Date of Hearing: August 3, 2022

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Chris Holden, Chair
SB 1338 (Umberg) – As Amended June 30, 2022

Policy Committee:	Judiciary	Vote:	9 - 1
	Health		14 - 0

Urgency: No State Mandated Local Program: Yes Reimbursable: Yes

SUMMARY:

This bill establishes the Community Assistance, Recovery, and Empowerment (CARE) court program (CARE court or CARE Act) and the CARE Act to provide comprehensive treatment, housing, and support services to Californians with complex behavioral health care needs.

Specifically, this bill:

1) Requires the CARE Act to be implemented, with technical assistance and continuous quality improvement, as follows:

    a) A first cohort of counties, representing at least half of the population of the state, will begin no later than July 1, 2023, with additional funding provided to support the earlier implementation date.

    b) A second cohort of counties, representing the remaining population of the state, will begin no later than July 1, 2024.

2) Requires a respondent qualify for CARE proceedings only if all of the following criteria are met:

    a) The person is 18 years of age or older.

    b) The person is currently experiencing a serious mental illness, as defined, and has a diagnosis of schizophrenia spectrum or other psychotic disorder as defined in the most current version of the Diagnostic and Statistical Manual of Mental Disorders, provided that nothing is construed to establish a respondent's eligibility based upon a psychotic disorder that is due to a medical condition or is not primarily psychiatric in nature, including but not limited to physical health conditions such as traumatic brain injury, autism, dementia, or neurologic conditions.

    c) The person is not clinically stabilized in on-going treatment.

    d) At least one of the following is true: (i) the person is unlikely to survive safely in the community without supervision and the person's condition is substantially deteriorating, or, (ii) the person is in need of services in order to prevent a relapse or deterioration that would be likely to result in grave disability or serious harm to the person or to others.

e) Participation in the CARE proceedings would be the least restrictive alternative necessary to ensure the person's recovery and stability.

f) It is likely that the person will benefit from CARE proceedings.

2) Prohibits a person who has a current diagnosis of substance use disorder (SUD), as defined, but who does not meet the required criteria above, from qualifying for CARE court proceedings.

3) Permits proceedings to commence in any of the following locations:

a) The county in which the respondent resides.

b) The county where the respondent is found, except as specified.

c) The county where the respondent is facing criminal or civil proceedings.

4) Allows a petition to initiate a CARE proceedings to be brought by:

a) A person 18 years of age or older with whom the respondent resides or a spouse, parent, adult sibling, adult child, or grandparent of the respondent, or another adult who stands *in loco parentis* to the respondent.

b) The director of a hospital, or their designee, in which the respondent is hospitalized, or the director of a public or charitable organization, agency, or home, or their designee, that is currently, or within the previous 30 days, providing behavioral health services to the respondent or in whose institution the respondent resides.

c) A licensed behavioral health professional, or their designee, who is treating, or treated the respondent within the last 30 days.

d) A first responder, including a peace officer, firefighter, paramedic, emergency medical technician (EMT), mobile crisis response worker, or homeless outreach worker who has had repeated interactions with the respondent in the form of multiple arrests, multiple detentions, and transportation under the Lanterman-Petris-Short (LPS) Act, multiple attempts to engage the respondent in voluntary treatment or other repeated efforts to aid the respondent in obtaining professional assistance.

e) The public guardian or public conservator of the county in which the respondent is present or reasonably believed to be present (a respondent may be referred from conservatorship proceedings).

f) The director of a county behavioral health agency, or their designee, of the county in which the respondent resides or is found (a respondent may be referred from assisted outpatient treatment (AOT) proceedings).

g) The director of the county adult protective services or their designee of the county in which the respondent resides or is found.

h) The director of a California Indian health services program, California tribal behavioral health department, or their designee.

i) The judge of a tribal court that is located in California, or their designee.

j) A prosecuting attorney (a respondent may be referred from misdemeanor proceedings, as provided).

k) The respondent.

5) Requires the CARE court petition to be signed under penalty of perjury and contain all of the following:

a) The name of the respondent, their address, if known, and the petitioner's relationship with the respondent.

b) Facts that support petitioner's allegