5,731	685,053
Depreciation	282,355	121,957	11,086	133,043	**415,398**	267,698	106,621	12,577	119,198	386,896
Training and recruiting	188,515	64,388	3,482	67,870	**256,385**	206,143	84,784	5,090	89,874	296,017
Insurance and taxes	97,774	78,003	3,576	81,579	**179,353**	149,748	26,469	4,094	30,563	180,311
Transportation	128,210	27,115	2,567	29,682	**157,892**	143,813	36,288	1,699	37,987	181,800
Special events	-		103,000	103,000	**103,000**	-		142,428	142,428	142,428
Other	1,097	49,998	4,635	54,633	**55,730**	4,180	52,921	14,410	67,331	71,511
In-kind expenses	-		21,502	21,502	**21,502**	-	122,133		122,133	122,133
TOTAL FUNCTIONAL EXPENSES	**$ 16,534,621**	**$ 2,715,984**	**$ 796,240**	**$ 3,512,224**	**$ 20,046,845**	$ 15,988,940	$ 2,719,881	$ 731,847	$ 3,451,728	$ 19,440,668

The accompanying notes are an integral part of these financial statements.

LINCOLN

STATEMENTS OF CASH FLOWS
For the years ended June 30, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 929,583	$ 322,282
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	415,398	386,896
Net loss (gain) on investments	537,124	(108,283)
Change in value of split-interest agreement	29,452	(58,380)
(Increase) decrease in operating assets:		
Accounts receivable	(349,791)	211,253
Pledges receivable	58,067	(60,350)
Prepaid expenses	(53,049)	31,802
Intangible asset	(188,984)	(136,120)
Increase (decrease) in operating liabilities:		
Accounts payable	156,173	(437,043)
Accrued liabilities	(281,856)	142,761
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,252,117	294,818
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(4,031,806)	(1,417,538)
Purchase of property and equipment	(97,562)	(205,339)
Proceeds from sales of investments	1,517,950	1,776,921
NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES	(2,611,418)	154,044
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on line of credit	(4,260,000)	(4,580,000)
Proceeds from borrowings on line of credit	5,010,000	4,680,000
Principal payments on notes payable	(13,273)	(13,132)
NET CASH PROVIDED BY FINANCING ACTIVITIES	736,727	86,868
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(622,574)	535,730
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	781,144	245,414
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 158,570	$ 781,144
SUPPLEMENTAL DISCLOSURE:		
Operating activities reflect interest paid of:	$ 37,934	$ 34,216

The accompanying notes are an integral part of these financial statements.

1. Organization

Lincoln is a not-for-profit agency founded in 1883 as the first racially integrated orphanage in Northern California. Since its founding, Lincoln has impacted the lives of children and families through evolving programs. Today, Lincoln provides preventative, individualized, and comprehensive support services with a focus on three core areas that disrupt cycles of poverty and trauma:

- Education – Addressing obstacles that impact academic attendance and achievement;
- Family – Strengthening stability and creating permanency; and
- Well-Being – Improving resiliency and wellness.

Every day, Lincoln provides real solutions to the unique issues children, youth and families face in communities throughout our region. Lincoln goes where children and youth are, helping them to develop skills to stay at home and in school. Teams of skilled and diverse staff work together with youth and families to utilize their strengths to build a plan for success. With this critical support, children, youth, and families thrive and build bold futures. Only Lincoln has the culturally relevant, adaptive approach that meets the needs of children and families.

Lincoln provides a unique array of comprehensive programs and services for some of the Bay Area's most vulnerable populations. Ninety percent of families served have income levels at or below the poverty level; 42% are African American, 27% are Hispanic/Latino, 13% are Caucasian, 3% are Asian/Pacific Islander, 1% are Native American, 6% are Multi- or Bi-racial, and 8% are Other or no indication.

Lincoln provides children with support and services as young as possible and make a continuum of programs available during their school years and through graduation from high school. Lincoln further ensures children's success by providing services to strengthen and engage their family and community. This is how *Lincoln disrupts the cycle of poverty and trauma, empowering children and families to build strong futures.* Lincoln's unique multi-generational model sets a new standard of support that changes lives.

Fundraising strategies include an annual campaign, one annual major fundraising event, direct mail appeals, and the ongoing submission of grant proposals to foundations, corporations, and government sources. Annual income comes from these sources as well as program fees, investment spending, and earned interest.

continued

2. Summary of Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

Accounting

To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of Lincoln are maintained in accordance with the principles of net asset accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset classes that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded and reported by net asset class as follows:

Unrestricted. These generally result from revenues generated by receiving unrestricted contributions, providing services, and receiving interest from investments less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Unrestricted Board Designated. These are comprised of resources that the Board of Directors has established as being designated for particular purposes. For purposes of complying with net assets accounting, these funds are included in unrestricted net assets at June 30, 2016 and 2015.

Temporarily Restricted. Lincoln reports grants and contributions, investments and other income as temporarily restricted support if they are received with donor stipulations that limit the use to a fiscally sponsored project. All funds transferred for a newly sponsored project into Lincoln are temporary restricted for the sponsored project. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from program or capital restrictions.

Permanently Restricted. These net assets are restricted by donors who stipulate that resources are to be maintained permanently, but permit Lincoln and the fiscally sponsored projects to expend all of the income (or other economic benefits) derived from the donated assets. As of June 30, 2016 and 2015, Lincoln had $2,810,935 in permanently restricted net assets.

Accounts Receivable

Accounts receivable are receivables from governmental agencies. The allowance represents an estimated amount of accounts receivable estimated to be potentially uncollectible.

Investments

Lincoln values its investment at fair value. Unrealized and realized gain or losses (including investments bought, sold, and held during the year) are reflected in the Statement of Activities as gain or loss on investments.

continued

2. **Summary of Significant Accounting Policies**, continued

Short-term highly liquid money market deposits which are not used for operations are treated as investments.

Contributions and Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. Management provides an allowance for doubtful accounts receivable that is based on a review of outstanding receivables, historic collection information, and existing economic conditions.

Concentration of Credit Risks

Lincoln places its temporary cash investments with high-credit, quality financial institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation insurance limit. Lincoln has not incurred losses related to these investments.

The primary receivable balance outstanding at June 30, 2016 and 2015, consists of government contract receivables due from county, state, federal granting agencies. Concentrations of credit risks with respect to trade receivables are limited, as the majority of Lincoln's receivables consist of earned fees from contract programs granted by governmental agencies.

Lincoln holds investments in the form of mutual funds, corporate bonds and common stocks of publicly held companies, as well as U.S. Governmental debt securities. The Board of Directors routinely reviews the allocation of such investments.

Approximately 85% and 88% of revenue and support generated by Lincoln for the years ended June 30, 2016 and 2015 respectively were related to government contracts.

Fair Value Measurements

Generally accepted accounting principles provide guidance on how fair value should be determined when financial statement elements are required to be measured at fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level:

Level 1 inputs - quoted prices in active markets for identical assets
Level 2 inputs - quoted prices in active or inactive markets for the same or similar assets
Level 3 inputs - estimates using the best information available when there is little or no market

Lincoln is required to measure pledged contributions, split interest agreements, certain investments, and in-kind contributions at fair value. The specific techniques used to measure fair value for financial statement elements are described in the notes below that relate to each element.

continued

2. **Summary of Significant Accounting Policies**, continued

Property and Equipment

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to five thousand dollars.

Donated Materials and Services

Contributions of donated non-cash assets are measured on a non-recurring basis and recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received. The fair value of donated materials and services has been measured on a non-recurring basis using quoted prices of similar assets in inactive markets (Level 2 inputs). For the years ended June 30, 2016 and 2015, Lincoln received in-kind contributions of $21,502 and $122,133, respectively.

Income Taxes

Lincoln is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by Lincoln in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. Lincoln's returns are subject to examination by federal and state taxing authorities, generally for three and four years respectively, after they are filed.

Functional Allocation of Expenses

Costs of providing fiscal sponsorship by Lincoln have been presented in the Statement of Functional Expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. Lincoln primarily uses units of service, full-time equivalents, or square footage to allocate indirect costs.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues, and expenses as of the date and for the period presented. Actual results could differ from those estimates.

continued

2. Summary of Significant Accounting Policies, continued

Reclassification

Certain amounts from the June 30, 2015 financial statements have been reclassified to conform to the June 30, 2016 presentation.

Subsequent Events

Management has evaluated subsequent events through January 17, 2017, the date which the financial statements were available for issue. No events or transactions have occurred during this period that appears to require recognition or disclosure in the financial statements.

3. Pledges Receivable

Pledges receivable are recorded as support when pledged unless designated otherwise. All pledges are valued at the estimated fair present value at June 30, 2016 and are deemed fully collectible. Accordingly, no allowance for uncollectible pledges has been recorded as of June 30, 2016. Total amount of pledges receivable is $54,523 as of June 30, 2016 and are expected to be collected within one year. There were pledges receivables of $112,590 at June 30, 2015.

4. Intangible Asset

Lincoln started its rebranding in 2015 from its former name, "Lincoln Child Center" to eliminate the misconception associated with the "Child Center" connotation, whereby the public often perceived that Lincoln provided child care services (i.e. day care center).

Lincoln have determined that the rebranding costs incurred would result in future economic benefits such as securing new contracts for the provision of services to all age groups other than just children, which would include teens, youths, adults and seniors. As such, Lincoln has recorded these costs as an intangible asset and will be amortized once all rebranding work has been wholly completed. The fair value of the Intangibles Asset at June 30, 2016 and 2015 was $325,104 and $136,120, respectively.

continued

5. Investments

Investments at June 30, 2016 and 2015 consist of the following:

	2016	2015
Equities	**$ 5,291,920**	$4,356,601
Fixed income	**2,371,180**	1,988,652
Exchange traded funds	**1,783,047**	1,620,473
Money markets	**1,547,082**	1,318,569
Mutual Funds	**425,498**	127,700
	$11,418,727	$9,411,995

Investment income on the Statement of Activities for the years ended June 30, 2016 and 2015 is shown net of management fees of $62,927 and $71,910, respectively.

6. Fair Value Measurements

The table below presents the balances of the respective components of the assets or liabilities measured at fair value at June 30, 2016 on a recurring basis:

June 30, 2016

	Level 1	Level 2	Level 3	Total
Equities				
Technology	$1,522,386	$ -	$ -	**$ 1,522,386**
Healthcare	1,048,731			**1,048,731**
Basic materials	694,496			**694,496**
Services	635,049			**635,049**
Financial	586,966			**586,966**
Consumer goods	550,097			**550,097**
Industrial goods	143,570			**143,570**
Utilities	110,625			**110,625**
Total equities	5,291,920	-	-	**5,291,920**
Fixed income				
Corporate bonds		821,252		**821,252**
Agency securities		673,330		**673,330**
Government securities	657,690			**657,690**
Municipal bonds		203,240		**203,240**
Mortgage pools		15,668		**15,668**
Total fixed income	657,690	1,713,490	-	**2,371,180**

continued

6. **Fair Value Measurements**, continued

	Level 1	Level 2	Level 3	Total
Exchange traded funds				
Bonds	727,153			**727,153**
Foreign large cap	475,774			**475,774**
Financial	183,842			**183,842**
Healthcare	140,972			**140,972**
Real estate	128,572			**128,572**
Technology	93,171			**93,171**
Large cap	26,790			**26,790**
Diversified emerging markets	4,228			**4,228**
Energy	2,545			**2,545**
Total exchange traded funds	1,783,047	-	-	**1,783,047**
Mutual funds				
Foreign large cap	425,498			**425,498**
Total mutual funds	425,498	-	-	**425,498**
Money market funds	1,547,082	-	-	**1,547,082**
Total investments	9,705,237	1,713,490	-	**11,418,727**
Split-interest agreement	-	1,487,640	-	**1,487,640**
Fair value at June 30, 2016	$9,705,237	$3,201,130	$ -	**$12,906,367**

June 30, 2015

	Level 1	Level 2	Level 3	Total
Equities				
Technology	$1,008,339	$ -	$ -	$ 1,008,339
Healthcare	736,486			736,486
Services	694,554			694,554
Financial	583,038			583,038
Basic materials	566,350			566,350
Consumer goods	430,996			430,996
Industrial goods	336,838			336,838
Total equities	4,356,601	-	-	4,356,601
Fixed income				
Corporate bonds		865,055		865,055
Government securities	600,966			600,966
Agency securities		501,210		501,210
Mortgage pools		21,421		21,421
Total fixed income	600,966	1,387,686	-	1,988,652

continued

6. **Fair Value Measurements**, continued

	Level 1	Level 2	Level 3	Total
Exchange traded funds				
Foreign large cap	543,033			543,033
Bonds	512,157			512,157
Diversified emerging markets	182,938			182,938
Real estate	108,301			108,301
Miscellaneous	83,583			83,583
Foreign real estate	70,116			70,116
Financial	66,662			66,662
Energy	26,928			26,928
Large cap	26,755			26,755
Total exchange traded funds	1,620,473	-	-	1,620,473
Mutual funds				
Foreign large cap	127,700			127,700
Total mutual funds	127,700	-	-	127,700
Money market funds	1,318,569	-	-	1,318,569
Total investments	8,024,309	1,387,686	-	9,411,995
Split-interest agreement	-	1,517,092	-	1,517,092
Fair value at June 30, 2015	$8,024,309	$2,904,778	$ -	$10,110,723

The fair value of investment components have been measured on a recurring basis using quoted prices in active markets for identical assets (Level 1 inputs) and quoted prices in active or inactive markets for the same or similar assets (Level 2 inputs).

The fair value of the split-interest agreement has been measured on a recurring basis by calculating the present value of future distributions expected to be received, using published life expectancy and a 7.75% discount rate (Level 2 inputs).

	Level 1	Level 2	Level 3	Total
June 30, 2016				
In-kind contributions	$ -	$21,502	$ -	**$21,502**
June 30, 2015				
In-kind contributions	$ -	$122,133	$ -	$122,133
Pledged contributions – new			140,814	140,814
	$ -	$122,133	$140,814	$262,947

The fair value of in-kind contributions has been measured on a non-recurring basis using quoted prices for similar services and assets in inactive markets (Level 2 inputs).

The fair values of pledged contributions are measured on a non-recurring basis, based on the value provided by the donor at the date of pledge (Level 3 inputs).

continued

7. Property and Equipment

Property and equipment at June 30, 2016 and 2015 consist of the following:

	2016	2015
Buildings and improvements	**$ 3,004,976**	$2,916,524
Furniture and equipment	**388,932**	355,077
Automobiles	**49,276**	52,376
Software	**72,347**	65,147
Work in progress	**-**	31,946
	3,515,531	3,421,070
Less: accumulated depreciation	**(1,127,431)**	(715,134)
	$ 2,388,100	$2,705,936

Depreciation and amortization expense for the years ended June 30, 2016 and 2015 were $415,397 and $386,896 respectively.

8. Split-Interest Agreement

Lincoln holds a remainder interest in two irrevocable split-interest agreements. The fair value for the contribution receivable from a beneficial interest in a charitable remainder trust within the Level 2 inputs is determined by calculating the present value of the future distributions expected to be received, using published life expectancy tables and discount rates of 7.75% and 3.34% respectively. These agreements are valued at net present value at June 30, 2016 and 2015, based on Internal Revenue Service guidelines as follows:

	2016		2015	
	Fair Value	Significant Other Observable Assets (Level 2)	Fair Value	Significant Other Observable Assets (Level 2)
A charitable remainder trust naming Lincoln as a beneficiary with a 22.22% interest. Lincoln does not have possession of the assets or control of the trust administration.	**$1,143,453**	**$1,143,453**	$1,161,135	$1,161,135
A charitable remainder trust naming Lincoln as a beneficiary with a 50% interest. Lincoln does not have possession of the assets or control of the trust administration.	**344,187**	**344,187**	355,957	355,957
	$1,487,640	**$1,487,640**	$1,517,092	$1,517,092

continued

9. Note Receivable and Contingency Liability

Note receivable of $2,800,000 at June 30, 2015 consists of the outstanding amount due from the entity that acquired Lincoln's properties. This amount is being retained and will be paid to Lincoln after all issues relating to the development of the property, which has been opposed by the property's neighbors have been resolved. Since any costs arising from resolving this issue will applied against the noted receivable, a contingency liability of $2,800,000 has been provided for by Lincoln at June 30, 2015.

During the year ended June 30, 2016, the litigation pursued by the property's neighbors against the entity that acquired Lincoln's properties was settled, resulting in the payment of the note receivable of $2,800,000, additionally the contingency liability in the amount of $2,800,000 has been recognized as gain on sale of property for the year ended June 30, 2016.

10. Accrued Liabilities

Accrued liabilities at June 30, 2016 and 2015 consist of the following:

	2016	2015
Accrued vacation	$ 673,445	$ 649,628
Accrued payroll, taxes, and benefits	249,084	603,261
Deferred rent credits	456,207	479,213
Other accrued liabilities	162,609	88,811
Accrued unemployment liability	11,021	13,309
	$1,552,366	$1,834,222

Lincoln has elected to be self-insured for the purposes of California State Unemployment Insurance. Estimated accrued unemployment liability at June 30, 2016 and 2015, of $11,021 and $13,309, respectively, represents estimated future claims arising from payroll paid to date. Unemployment expense for the years ended June 30, 2016 and 2015 were $72,471 and $73,783, respectively.

11. Line of Credit

Lincoln has a revolving line of credit with Wells Fargo Bank, in the amount of $1,500,000, at an interest rate equal to the bank's prime rate plus 1.5% due March 2017. Interest rates at June 30, 2016 and 2015 were 4.50% and 4.25% with maturity dates of March 10, 2017 and August 9, 2015, respectively. Outstanding balances on the line of credit at June 30, 2016 and 2015 were $1,100,000 and $350,000 respectively.

continued

12. Note Payable

Note payable at June 30, 2016 and 2015 consist of the following:

	2016	2015
Note payable to Honda Financial Services unsecured, monthly payments of $679, including interest at 3.45%, due June 16, 2015, Note payable to Dublin Chevrolet secured by vehicle, monthly payments of $480, including interest at 3.9%, due November 22, 2017.	$ -	$13,273
Less: current portion		(5,344)
	$ -	$ 7,929

13. Commitments and Contingencies

Obligations Under Operating Leases

Lincoln leases various facilities and equipment under operating leases with various terms. Future minimum payments, by year and in the aggregate, under these leases with initial or remaining terms of one year or more, consist of the following:

Year ended June 30,	
2017	$ 504,025
2018	478,389
2019	449,880
2020	459,109
2021	414,200
Thereafter	1,173,105
	$3,478,708

Rent and equipment lease expenses under operating leases for the years ended June 30, 2016 and 2015 were $427,955 and $462,789, respectively.

Contracts

Lincoln's grants and contracts are subject to inspection and audit by the appropriate governmental funding agency. The purpose is to determine whether funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously-funded program costs. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated and, accordingly, Lincoln has no provisions for the possible disallowance of program costs on its financial statements.

continued

14. Temporarily Restricted Net Assets

Temporarily restricted net assets as of June 30, 2016 and 2015 consist of the following:

	2016	2015
Florence French Trust/Darrow & Helen Chase Trust	**$1,487,640**	$1,517,092
Endowment fund	**735,139**	1,021,833
Philip Harley Memorial Fund	**98,862**	98,862
Other funds - various programs	**70,846**	78,918
Champlin House - residential program	**38,309**	48,309
Freedom School	**-**	160,473
	$2,430,796	$2,925,487

For the years ended June 30, 2016 and 2015, net assets released from restrictions were $435,338 and $422,373, which consist of $435,338 released for purpose restrictions in 2016, while $422,373 was released from purpose restrictions in 2015.

15. Permanently Restricted Net Assets and Endowment Funds

Permanently restricted net assets represent contributions which the donor has stipulated that the principal is to be kept intact in perpetuity and only the interest and dividends wherefrom may be expended for unrestricted purposes. At June 30, 2016 and 2015, permanently restricted net assets were $2,810,935.

Generally accepted accounting principles provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization and also requires additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and Board-designated endowment funds).

Lincoln's Endowment Fund is held in its investment funds with Charles Schwab. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Lincoln classifies as permanently restricted net assets, (a) the original value of the gifts to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure.

continued

15. Permanently Restricted Net Assets and Endowment Funds, continued

Investment Objectives, Asset Allocation, and the Disbursement Policy

Lincoln has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Lincoln has a moderate risk tolerance, with a goal of steadily increasing the corpus of the endowment funds over an extended period of time in a way that is consistent with the desired level of risk.

Lincoln's spending policy is anticipated to be withdrawals that will not result in the value of the portfolio being reduced to below the permanently restricted net assets and will be 5% of the average market value calculated from the prior twelve quarter-end balances (3-year trailing value).

Endowment net assets composition by type of fund as of June 30, 2016:

	Temporarily Restricted	Permanently Restricted	Total Endowment Assets
Donor restricted endowment	$735,139	$2,810,935	**$3,546,074**

Changes in endowment net assets for the years ended:

June 30, 2016

	Temporarily Restricted	Permanently Restricted	Total Endowment Assets
Endowment net assets, beginning of year	$1,021,833	$2,810,935	**$3,832,768**
Investment return:			
Net depreciation (realized and unrealized)	(137,938)		**(137,938)**
Investment income expended	(148,756)		**(148,756)**
Endowment net assets, end of year	$ 735,139	$2,810,935	**$3,546,074**

June 30, 2015

	Temporarily Restricted	Permanently Restricted	Total Endowment Assets
Endowment net assets, beginning of year	$1,027,339	$2,810,935	$3,838,274
Investment return:			
Net appreciation (realized and unrealized)	134,059		134,059
Investment income expended	(139,565)		(139,565)
Endowment net assets, end of year	$1,021,833	$2,810,935	$3,832,768

continued

15. Permanently Restricted Net Assets and Endowment Funds, continued

Endowment net assets at June 30, 2016 and 2015 consist of the following investment portfolios held with Charles Schwab:

	2016	2015
2nd Century Fund	**$2,177,449**	$2,380,700
Edoff Fund	**1,290,906**	1,375,170
Siegmund Fund	**77,719**	76,898
	$3,546,074	$3,832,768

Investment earnings including gains and losses on the Edoff and Siegmund Funds are temporarily restricted for use in educational instruction and activities for the children at Lincoln. Investment earnings on the 2nd Century Fund may be used for general operations.

16. Program Service Fees from Government Agencies/Contracts and Grants

Program service fees from government agencies/contracts and grants for the years ended June 30, 2016 and 2015 consist of the following:

	2016	2015
Community-based services	**$15,846,797**	$15,602,369
Other programs	**1,918,360**	1,833,876
Day treatment	**-**	174,537
Non-public school	**-**	75,768
	$17,765,157	$17,686,550

17. Employee Benefit Plan

Lincoln has a defined contribution plan available to substantially all employees. Employer contributions for non-union employees' are based on tenure and range from 5% to 9%. Lincoln makes matching contributions up to a maximum of 5% for union employees. Employer contributions under this plan for the years ended June 30, 2016 and 2015 were $478,524 and $452,735, respectively.

18. Related Party Transaction

One of the Partners of a law firm that was engaged by Lincoln is a member of the Board of Directors. The engagement of that law firm to represent Lincoln in litigation surrounding its property that was sold in 2013 and the neighbors of the said property was done at "arm's length transaction", whereby the respective board member was not involved in the selection of the law firm to represent Lincoln, nor did the board member influence the outcome of the selection process. Total amount paid to the firm for the years ended June 30, 2016 and 2015 was $133,689 and $223,090, respectively.

SUPPLEMENTAL SCHEDULES

LINCOLN

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2016

Program Name	Contract Number	Federal CFDA No.	Contract Term	Program Award	Federal Program Expenditure
Federal Awards					
U.S. Department of Health and Human Services ("DHHS"):					
Pass-through, County of Contra Costa:					
Medical Assistance Program **(a)**	24-925-26	93.778	07/01/15 - 06/30/16	$ 6,513,799	$ 3,030,052
Pass-through, Chabot-Las Positas Community College District:					
Foster Care - Title IV-E, Contract Education and Training		93.658	07/01/15 - 06/30/16	500,000	500,000
Pass-through, County of Alameda Social Services Agency:					
Foster Care - Title IV-E, Kinship Support Services Program	900117-10428	93.658	07/01/15 - 06/30/16	650,000	227,500
Total DHHS				7,663,799	**3,757,552**
Total Federal Awards				**$ 7,663,799**	**$ 3,757,552**

(a) Audited as a major program

Summary of Significant Accounting Policies:

1. Basis of Accounting - The Schedule of Expenditures of Federal Awards has been reported on the accrual basis of accounting.
2. Lincoln is exempt from income taxation under Internal Revenue Code Section 501(c)(3) and California Revenue Taxation Code Section 23701d.

See independent auditors' report.

LINCOLN

STATEMENT OF EXPENDITURES OF COUNTY OF ALAMEDA GRANTS
For the year ended June 30, 2016

	ICESDC-Fremont HS (Mandela Architecture)	ICESDC-Hoover Elementary / Prescott/Howard and Lafayette (Summer School)	Wraparound Program	Wraparound Program / Probation	School Engagement Program	TBS	Parenting with Love and Limits / ATP	Parenting with Love and Limits / Licensing Fee	Parenting with Love and Limits / Re-Entry	Total
Contract number:	RU# 01KZ1	RU# 01ML1 / RU# 010C1 / RU# 010B1	RU# 01FB1	RU# 01FB1	RU# 01FB2	RU# 01FB3	RU# 01FB4		RU# 01FB5	
Contract period:	7/1/15 - 6/30/16	7/1/15 - 6/30/16	7/1/15 - 6/30/16	7/1/15 - 6/30/16	7/1/15 - 6/30/16	7/1/15 - 6/30/16	7/1/15 - 6/30/16	7/1/15 - 6/30/16	7/1/15 - 6/30/16	
Total contract amount	$ 230,464	$ 239,350	$ 2,533,740	$ 815,000	$ 1,137,308	$ 1,058,609	$ 368,932	$ 126,816	$ 188,462	$ 6,698,681
Salaries	$ 187,449	$ 216,839	$ 1,363,851	$ 460,254	$ 645,382	$ 612,218	$ 156,771	$ -	$ 62,440	$ 3,705,204
Benefits	51,346	59,485	337,974	114,055	156,162	147,125	35,629		11,798	913,574
Total salaries and benefits	238,795	276,324	1,701,825	574,309	801,544	759,343	192,400	-	74,238	4,618,778
Administrative cost	39,311	45,915	356,252	119,664	165,260	141,371	38,986		12,909	919,668
Occupancy	12,716	12,716	76,757	25,903	29,869	36,353	12,583		1,104	208,001
Professional & specialized services	4,696	27,823	10,455	3,529	4,680	4,502	899	126,816	74	183,474
Transportation	793	793	71,468	24,118	34,564	27,051	2,190		343	161,320
Program/service related expenses	3,793	3,793	53,845	18,171	16,208	11,505	6,495		235	114,045
Depreciation	7,619	7,619	34,140	11,521	7,282	9,373	10,492			88,046
Furniture & equipment	5,924	5,924	19,372	6,537	11,374	10,080	7,562		4,215	70,988
Communication	2,277	2,277	28,622	9,659	10,352	9,159	3,987		972	67,305
Insurance, taxes & other fees	2,706	2,706	23,882	8,059	10,572	10,216	937		3,784	62,862
Staff development/trainings	2,773	2,773	11,683	3,943	8,437	6,372	8,619		42	44,642
Staff travel	2,541	2,542	8,736	2,948	10,480	4,058	1,089		2,857	35,251
Debt/capital payments	1,344	1,344	10,901	3,679	5,173	4,346	1,142		1,076	29,005
Office related expenses	930	930	8,727	2,945	3,226	3,591	2,065		2,273	24,687
Organizational dues & fees	267	267	45	15	307	37	2		2,249	3,189
Total expenses	$ 326,485	$ 393,746	$ 2,416,710	$ 815,000	$ 1,119,328	$ 1,037,357	$ 289,448	$ 126,816	$ 106,371	$ 6,631,261

See independent auditors' report.

LINCOLN

STATEMENT OF EXPENDITURES OF COUNTY OF ALAMEDA GRANTS
For the year ended June 30, 2016

	Helping Open Pathways to Education (HOPE)											
	Met West HS/ La Esquelita Elementary School	Esperanza/ Korematau Discovery Academies	Laurel Elementary	Fruitvale Elementary	New Highland	Sankofa Elementary	Oakland Technical HS - Upper Campus (Far West)	Oakland Technical High - Lower Campus	Vincent Academy Charter School	Oakland High School	Total	Total Master Contract
Contract number:	RU# 018331 / 01NJ1	RU# 01LA1	RU# 01LB1	RU# 018335 / 01M01	RU# 018337	RU# 01FN1	RU# 01HC1	RU# 01LC1	RU# 01LD1	RU# 01MB1		MC# 900117
Contract period:	7/1/15 - 6/30/16	7/1/15 - 6/30/16	7/1/15 - 6/30/16	7/1/15 - 6/30/16	7/1/15 - 6/30/16	7/1/15 - 6/30/16	7/1/15 - 6/30/16	7/1/15 - 6/30/16	7/1/15 - 6/30/16	7/1/15 - 6/30/16		7/1/15 - 6/30/16
Total contract amount	$ 175,751	$ 369,999	$ 252,000	$ 241,500	$ 369,998	$ 220,500	$ 5,500	$ 141,678	$ 238,678	$ 141,678	$ 2,157,282	$ 8,855,963
Salaries	$ 84,194	$ 199,576	$ 156,333	$ 124,644	$ 176,251	$ 115,311	$ 2,118	$ 94,123	$ 119,353	$ 79,518	$ 1,151,421	$ 4,856,625
Benefits	20,441	48,440	37,943	30,243	42,773	27,986	514	22,842	28,947	19,302	279,431	1,193,005
Total salaries and benefits	104,635	248,016	194,276	154,887	219,024	143,297	2,632	116,965	148,300	98,820	1,430,852	6,049,630
Administrative cost	20,112	53,498	42,540	37,236	49,492	31,072	518	26,246	40,204	20,418	321,336	1,241,004
Occupancy	3,090	8,219	6,536	5,720	7,603	4,774	80	4,032	6,177	3,137	49,368	257,369
Professional & specialized services	2,652	7,053	5,609	4,909	6,525	4,097	68	3,461	5,301	2,692	42,367	225,841
Transportation	285	757	602	527	700	439	7	372	569	289	4,547	165,867
Program/service related expenses	1,088	2,894	2,301	2,014	2,677	1,681	28	1,420	2,175	1,104	17,382	131,427
Depreciation	1,455	3,869	3,077	2,693	3,580	2,247	37	1,898	2,908	1,477	23,241	111,287
Furniture & equipment	1,374	3,655	2,906	2,544	3,381	2,122	36	1,793	2,747	1,395	21,953	92,941
Communication	1,231	3,274	2,604	2,279	3,029	1,902	32	1,606	2,461	1,249	19,667	86,972
Insurance, taxes & other fees	1,146	3,047	2,423	2,121	2,817	1,770	29	1,495	2,289	1,163	18,300	81,162
Staff development/trainings	1,498	3,984	3,168	2,773	3,686	2,314	39	1,954	2,994	1,520	23,930	68,572
Staff travel	1,371	3,646	2,899	2,538	3,373	2,117	35	1,788	2,740	1,392	21,899	57,150
Debt/capital payments	566	1,505	1,197	1,048	1,392	874	15	738	1,131	574	9,040	38,045
Office related expenses	354	942	749	655	871	547	10	461	708	359	5,656	30,343
Organizational dues & fees	2	6	4	4	6	4		2	4	2	34	3,223
Total expenses	$ 140,859	$ 344,365	$ 270,891	$ 221,948	$ 308,156	$ 199,257	$ 3,566	$ 164,231	$ 220,708	$ 135,591	$ 2,009,572	$ 8,640,833
Amount reimbursed by Alameda County as of 6/30/16												8,143,332
Revenue excess/(deficit)												$ (497,501)

ADDITIONAL INFORMATION

Harrington Group
Certified Public Accountants, LLP

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Board of Directors
Lincoln

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Lincoln which comprise the Statement of Financial Positions as of June 30, 2016, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 17, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lincoln's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lincoln's internal control. Accordingly, we do not express an opinion on the effectiveness of Lincoln's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Lincoln's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses deficiencies or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lincoln's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Harrington Group

San Francisco, California
January 17, 2017

Harrington Group
Certified Public Accountants, LLP

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors
Lincoln

Report on Compliance for Each Major Federal Program

We have audited Lincoln compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Lincoln's major federal programs for the year ended June 30, 2016. Lincoln's major federal programs for the year ended June 30, 2016 are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Lincoln's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lincoln's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Lincoln's compliance.

Opinion on Each Major Federal Program

In our opinion, Lincoln complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of Lincoln is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lincoln's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lincoln's internal control over compliance.

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance
continued

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Harrington Group

San Francisco, California
January 17, 2017

LINCOLN
Schedule of Findings and Questioned Costs
For the year ended June 30, 2016

Section I – Summary of Auditors' Results

Financial Statements:	
Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No
Federal Awards:	
Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 200.516 Audit Findings of the Uniform Guidance?	No
Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes
Identification of Major Programs:	
U.S. Department of Health and Human Services:	
Medical Assistance Program	93.778

Section II – Financial Statements Findings

There are no findings required to be reported in accordance with *Generally Accepted Government Auditing Standards.*

Section III – Federal Award Findings and Questioned Costs

There are neither findings nor questioned costs for Federal Awards as defined in the Uniform Guidance.

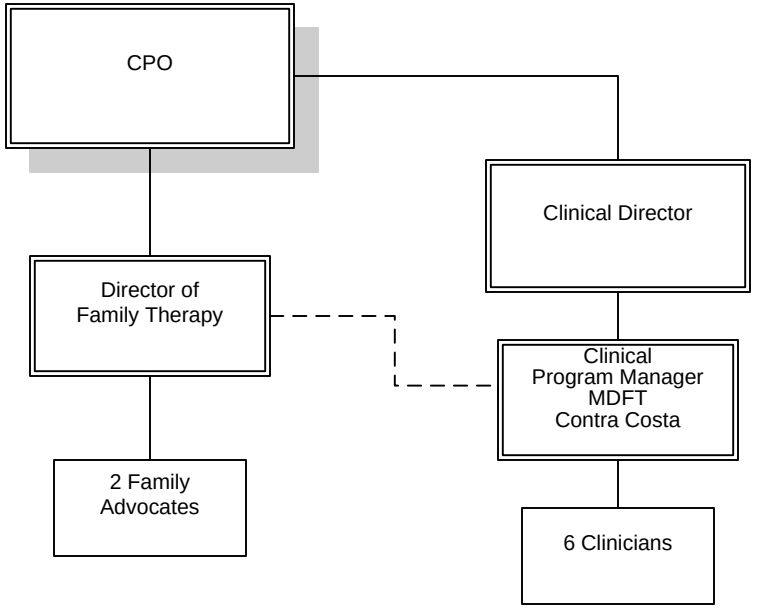
Section IV – Summary Schedule of Prior Year Findings

None.

APPENDIX E

Organization Chart

Multi-Dimensional Family Therapy



MDFT CC Employee List

Last Name	First Name	Department
Caputo	Zena	540
Hodge	Jocelyn	540
Hoover Collyer	Kelly	540
Lesti	Renee	540
Rizzo	Gianna	540
Rodriguez	Janitzia	540
Scott	Evangeline	540
Simpson	Diatra	540
Ward	William	540

State Level Incompetent to Stand Trial (IST) Solutions Workgroup—3 Working Groups

Working Group 1: Early Access to Treatment and Stabilization for Persons Found IST on Felony Charges (FIST)

- ***FOCUS****:* Identify short-term solutions to provide early access to treatment and stabilization in jail or via Jail Based Competency Treatments (JBCTs) in order to maximize re-evaluation, diversion or other community based treatment opportunities and reduce length of stay in state hospitals

Working Group 2: Diversion and Community-Based Restoration for Felony ISTs (FISTs)

- ***FOCUS:*** Identify short-term (4/1/2022), medium-term (1/10/2023)and long-term (01/1/2024 & 01/10/2025) strategies to implement Diversion and Community-Based Restoration programs

Working Group 3: Initial County Competency Examinations

- ***FOCUS:*** Reduce the number of individuals found Incompetent to Stand Trial by strengthening the quality of the initial county competency evaluation (aka Alienist Evaluations).

Remaining IST Solutions Workgroup Meetings

- Friday, November 19, 2021: 11 AM – 1 PM

IMPORTANT ATTACHMENTS

1. Welfare & Institutions Code 4147 establishing the state level IST Solutions Workgroup
2. DRAFT of the IST Workgroup Recommendations to the state Legislature
3. Dept. of Health Care Services (DHCS) October 1, 2021 PowerPoint slide presentation.
4. Behavioral Health Continuum Infrastructure Project (BHCIP) Legislative language document.

NOTE: You can google CA IST Solutions Workgroup, click on the link, and, in the Archives section, you can also get write-ups and PowerPoint of all previous Workgroup and Working Groups sessions.

Local

Mental Health Commission (MHC) —Wed. Sept. 1, 2021, 4:30-6:30 PM

- Main Content: Passed a very important MHSA-Finance Motion:
  1. Asked county Behavioral Health to establish and build out a complete non-jail county based "system of care (including housing and wraparound treatment and services for its 65-75 person, at least, Incompetent to Stand Trial (IST) population by:
     A. Being prepared to competitively bid for its "maximum fair share" of $2.2B in one-time competitive state grant building funds to construct, acquire, and rehabilitate new facilities to expand the community continuum of behavioral health treatment resources. This state funding will not be available until early to late 2022. 5 year maximum time to build period.
     B. Over $850M in one-time state funds to expand the behavioral health work force.

NOTE: This is the only mentally ill population for which new state Behav. Health funding is *NOT guaranteed.* At the same time, the Dept. of State Hospitals is pushing as much as possible to the counties, the responsibilities for care for this most vulnerable population.

KEY FINANCIAL ISSUES for Contra Costa Behavioral Health Services

***Upcoming Financial Penalties* if Short, Medium, and Long-Term Goals NOT met** *---Not Yet in Effect*

- The Dept. of State Hospitals (DSH) can refuse admission of persons, esp. an LPS Conservatee (including Murphy) to any of its 5 facilities, AND/OR
- Charge 150% of the current daily bed rate (at least $754/day x 1.5=$1,131/day) for each new admittee.

Needs Assessment for the 65-75 person IST Population

Misdemeanor Incompetent to Stand Trial (MIST) (5-10 persons currently)

Need: Programs and Housing to place them other than the county jail via Mental Health Diversion (MHD).

Blockages and Questions:

- Staff Training: So far, staff of the contracted adult Full Services Programs (FSP) [(Hume Center and MHS, Inc.]) are not Forensic Assertive Community Treatment (FACT) trained. These training and resulting increased salaries will increase the need for ongoing additional Mental Health Services Act (MHSA) funding.

- Are these persons considered too "disruptive" to be blended into the existing FSP and AOT programs populations (650 persons)?
- If so, should a separate program with separate housing and FACT trained staff be established via MHSA funding for this currently 5-10 person population?
- If not, do we attempt to "blend" these persons into slightly larger FSP programs, including slightly expanded existing housing and upgraded FACT trained staff?
- Do we need to slightly increase each FSP program size to accommodate this small population? I believe we do.

Felony Incompetent to Stand Trial (FIST) (currently 55-60 persons)

- Needs: Specialized FACT trained staff, housing, services and programming
- Needs--Training: Major need for very specialized and "mission driven" FACT trained staff
- Needs--Housing: Required need for in-county Institute of Mental Diseases (IMD) Mental Health Rehabilitation Center (MHRC) facilitie(s).

NOTE: Alameda County Behavioral Health Services (ACBHS) has at least 2 Telecare contracted locked Mental Health Rehabilitation (MHRC) facilities, Gladman (Oakland) and Villa Fairmont (San Leandro) which houses and services this population (including LPS Murphy Conservatees). Contra Costa Behavioral Health Services (CCBHS) will have to do the same for this 55-65 person population.
Here's why: This population involves 3 entities:

- The District Attorney's (DA) office through the Deputy DA of Mental Health (MH) Litigation,
- The Public Defender's (PD) office through its 7 person Mental Health unit
- Contra Costa Behavioral Health Services (CCBHS) Forensic Mental Health (FMH) dept.

NOTE: The Deputy DA of MH Litigation does not consent at all to allowing FIST persons involved in any murder or attempted murder or manslaughter cases be accepted into any Behavioral Health Court or MHD programs. She invariably convinces the presiding judge to have the person remain in jail. As an alternative, she may consent to allowing them to go to a non-jail locked facility MHRC treatment environment.

LPS (including Murphy) Conservatees (civil LPS—regularly 120-150 persons; Murphy [incl. felony criminal justice charges—currently 5-7 persons])

In addition to contracts totaling approx.$6M with 13 IMD out-of-county facilities for 120-150 civil LPS Conservatees, CCBHS also has a $5.5M+ contract for 20 beds with the Dept. of State Hospitals (DSH). I've tried to find out, but so far, have been unsuccessful in finding out the use of these 20 DSH beds.
NOTE: Counties that condition either construction or refurbishment of buildings for IMD MHRC use often get reduced per day rates (25-50% less) than the daily rate of $300-$ 600/day, depending on the level of treatment involved.

Murphy Conservatees are the most mentally vulnerable among us." In addition to be legally adjudged "gravely disabled," they have been charged by the DA's office with one of the following 3 felony crimes:

- Murder
- Attempted murder
- Attempted grave physical and/or emotional injury.

Up to now, per Penal Code regulations, CCBHS has sent these 5-7 persons/yr. to State Hospitals for 1 yr. at a time renewable LPS Murphy Conservatorships. However, per AB 133 (see attached), these generally "unrestorable" persons will very soon be sent back to their original county of origin. This means CCBHS will have to provide facilities, programing, and services for this most vulnerable population.

NOTE: The financial "kicker" in all of this is the federal Institute of Mental Diseases (IMD) Medi-Cal Reinbursement Exclusion for persons 21-64 years of age. Because of this reimbursement exclusion, CCBHS draws down approx. $6M annually from the state provided 1991 Realignment Fund for this purpose, forfeiting the entire 50% dollar for dollar federal Medi-Cal match for LPS civil and Murphy Conservatee care. Therefore, until this **discriminatory exclusion** is repealed, Contra Costa Behavioral Health Services (CCBHS) may have to consider ending its state hospital contract in lieu of building, staffing, and maintaining MHRCs for the 5-10 person Misdemeanor IST (MIST), 50-65 person Felony IST (FIST), and 5-7 person LPS Murphy Conservatee population.

4147. (a) To confront the crisis of individuals found incompetent to stand trial (IST) and in recognition of the importance of these defendants who are committed to the State Department of State Hospitals to begin receiving competency treatment as soon as practicable, the California Health and Human Services Agency along with the State Department of State Hospitals shall convene an Incompetent to Stand Trial Solutions Workgroup to identify short, medium, and long-term solutions to advance alternatives to placement at the State Department of State Hospitals.

(b) Workgroup members shall be appointed by the Secretary of California Health and Human Services and the workgroup shall be chaired by the Director of the State Department of State Hospitals. Members of the workgroup shall serve without compensation. Members may include, but are not limited to, representatives from the following entities and interested parties:

(1) California Health and Human Services Agency.

(2) State Department of Health Care Services.

(3) State Department of Developmental Services.

(4) Department of Corrections and Rehabilitation.

(5) Department of Finance.

(6) Other state agencies, as needed.

(7) Judicial Council.

(8) Other partners, including local government and justice system representatives of entities involved in the commitment of IST defendants to the State Department of State Hospitals and representatives of patients and their family members, as needed.

(c) The workgroup shall submit recommendations to the California Health and Human Services Agency and the Department of Finance no later than November 30, 2021, outlining short-term solutions that can be accomplished by April 1, 2022, medium-term solutions that can be accomplished by January 10, 2023, and long-term solutions that can be accomplished by January 10, 2024, and January 10, 2025, to support the State Department of State Hospitals in serving individuals with the most intensive behavioral health treatment needs and providing timely access to treatment for individuals found IST on felony charges.

(d) The workgroup may meet as often as bi-weekly until the workgroup is disbanded by the Secretary of California Health and Human Services.

(e) The workgroup may consider, but is not limited to, recommendations that accomplish any of the following:

(1) Reduce the total number of felony defendants determined to be IST.

(2) Reduce the lengths of stay for felony IST patients.

(3) Support felony IST defendants to receive early access to treatment before transfer to a restoration of competency treatment program to achieve stabilization and restoration of competency sooner.

(4) Support increased access to felony IST diversion options.

(5) Expand treatment options for felony IST individuals, such as community-based restoration programs, jail-based competency treatment programs, and state hospital beds.

(6) Create new options for treatment of felony IST defendants including community based, locked and unlocked facilities.

(7) Establish partnerships to facilitate admissions and discharges to reduce recidivism and ensure that the most acute, high-risk, and at need patients receive access to State Department of State Hospitals beds, while patients with lower risk or acuity are treated in appropriate community settings.

(f) (1) Until December 31, 2024, if the Secretary of California Health and Human Services determines that either of the conditions stated in subparagraphs (A) or all of the conditions stated in subparagraph (B) have occurred, the State Department of State Hospitals may take the actions described in paragraph (2), if authorized by the Secretary of California Health and Human Services and the Department of Finance, and after Department of Finance has provided no less than a 30-day notification to the Joint Legislative Budget Committee and the State Department of State Hospitals has provided notification to the county public guardian and county behavioral agencies.

(A) The recommendations required to be completed by subdivision (c) cannot be completed due to reasons outside of the control of the California Health and Human Services Agency or the State Department of State Hospitals.

(B)(i) Insufficient progress has been made in implementing the recommendations in a timely manner to provide timely access to competency treatment for IST defendants committed to the State Department of State Hospitals.

(ii) IST commitments to the State Department of State Hospitals continues to exceed the capacity available, in facilities the department has jurisdiction over pursuant to Section 4100, to provide restoration of competency treatment.

(iii) The State Department of State Hospitals continues to maintain an IST admission waitlist that exceeds the capacity of the facilities within its jurisdiction pursuant to Section 4100 to admit IST commitments.

(iv) As a result of the conditions described in clauses (i) through (iii), inclusive, IST defendants committed to the State Department of State Hospitals are not able to receive timely access to restoration of competency treatment and no reasonable state solutions are available, including timely solutions to increase capacity within the facilities within its jurisdiction pursuant to Section 4100 that may admit IST commitments.

(2) If the requirements of paragraph (1) are met, the State Department of State Hospitals may take the following actions:

(A) The State Department of State Hospitals may discontinue admissions for new patients committed to a state hospital pursuant to Section 5358.

(B) The State Department of State Hospitals may, following the determination by the Secretary of California Health and Human Services pursuant to paragraph (1), impose patient reduction targets over the next three fiscal years for patients committed to a state hospital pursuant to Section 5358. Reduction targets shall only be to the minimum level necessary to achieve timely access to treatment for IST commitments, as determined by the State Department of State Hospitals and the Secretary of California Health and Human Services and will allow no less than a minimum of six months for the first reduction target to be achieved.

(C) The State Department of State Hospitals may charge 150 percent of the daily bed rate for counties, pursuant to Section 4330, that exceed the bed usage for patients admitted pursuant to

Section 5358 and that are above the specified patient reduction targets made pursuant to subparagraph (B).

(g) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the State Department of State Hospitals may implement, interpret, or make specific this section by means of a departmental letter or other similar instruction, as necessary.

(h) Contracts awarded pursuant to this section, including contracts to implement solutions developed by the Incompetent to Stand Trial Solutions Workgroup, shall be exempt from the requirements contained in the Public Contract Code, Section 19130 of the Government Code, Section 4101.5, and the State Administrative Manual and shall not be subject to approval by the Department of General Services.

IST Solutions Workgroup – Draft Recommendations

The following draft recommendations represent the collective recommendations from members of the IST Solutions Workgroup, the IST Solutions Working Group 1: Early Access to Treatment and Stabilization for Individuals Found IST on Felony Charges, Working Group 2: Diversion and Community-Based Restoration for Felony ISTs, and Working Group 3: Initial County Competency Evaluations, and input from public participation in the meetings of these groups. These recommendations do not represent the viewpoints or opinions of any one entity or the State.

Short Term Strategies: Solutions that can begin implementation by April 1, 2022

Goals:

a) Provide immediate solutions for 1700+ individuals currently found incompetent to stand trial on felony charges and waiting in jail for access to a treatment program.
b) Provide quick access to treatment in jail, community, or diversion
c) Identify those who have already restored
d) Reduce new IST referrals

#	Strategy	Type	Potential Impact	Other Considerations
S.1	Support increased access to psychiatric medications in jail for felony ISTs, including: • Provide funding to jails to expand the use of long-acting injectable psychiatric medications (LAIs) in jail settings. • Use of technology/telehealth for jail clinicians to access tele-psychiatrists to provide medication/treatment determinations, including involuntary medications, when needed. • Increase opportunities to rapidly connect a court-appointed competency evaluator's opinion that a patient needs medication to jail providers for consideration in an individual's treatment plan.	Funding/ Policy	Provides opportunities for faster stabilization of mental health symptoms in jail and increase opportunities for individuals to be candidates for diversion or community-based restoration programs.	Opportunity to potentially prioritize a portion of the $75 Million earmarked for implementation of solutions identified by the IST Solutions Workgroup to begin funding LAIs in targeted circumstances, however broader funding of LAI's would need greater funding support.
S.2	Improve coordination between State, criminal justice partners, county behavioral/mental health	Operations /Funding	Increased partnership and opportunities for diversion and community-based treatment	Short-term bridge solutions may need to be implemented to advance these solutions until the

	directors, and county public guardians, for IST patients, including: • Transition/treatment planning to ensure continuity of care between systems and providers • Providing a 90-day medication supply for individuals discharging to the community from jail, diversion, or restoration of competency treatment programs. • Use of common drug formularies, wherever possible Data sharing/business associate agreements • Identifying community based and diversion alternatives		for felony ISTs. Increased support for transitions and re-entry after felony IST finding or release to reduce destabilization and re-arrest.	CalAIM reforms noted in Strategy L.2 are implemented.
S.3	Provide training and technical assistance and develop best practice guides for jail clinical staff and criminal justice partners for effective treatment engagement strategies including • seeking treatment and medication histories from family members, • utilization of incentives and other strategies to engage treatment • providing/obtaining involuntary medication orders and administering involuntary medications, when necessary.	Training	Increased early treatment engagement and stabilization of individuals may result in individuals being stabilized before being found incompetent to stand trial or increased opportunity for placement in diversion or community-based restoration programs	DSH Clinical Operations is actively providing technical assistance and training, as well as psychopharmacology consultation, to any county partners who request it.
S.4	Re-assess the DSH current waitlist, in partnership with DSH, county behavioral health, jail treatment providers and criminal justice partners to identify individuals who may be eligible for diversion, CONREP or community-based restoration, address medication/treatment needs to stabilize mental health symptoms in jail, and swiftly move individuals into these programs to maximize their utilization.	Operations	Reduce current waitlist and increase access to community-based treatment for felony ISTs.	The 2021 Budget Act included funding for DSH to re-evaluate individuals on the IST waitlist after 60 days to determine if an individual has been restored to competency or stabilized enough to be considered for diversion or CONREP placement. Further opportunities exist to actively partner with counties prior to 60 days to identify individual who may be

				candidates for placements in diversion/CONREP.
S.5	Expand technical assistance for diversion and community-based Restoration, including: • Developing best practice guides in partnership with key stakeholders • Providing training and technical assistance to newly developing programs • Providing training on use of structured risk assessment tools, which can help address concerns related to public safety	Training	Supports increased utilization and expansion of diversion and community-based treatment options for felony ISTs.	DSH developed and implemented a Diversion Academy for counties who plan to implement DSH Diversion programs for ISTs. This was offered in the fall 2021 to counties who have applied for funding to establish new Diversion programs. DSH also maintains a website of technical assistance resources to support diversion. Additionally, DSH plans to expand technical assistance opportunities to counties to support implementation of community-based restoration programs.
S.6	Provide training and technical assistance for Court appointed evaluators to improve the quality of the reports used by courts in determining a defendant is incompetent to stand trial.: • Develop checklists for court appointed evaluators to follow of items to be considered when making competency recommendations, consider American Academy of Psychiatry and the Law guidelines and/or Judicial Council rules of Court • Develop template evaluation reports that include all checklist items, including short-form report options for when clinically appropriate • Develop technical assistance and training videos to increase knowledge and skills for existing court appointed evaluators which can be available on DSH website	Training	Improves quality of court-appointed evaluator reports to inform the court whether an individual may be incompetent to stand trial and the basis of that determination including an individual's diagnosis, whether they require an involuntary medication order (IMO), or if they are malingering symptoms. May reduce the number of individuals found incompetent to stand trial and increase access to treatment and stabilization when treatment engagement is difficult due to an individual's severe symptoms of psychosis.	

	• Ensure training and technical assistance includes include information on discrepancies and biases in evaluations			
S.7	Prioritize community-based restoration and diversion by: • Allowing individuals placed into diversion to retain their place on the waitlist should they be unsuccessful in diversion and need inpatient restoration of competency services; and, • Improving communication between DSH and local courts so that a person on the waitlist is not removed from diversion consideration prematurely when a bed becomes available at DSH.	Policy	Addresses concerns from diversion providers that individuals will not have timely access to a DSH treatment program if the individual's mental health symptoms and community safety risk significantly increases. Additionally, reduces instances where individuals are transferred to a DSH hospital or JBCT pre-maturely when an individual is being considered for diversion.	DSH issued Departmental Letter 21-001 on November 3, 2021, to implement this recommendation. It outlines the process to facilitate coordination between Diversion programs, the courts, and DSH when an individual is being considered for diversion to ensure the individual is not inadvertently transferred to a DSH hospital or jail-based competency treatment program. It also establishes the procedure for a diversion program client to reenter the waitlist with their original commitment date when an individual is revoked from diversion and needs to be transferred into a secure treatment program.
S.8	Prioritize and/or incentivize DSH diversion funding to support diverting eligible individuals from the DSH waitlist.	Policy/ Statutory	Assists in reducing the DSH waitlist by prioritizing individuals on the waitlist for diversion over individuals likely to be found incompetent to stand trial. Individuals likely to be found incompetent to stand trial are also eligible for DSH Diversion.	The 2021 Budget Act included funding for existing programs to expand diversion programs to divert individuals who have been found incompetent to stand trial on felony charges from DSH waitlist. Welfare and Institutions Code 4136 by trailer bill, SB 129 (Committee on Budget, Statutes of 2021), also amended to prioritize expansion funding to

				individuals found incompetent to stand trial.
S.9	Include justice-involved individuals with serious mental illness as priorities in state-level homelessness housing, behavioral health, and community care infrastructure expansion funding opportunities	Policy	Supports increased access to community-based treatment for justice-involved individuals including felony ISTs.	
S.10	Augment funding in DSH Diversion contracts with counties to provide for interim housing, including subsidies, and housing-related costs to support increased placements into Diversion.	Funding	Addresses concerns of DSH Diversion program providers about insufficient funding to access housing for the DSH Diversion population	Opportunity to potentially prioritize a portion of the $75 Million earmarked for implementation of solutions identified by the IST Solutions Workgroup
S.11	Local planning efforts for homelessness housing, behavioral health continuum and community care expansion should include behavioral health, and criminal-justice partners and consider providing services for justice-involved individuals with Serious Mental Illness to reduce homelessness and the cycle of criminalization.	Policy	Supports local efforts and inclusion of justice-involved individuals in planning and strategy development for local investments and state-level grants.	

Medium-Term Strategies: Solutions that can begin implementation by January 10, 2023

Goals:

a) Continue to provide timely access to treatment
b) Begin to implement other changes that address broader goals of reducing the number of ISTs
c) Increase IST treatment alternatives

#	Strategy	Type	Potential Impact	Other Considerations
M.1	Statutorily prioritize community outpatient treatment and diversion for individuals found incompetent to stand trial on felony charges for individuals with less severe behavioral health needs and criminogenic risk and reserve jail-based competency and state hospital treatment for individuals with the highest needs. Options include: • Require consideration of diversion for anyone found incompetent to stand trial • Treat penal code 1170(h) felonies consistent with SB 317 (Chapter 599, Statutes of 2021) which requires a hearing for diversion eligibility, if not diversion eligible, a hearing to consider assisted outpatient treatment, conservatorship, or dismissal of the charges. • Change presumption of appropriate placement to outpatient treatment or diversion for felony IST and require judicial determination based on clinical needs or high community safety risk for placement at DSH or in a jail-based treatment program. • Reform exclusion criteria of diversion under PC 1001.36 to "clear and present risk to public safety" rather than "unreasonable risk to public safety". • Statutorily require the use of structured risk assessments to assist in identifying defendants that should be eligible for diversion or community treatment.	Statutory/ Funding	Establishes priority for diversion and community-based treatment for felony ISTs whenever appropriate based on an individual's treatment needs and criminogenic risk. Prioritizes utilization of state-hospital and jail-based competency treatment programs for those with the highest needs.	Corresponding operational changes could be implemented to also develop clinical factors for determination of treatment in State hospitals versus jail-based competency treatment programs. Currently over referral to state hospitals and jail-based competency treatment programs and under-utilization of diversion programs and lack of community-based treatment programs results in lengthy waitlist and inefficient utilization of inpatient and jail-based beds.

	• Mandate judicial consideration of diversion at the outset of criminal proceedings for mentally ill defendants			
M.2	Provide increased opportunities and dedicated funding for intensive community treatment models for individuals found IST on felony charges. Options include: • Assisted Outpatient Treatment (AOT) • Forensic Assertive Community Treatment (FACT) • Full-Service Partnerships (FSP) • Regional community-based treatment programs for individuals not tied to any one county	Funding/ Policy	Increases access to community-based treatment alternatives for justice-involved individuals with serious mental illnesses and reduces the incarceration.	
M.3	Establish a new category of forensic Assisted Outpatient Treatment commitment that includes: • Housing • Long-acting injectable psychiatric medication • Involuntary medication orders, when needed • FACT team • Intensive case management	Statutory	Increases access to community-based treatment alternatives for justice-involved individuals with serious mental illnesses and reduces the incarceration. A forensic AOT commitment would ensure access to, and engagement with an intensive level of outpatient services designed to interrupt the cycle of criminalization in lieu of inpatient restoration commitment.	Establishing category would be a medium-term strategy. However, implementing programs would be a long-term strategy.
M.4	Establishing statewide pool of court-appointed evaluators and increase the number of qualified evaluators • Request counties to share their lists of court-appointed evaluators • Identify demographics and cultural and linguistic competence of evaluators • Increase court funding for court appointed evaluators	Funding/ Operations	Assists courts in access to court-appointed evaluators and potentially reduces the amount of time individuals wait in jail for a court-appointed evaluation. Establishing a diverse pool of court appointed evaluators reduces the risk that individuals	

			are determined to be incompetent to stand trial due to cultural and linguistic differences.	
M.5	Improve statutory process leading to finding of incompetence or restoration to competence: • Set time frames for appointments of court appointed evaluators and receipt of reports • Set statewide standards for court evaluations and reports • Expand list of individuals who can recommend to court need for re-evaluation if someone may have been restored – noted already authorized for those over 60 days	Statutory	Reduces time in jail for individuals awaiting competency assessments and increases quality of court-appointed evaluator reports. Allows an individual to be reevaluated for competency after the initial finding and before transfer to a treatment program.	Penal Code 1370 in 2019 was amended to allow jail providers and public defenders to request the court to appoint an evaluator to reevaluate a person's competency. Welfare and Institutions Code 4335.2 was added in 2021 to allow DSH evaluators to reevaluate an individual for competency after they have been on the waitlist for 60 days.
M.6	Revise items court evaluators must consider when assessing competence to include: • Diversion • Likelihood for restoration • Medical needs • Involuntary medication	Statutory	Assists the court in determining an individual's potential eligibility for diversion or whether another treatment pathway to competency restoration is more appropriate.	Important to ensure appropriate training, technical assistance and quality assurance measures for court-appointed evaluators are also implemented in conjunction with this recommendation, otherwise individuals may unnecessarily be excluded from diversion opportunities.
M.7	Revise/improve involuntary medication order statutory process: • Involuntary medication orders follow the person and are not specific to the placement locations. • Court-appointed psychologists may opine on consent capacity and potential need for involuntary medications when providing reports to the court on incompetence to stand trial. • Remove special designation requirements for jails to be able to provide involuntary medications for felony ISTs and allow jails to	Statutory	Provides treatment access and stabilization for individuals who do not have the capacity to consent to treatment due to the current severity of the symptoms of their mental illness. Facilitates improved care coordination and rapid re-stabilization to prevent rehospitalization in locked settings when a justice-	

	provide involuntary medications when needed and there is a court order.		involved individual decompensates.	
M.8	Develop stabilization inpatient capacity prior to placement in diversion programs		Provides increased mental health stabilization services to reduce barriers to diversion eligibility and increase access to diversion for felony ISTs.	The 2021Budget Act includes $250M for DSH to increase IMD and sub-acute capacity in the community for felony ISTs, which can be utilized to provide stabilization services.
M.9	Provide funding to expand support services to increasing utilization of diversion and community-based restoration for felony ISTs, including: • Diversion Program Provider Support/Technical Assistance - Develop diversion technical assistance/support teams consisting of psychiatrists and criminal justice experts to provide 24 hours a day 7 days a week non-urgent and emergency technical assistance and support. • Forensic Peer Support Specialists (or General Peer Support Specialists) – Provide funding to support utilization of peer support specialists in the courts, jails, and diversion and treatment programs. • Probation Partnerships - Leverage potential opportunity for probation partnerships to provide community diversion supervision and rapport building and increasing client engagement in treatment for higher-risk individuals. Integration of the SSI/SSDI Outreach Access, and Recovery (SOAR specialists in diversion programs to increase SSI/SSDI application success rates and increase individual funding for community-based housing.	Funding/ Operations	Supports providers in treatment and support plan development for difficult cases and responding to emergent/urgent diversion program and treatment challenges. Increases treatment engagement and success in diversion/community-based treatment for felony ISTs. Assists court and jails with navigation, identification and connection to system partners to facilitate dismissal/diversion, case planning, and effective reentry to the community. Expands opportunities for higher-risk individuals to be served in community programs. Increases funding for community-based housing.	Could pilot these support services in counties with the greatest number of ISTs to facilitate greater number of individuals placed in diversion. The 2021 Enacted Budget includes funding to support probation services for a subset of IST defendants served in the Los Angeles community-based restoration program. In addition, a portion of funding is available to expand community-based restoration programs to other counties can be used to support probation services.

M.10	• Support individuals with serious mental illness remaining stable in the community Psychiatric Advance Directives (PADs) - peers would assist with the completion of the PADs (see above for peer costs). • Enhance funding to the public guardians to ensure people with serious mental illness are appropriately placed in the continuum of care	Policy/ Funding	Reduces homelessness and the cycle of criminalization of individuals with serious mental illness.	Disability Rights California is in the process of updating their PAD resources, and can be a resource for the guidance, forms, etc.
M.11	Explore alternative jail-based competency and community-based restoration contract models to support Sheriff's in subcontracting to community facilities for treatment rather than providing in-jail competency treatment.	Policy	Increases community-based treatment options and reduces reliance on jail-based treatment to serve felony ISTs.	Existing authority to expand community-based restoration programs may be used to support this contract model.
M.12	Expediting assessment and treatment immediately upon booking of defendants with serious mental illness, including: • Completing universal behavioral health and suicide risk assessments and substance abuse screenings, and review of record and behavioral health history by jail providers. • Performing a housing and service needs assessment to inform early consideration of housing and service needs for treatment of ISTs in the community. • Implementing consideration of the family perspective and documentation of the mental health history and treatment of a loved one and including co-occurring substance use disorder challenges. • Determine a course of treatment that may begin in the jail, including medications, and discharge planning should start at the time of booking. • Early review of cases at booking or as soon as possible by District Attorney and Public	Policy/ Funding	Increases early access to treatment and opportunities for community-based treatment options.	Additional funding/resources may be needed by jails, district attorneys and public defenders to increase early access to treatment.

	Defender, in partnership with county behavioral health and jail treatment providers, for each defendant screened as mentally-ill to eliminate those cases that will not be filed (defendant to be released), or for those defendants in situations where a complaint is likely to be filed, determine if there are opportunities for pre-trial release into treatment and services to provide a recommendation to the Jude at or before the time of arraignment.			
M.13	Establish requirements and/or provide incentives/enhanced rates to support increased community-based treatment and housing for justice-involved individuals with SMI, including to: • Increase community providers and facilities willing to serve this population • Increase access to acute inpatient services for inmates under 5150s	Funding/ Statutory	Eliminates barriers and discriminatory practices in access to community-based treatment for justice-involved individuals.	
M.14	Provide flexibilities, and expedited licensing to increase access to inpatient beds and housing, including: • Expedited licensing of Psychiatric Health Facilities (PHFs) and Mental Health Rehabilitation Centers (MHRCs) • Streamlining/coordination of licensing bodies when trying to establish new adult residential facilities and other treatment facilities.	Policy	Facilitates faster expansion of community treatment and housing resources. Eliminates perceived licensing barriers to quick expansion of treatment/housing resources.	
M.15	Revise DSH's Conditional Release Program (CONREP) Community Program Director Role and/or placement criteria to facilitate increased felony IST placement to CONREP and Diversion programs.	Statutory	Increases access to diversion and community-based restoration programs for felony ISTs.	

Long-Term Strategies: Solutions that can begin implementation by January 10, 2024 and January 10, 2025

Goals:

a) Break the cycle of criminalization
b) Reduce the number of individuals found incompetent to stand trial on felony charges
c) Provide bridge funding or strategies until broader behavioral health transformation initiatives are fully implemented including CalAIM, Behavioral Health Care Continuum Expansion, and Community Care Expansions

#	Strategy	Type	Potential Impact	Other Considerations
L.1	Partner with the Homeless Coordinating and Financing Council (now the California Interagency Council on Homelessness) to • Advocate to HUD to include the definition of at-risk of homelessness as and eligible population for resources • Advocate with HUD to leverage existing allocations from federal government to local Continuums of Care (CoCs). • Consider flexibilities around housing first approaches and ensure definition of homelessness includes at-risk of homelessness populations. • Provide training and technical assistance to CoCs, Criminal Justice and Behavioral Health partners on how to provide effective housing services to this population • Explore and support strategies to exchange data to ensure that the Behavioral Health/Criminal Justice population is included in CoC resourced efforts. The Criminal Justice system needs to be connected to the homeless crisis response system.	Policy	Increased coordination and access to resources for individuals with serious mental illness to eliminate cycling in and out of homelessness.	

L.2	Support effective implementation of the proposed Cal-AIM (California Advancing & Innovating Medi-Cal) components that impact the justice involved, including: • Enrollment in Medi-Cal prior to release, • 90-day in-reach to stabilize health and wellness, provide warm hand-offs and prepare for community reintegration, • Intensive community-based care and coordination – enhanced care management (ECM), • Access to community supports (food and housing) post release, and • Capacity building for workforce, IT/data systems, infrastructure.	Funding/ Policy	Provides coordination of medical, behavioral health and non-clinical social services for justice-involved individuals prior to and upon release from county jails. Access to services upon release from jail can help reduce the cycle of criminalization for individuals with serious mental illness.	Department of Health Care Services has submitted application for Medi-cal waiver to the Centers for Medicare and Medicaid Services for approval.
L.3	Develop quality improvement oversight/peer review of court-appointed evaluators and their reports, may include: • Developing a certification program • Implementing pay for performance strategies to tie funding to quality • Requiring standardized training • Implementing a peer review process to improve quality of reports	Funding/ Statutory	Increased quality and timing of court-appointed evaluator reports. Reduced time in jail for individuals pending competency assessments. May reduce the number of individuals found incompetent to stand trial due to poor quality reports.	Consideration should be given to whether a certification, quality improvement and oversight programs should be implemented at the state level, by the Judicial Council or by a private/other certification program provider.
L.4	Increase opportunities for alternatives to arrest and pre-booking diversion, including: • Mobile/non-police crisis response teams • Sobering or triage centers • Diversion centers including Federally Qualified Health Center models	Funding	Reduces incarceration and increases access to community-based treatment for individuals with serious mental illnesses.	
L.5	Expand community treatment and housing options for individuals living with serious mental illness justice-involved individuals, including: • Provide dedicated funding to develop housing to support diversion, and community-based restoration	Funding/ Policy	Increases access to diversion and community-based treatment for felony ISTs. Provides treatment and housing options to provide community-based treatment and diversion.	

	• Provide incentives or flexible housing pool models for housing developers; providers of supportive housing; including peer-run organizations; and owners of rental units to create additional housing resources or provide operating subsidies or supports. justice-involved individuals with serious mental illnesses • Include justice-involved individuals with serious mental illness as priorities in homelessness, behavioral health, and community care infrastructure expansion funding • Provide landlord incentives • Expand Social Rehabilitation facilities • Develop unlocked residential housing with treatment and supports • Support regional programs and approaches • Increase permanent supportive housing opportunities for justice-involved individuals with serious mental illnesses. • Consider funding support for Accessory Dwelling Units (ADU) development to support families' ability to provide independent housing for loved ones with SMI on their properties.		Supports infrastructure development and prioritization for justice-involved individuals including felony ISTs.	
L.6	Develop new licensing category for enriched and intensive community treatment options for individuals living with Serious Mental Illness including individuals who are justice-involved which may include provisions of mental health, health care, and intensive support services in a home-like setting: • Explore similar model to the Short-term Residential Therapeutic Programs models that serve children and youth whose	Statutory	Increases intensive community-based treatment options for individuals with serious mental illnesses to prevent homelessness and criminalization.	

	needs create barriers to placement in family-based care. • Explore similar licensing categories to those that support adults with developmental disabilities.			
L.7	Facilitate appropriate information sharing and support cross-system data initiatives across State, courts, and local entities that serve ISTs. • Develop State Health Information Guidance on sharing health and housing information in the context of serving people involved in the criminal justice systems, including the development of standard authorizations for release of information and MOU's. • Provide funding to support counties to undertake analyses of their criminal justice populations, including those with behavioral health needs to understand trends and identify data-driven strategies to reduce the number of ISTs • Provide funding to develop a state approach to monitor key data at the intersection of criminal justice, behavioral health, and homelessness.	Policy	Facilitates improved treatment/coordination. Supports research, evaluation and policy development to inform ongoing strategies and investments.	
L.8	Support the development and expansion of a culturally and linguistically competent workforce to meet an individual's forensic and behavioral health needs, including: • Funding for forensic fellowships • Utilizing 4th year residents and psychology students to provide court-appointed evaluations. • Support increased psychologist education and training and psychiatric residency	Funding/ Policy	Provides a diverse workforce trained to provide services and supports to justice-involved individuals with serious mental illness.	

	programs with rotation requirements to serve justice-involved individuals. • Explore expansion of mental health and other professionals to serve justice-involved individuals. • Expand the use of peer support specialists and family members • Support care team models so individuals are working at the top of their licensure. • Provide recruitment and retention incentives • Identify funding streams that could be braided (and augmented) to address workforce shortages. • Educate workforce on serving in the role of the housing advocate, collaborative justice principles, motivational interviewing, assessing and mitigating dangerousness, implicit bias, and other culturally relevant competencies.			

Behavioral Health Continuum Infrastructure Program and Community Care Expansion Listening Session

Hosted by:

Marlies Perez, Chief
Department of Health Care Services

Corrin Buchanan, Assistant Director
Department of Social Services

Listening Session Format

For each topic, DHCS will:

1. Present the information specified in BHCIP
2. Provide a prompt related to the policy decisions for the BHCIP grant making
3. Solicit stakeholder verbal or written feedback via chat on the prompt
4. DHCS is gathering information and will not be responding to questions during the listening session

How to Provide Feedback

1. "Raise your hand" to provide verbal feedback during the Listening Session
2. Submit your feedback in writing:
   - Type your feedback/comments in the chat box located on your control panel
   - Send an email to bhcip@dhcs.ca.gov with the subject line "Listening Session". Feedback is accepted through October 15, 2021

CA Infrastructure Investment

- California is making a significant investment in infrastructure by providing competitive grants to qualified entities to construct, acquire, and rehabilitate real estate assets
- $3 billion in infrastructure funding opportunities are available through the Behavioral Health Continuum Infrastructure Program at DHCS and the Community of Care Expansion Program and the California Department of Social Services (CDSS)

Collaboration

DHCS and CDSS are closely collaborating on the BHCIP and CCE infrastructure grants

- Combined stakeholder meetings with counties and tribal entities
- Joint Planning Grant for Counties and Tribal Entities
- Leveraging TA resources
- Alignment on policy, when feasible
- Timing RFA releases to support local efforts

CA Homeless/ Housing Efforts

- These infrastructure investments are part of a larger effort to rebuild the state's portfolio of housing and treatment options for people with severe behavioral health challenges who are at risk of or experiencing homelessness
- California is investing $12B over the next two years to end and prevent homelessness including flexible funding to local governments with strong accountably measures and investments in the social safety net and healthcare delivery system

Need for BH Infrastructure

- The majority of Californians with behavioral health (BH) conditions self-reported they were not receiving treatment. (California Health Care Foundation Mental Health Almanac 2018 and SUD Almanac 2018.)
- Inpatient psychiatric bed capacity in California is 21 beds/100,000 people whereas experts estimate 50 beds/100,000 people is needed to meet the need across the state. (CA Hospital Association)
- Number of SUD treatment facilities has decreased by 13 percent over the last three years (down to 874 licensed facilities in 2020 compared to 1,009 in 2018).

BHCIP Vision

- BHCIP offers a tremendous opportunity to create new capacity within the BH facility infrastructure in California
- DHCS is excited to lead out such a significant project that will have a lasting impact on the BH field
- BHCIP will align with DHCS' other efforts around integration, CalAIM, Children and Youth Behavioral Health Initiative, address homelessness and expanding BH access

BH Needs Assessment

- DHCS will publish a behavioral health capacity and gap analysis in November 2021.
  - Assessment of the current state's BH continuum of care, including mental health and SUD systems
  - Determine the need for expanding existing capacity and/or proposing enhancements to the existing continuum
  - Inform the BHCIP rounds of grant applications, in addition to the SMI/SED IMD waiver.
  - The Needs Assessment will be one source of information to determine the need for statewide capacity.

BHCIP Overview

- Passed in FY 2021-22 State budget.
- $2.2B total for the BHCIP
- Amends Welfare and Institutions Code
- Provides competitive grants for counties, tribal entities, non-profit and for-profit entities to build new or expand existing capacity in the continuum of public and private BH facilities
- Funding will be **only** for new or expanding infrastructure (brick and mortar) projects and not BH services

BHCIP Overview

- DHCS will release Request for Applications (RFAs) for BHCIP through multiple rounds
- Rounds will target various gaps in California's BH facility infrastructure
- Rounds will remain open until funds are awarded
- Different entities will be able to apply in each round for specific projects to address identified infrastructure gaps
- Stakeholder engagement will occur throughout the project

Facility Types

- BH Wellness Centers
- Short-term crisis stabilization
- Acute and subacute care
- Crisis residential
- Community-based MH residential
- Substance use disorder residential
- Peer respite
- Mobile crisis
- Community and outpatient
- Other clinically enriched longer term treatment and rehabilitation options for persons with BH disorders in the least restrictive and least costly setting

Feedback

1. In order to expand CA's BH continuum of care, what other BH facilities would you like to have considered for funding?

Requirements in Law

Part 1, Chapter 7, Section 5960.15. An entity shall meet all of the following conditions in order to receive grant funds pursuant to Section 5960.5(a), to the extent applicable and as required by the department:

(a) Provide matching funds or real property

(b) Expend funds to supplement and not supplant existing funds to construct, acquire, and rehabilitate real estate assets.

(c) Report data to the department within 90 days of the end of each quarter for the first five years.

(d) Operate Medi-Cal services in the financed facility for the intended purpose for a minimum of 30 years.

<u>Proposed Additional Requirements</u>

- DHCS will also require that Medi-Cal beneficiaries are served in grant funded facilities
- The 30 years begins after construction is completed

Exemptions

5960.30. (a) Notwithstanding any other law, a facility project funded by a grant pursuant to this chapter shall be deemed consistent and in conformity with any applicable local plan, standard, or requirement, and allowed as a permitted use, within the zone in which the structure is located, and **shall not** be subject to a conditional use permit, discretionary permit, or to any other discretionary reviews or approvals.

(b) Notwithstanding any other law, the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) **shall not apply** to any facility project, including a phased project, funded by a grant pursuant to this chapter if all of the following requirements, if applicable, are satisfied

BHCIP Proposed Rounds

Round 1: Mobile Crisis $150M (July 2021)

Round 2: Planning Grants $8M (Nov 2021)

Round 3: Launch Ready $585M (Jan 2022)

Round 4: Children and Youth $460M (*Aug 2022*)

Round 5: Addressing Gaps #1 $462M (*Oct 2022*)

Round 6: Addressing Gaps #2 $460M(Dec *2022*)

Proposed BHCIP Timeline

July 2021	Release Round 1: Mobile Crisis RFA
September 2021	Award Round 1: Mobile Crisis Projects
Sept/October 2021	Re-Release Round 1: Mobile Crisis RFA Part 2
October 2021	BHCIP/DSS Listening Session
November 2021	Release BH Assessment Report
November 2021	Release Round 2: Planning Grants RFA
January 2022	Award Round 2: Planning Grants
January 2022	Release Round 3: Launch Ready RFA
April 2022	BHCIP Listening Session for Rounds 4-6
May 2022	Award Round 3: Launch Ready Grants
August 2022	Release Round 4: Children and Youth RFA
October 2022	Release Round 5: Addressing Gaps #1 (TBD)
December 2022	Release Round 6: Addressing Gaps #2 (TBD)

BHCIP Funding Available

- *FY 21/22:* **$743.5M total**
  - $150M Mobile Crisis
  - $593.5M General BHCIP
- Obligate $300M Coronavirus Fiscal Recovery Fund (CFRF) by June 2024 and liquidate by December 2026.
- Expend $443.5M in State General Fund (SGF) by June 30, 2026.

BHCIP Funding Available

FY 22/23: **$1.38B total**

- $1.16B General BHCIP Infrastructure
- $218.5M from Coronavirus Fiscal Recovery Fund (CFRF)
- Obligate CFRF funds by June 2024 and liquidate by December 2026.
- Expend $1.16B in State General Fund by 2027.

CDSS Community Care Expansion

- The CCE program will fund the acquisition, construction, and rehabilitation of adult and senior care facilities that serve applicants and recipients of Social Security Income (SSI) including individuals who are at risk of or experiencing homelessness and those who have behavioral health conditions

Overlapping Characteristics of the CCE and BHCIP

- BHCIP facility types are broader but include adult and senior care facilities
- CCE aims to serve the SSI population, but is inclusive of individuals with behavioral health conditions
- Like the BHCIP, the CCE will require a match and a commitment of long term use of the facility for the intended purpose

BHCIP and CCE Coordination

- DHCS and CDSS are working collaboratively on the design and implementation of these programs and will continue to engage stakeholders jointly
- Applicants are encouraged to consider both funding streams when planning for system of care enhancements

Advocates for Human Potential (AHP)

- AHP will assist DHCS with overall BHCIP project implementation including:
  - Planning grants (contracts/funding/TA)
  - Applicant and grantee assistance including preparation of proposals for rounds
  - Real estate TA for grantees (land use zoning, permitting, real estate acquisition, applicable exemptions)
  - Additional TA
  - DHCS project management

Feedback

1. What are the TA needs for counties and tribes for the planning grants?
2. How could TA help in preparing the proposals?
3. How could TA assist in implementing grants?

Required Match

- Matching funds or real property will be required
- Match requirements are still in development
- Initial recommendations:
  - Lower for counties/tribal entities
  - Lower for non-profits with county contracts
  - Higher for private entities

Feedback

1. What funds would entities propose to use for the match?
2. Any comments about the real property match option?

Grant Funding

Maximum funding could be determined based on:

- Set amount available per facility type rehabilitated for expansion
  - Per bed
  - Per increase in outpatient capacity
- Set amount available for newly constructed facility type
  - Per bed
  - Per increase in outpatient capacity
- Priorities determined by the state
  - For example - reduces hospitalization, incarceration and/or institutionalization

Feedback

1. What are the funding limit recommendations for each eligible facility type?
2. Are there other factors that could be considered to determine funding levels?

Round One: Mobile Crisis

- RFA's released in July 2021 to counties and Tribal entities for crisis care mobile units (CCMU).
- Entities could apply for up to $1M per CCMU team from September 2021 – June 30, 2025
- Awards will be made in early October 2021

Round One: Mobile Crisis

DHCS will re-release the Round One: Mobile Crisis RFA for new county and tribal applicants.

- Entities already awarded may apply, but new applicants will receive priority funding.
- RFA will be released in Oct.

Round Two: Planning Grants

- Eligibility limited to counties and Tribes (638s and Urbans) $8M Total
- Planning will encompass all rounds, incorporate DSS grant opportunities and other planning efforts such as expanding workforce
- Up to $100K per Planning Grant
- Counties and tribal entities may apply as a regional model
- TA will be provided
- Release RFA Oct 21, Due Nov 21, Award Jan 22
- Project period Jan 22-Dec 22

Feedback

What comments do you have regarding the Planning Grant round?

Round Three: Launch-Ready

- All entities will be eligible including counties, Tribes, non-profit, and private entities
- Funding will be for launch-ready BH facilities outlined by DHCS in the RFA which meet the gaps identified in the BH Needs Assessment
- County letter of support/acknowledgement may be required
- Additional requirements will be forthcoming
- Release RFA Jan 22, Due Mar 22, Initial Award of projects May 22
- Project period from May 22-June 26

Feedback

What information can DHCS provide to assist with planning efforts for this RFA?

Rounds Four-Six

- Future stakeholder feedback opportunities will be available for rounds four-six of the BHCIP.
  - Round 4: Children and Youth $460M (Aug 2022)
  - Round 5: Addressing Gaps #1 $462M (Oct 2022)
  - Round 6: Addressing Gaps #2 $460M(Dec 2022)
  - Addressing Gaps rounds may include other state priorities such as justice involved and other special populations.
- General comments are accepted through the BHCIP mailbox; however, more details will be available as these rounds are developed.

Contact Information

Current information regarding the implementation of BHCIP can be found online: BHCIP-Home (ca.gov)

Written comments and feedback can be submitted to the BHCIP mailbox at: BHCIP@dhcs.ca.gov

Written comments for the CDSS CCE Project at: housing@dss.ca.gov

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature hereby finds and declares all of the following:

(a) The COVID-19 public health emergency has impacted every aspect of life as social distancing became a necessity, businesses closed, schools transitioned to remote education, and millions of Americans lost their jobs. The pandemic's impacts on behavioral health, including the toll of pandemic-related stress, have increased the need for community behavioral health resources.

(b) In particular, the pandemic has exacerbated the need to build new capacity or expand existing capacity for the continuum of behavioral health treatment resources in less restrictive, community-based, residential settings of care.

(c) It is the intent of the Legislature to provide competitive grants to qualified entities to construct, acquire, and rehabilitate real estate assets to support the community continuum of behavioral health treatment resource needs due to the pandemic.

SECTION 2. Part 7 (commencing with Section 5960) is added to Division 5 of the Welfare and Institutions Code, to read:

PART 7. BEHAVIORAL HEALTH SERVICES AND SUPPORTS

Chapter 1. Behavioral Health Continuum Infrastructure Program

5960. The department may establish the Behavioral Health Continuum Infrastructure Program pursuant to this chapter if the Legislature appropriates funds for this purpose.

5960.5. If the department establishes the program pursuant to this chapter, the department may do to as follows:

(a) Award competitive grants to qualified entities to construct, acquire, and rehabilitate real estate assets or to invest in needed mobile crisis infrastructure to expand the community continuum of behavioral health treatment resources to build new capacity or expand existing capacity for short-term crisis stabilization, acute and subacute care, crisis residential, community-based mental health residential, substance use disorder residential, peerrespite, mobile crisis, community and outpatient behavioral health services, and other clinically enriched longer term treatment and rehabilitationoptions for persons with behavioral health disorders in the least restrictive and leastcostly setting.

(b) Contract with the Department of State Hospitals pursuant to Chapter 6.7 (commencing with Section 4361.5 of Division 4 of the Welfare and Institutions Code for the following purposes:

(1) To subcontract with private or public entities for sub-acute bed capacity such as Institutions for Mental Disease, Mental Health Rehabilitation Centers, Skilled Nursing Facilities, or any other treatment options, including Community Based Restoration programs, to address the increasing number of patient referrals to the Department of State Hospitals.

(2) To subcontract with private or public entities to house and treat individuals committed to the California State Department of State Hospitals pursuant to Welfare and Institutions Code section 5358 or Penal Code sections 1026, 1370, and 2972. Subcontracted funds may include:

i. Program implementation costs, including funds for projects to modify, expand

or retrofit a space,

ii. One-time purchases of patient and staff furnishings and minor equipment,

iii. Activities related to recruitment and training of staff prior to program activation,

iv. Operating expenses.

(c)Section 5960.30 shall also apply to the Department of State Hospitals subcontractors.

5960.10. Except as provided in Section 5960.15, the department shall determine the methodology and distribution of the grant funds appropriated for the program pursuant to Section 5960.5(a) to those entities it deems qualified.

5960.15. An entity shall meet all of the following conditions in order to receive grant funds pursuant to Section 5960.5(a), to the extent applicable and as required by the department:

(a) Provide matching funds or real property.

(b) Expend funds to supplement and not supplant existing funds to construct, acquire, and rehabilitate real estate assets.

(c) Report data to the department within 90 days of the end of each quarter for the first five years.

(d) Operate services in the financed facility for the intended purpose for a minimum of 30 years.

5960.20. (a) This chapter shall be implemented only if, and to the extent that, the department determines that federal financial participation under the Medi-Cal program, including but not limited to the increased federal funding available pursuant to Section 9813 of the federal American Rescue Plan Act of 2021 (Pub. Law 117-2), is not jeopardized.

(b) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may implement, interpret, or make specific this chapter, in whole or in part, by means of information notices or other similar instructions, without taking any further regulatory action.

5960.25. For purposes of implementing this chapter, the department may enter into exclusive or nonexclusive contracts, or amend existing contracts, on a bid or negotiated basis. Contracts entered into or amended pursuant to this section shall be exempt from Chapter 6 (commencing with section 14825) of Part 5.5 of Division 3 of Title 2 of the Government Code, Section 19130 of the Government Code, Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code, and the State Administrative Manual, and shall be exempt from the review or approval of any division of the Department of General Services.

5960.30. (a) Notwithstanding any other law, a facility project funded by a grant pursuant to this chapter shall be deemed consistent and in conformity with any applicable local plan, standard, or requirement, and allowed as a permitted use, within the zone in which the structure is located, and shall not be subject to a conditional use permit, discretionary permit, or to any other discretionary reviews or approvals.

(b) Notwithstanding any other law, the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) shall not apply to any facility project, including a phased project, funded by a grant pursuant to this chapter if all of the following requirements, if applicable, are satisfied:

(1) No facility is acquired by eminent domain.

(2) The grantee shall ensure a facility is licensed by and in good standing with the department or other state licensing entity, as applicable, at the time of occupancy. The facility shall be in decent, safe, and sanitary condition at the time of occupancy.

(3) The grantee shall require all contractors and subcontractors performing work on the facility project to pay prevailing wages for any proposed rehabilitation, construction, or major alterations in accordance with Chapter 1 (commencing with

Section 1720) of Part 7 of Division 2 of the Labor Code.

(4) The grantee obtains an enforceable commitment that all contractors and subcontractors performing work on the facility project will use a skilled and trained workforce for any proposed rehabilitation, construction, or major alterations in accordance with Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code.

(5) The project proponent submits to the lead agency a letter of support from a county, city, or other local public entity for any new proposed construction, major alteration work, or rehabilitation.

(6) Any new construction, facility acquisition, or rehabilitation is paid for, in whole or part, with public funds.

(7) The facility project expands the availability of behavioral health treatment services in the subject jurisdiction.

(8) Long-term covenants and restrictions require the facility to be used to provide behavioral health treatment for no fewer than 30 years.

(9) The facility project does not result in an increase in the existing onsite development footprint of structure, structures, or improvements by more than 10 percent. Any increase to the existing onsite development footprint shall be exclusively to support the provision of behavioral health treatment in the subject jurisdiction, including, but not limited to, all of the following:

(A) Achieving compliance with local, state, and federal requirements.

(B) Providing sufficient space for the provision of services and amenities.

(C) If determined that a grantee's facility project is not subject to the California Environmental Quality Act pursuant to this section, the grantee shall file a notice of exemption with the Office of Planning and Research and the county clerk of the county in which the project is located in the manner specified in subdivisions (b) and (c) of Section 21152 of the Public Resources Code.

5960.35. (a) The following definitions shall apply to this chapter:

(1) "Department" means the State Department of Health Care Services.

(2) "Program" means the Behavioral Health Continuum Infrastructure Program authorized by this chapter.

(b) The following definitions shall apply to the implementation of this chapter:

(1) "Low-rent housing project," as defined in Section 1 of Article XXXIV of the California Constitution, does not apply to any facility project pursuant to this section that meets any one of the following criteria:

(A) The development is privately owned housing, receiving no ad valorem property tax exemption, other than exemptions granted pursuant to subdivision (f) or (g) of Section 214 of the Revenue and Taxation Code, not fully reimbursed to all taxing entities, and not more than 49 percent of the dwellings, apartments, or other living accommodations of the development may be occupied by persons of low income.

(B) The development is privately owned housing, is not exempt from ad valorem taxation by reason of any public ownership, and is not financed with direct long-term financing from a public body.

(C) The development is intended for owner-occupancy, which may include a limited-equity housing cooperative as defined in Section 50076.5 of the Health and Safety Code, or cooperative or condominium ownership, rather than for rental-occupancy.

(D) The development consists of newly constructed, privately owned, one-to-four family dwellings not located on adjoining sites.

(E) The development consists of existing dwelling units leased by the state public body from the private owner of these dwelling units.

(F) The development consists of the rehabilitation, reconstruction, improvement or addition to, or replacement of, dwelling units of a previously existing low-rent

housing project, or a project previously or currently occupied by lower income households, as defined in Section 50079.5 of the Health and Safety Code.

(G) The development consists of the acquisition, rehabilitation, reconstruction, improvement, or any combination thereof, of a development which, prior to the date of the transaction to acquire, rehabilitate, reconstruct, improve, or any combination thereof, was subject to a contract for federal or state public body assistance for the purpose of providing affordable housing for low-income households and maintains, or enters into, a contract for federal or state public body assistance for the purpose of providing affordable housing for low-income households.

(2) "Tribal entity" shall mean a federally recognized Indian tribe, tribal organization, or urban Indian organization, as defined in Section 1603 of Title 25 of the United States Code.

5960.40. The provisions of this chapter are severable. If any provision of this chapter or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

5960.45. This chapter shall remain in effect only until January, 1, 2027, and as of that date is repealed.

Mental Health Commission
Proposed Motion(s)

Meeting Date: November 18, 2021

Motion (original): MHSA-Finance Committee Meeting 11/18/21 (Agenda Item VIII)

MOTION:

Ask Contra Costa Behavioral Health Services (CCBHS) to include Institute of Mental Diseases (IMD) Mental Health Rehabilitation Center (MHRC) facilities, programming and staffing needs in its upcoming Behavioral Health Continuum Infrastructure competitive grant applications to the state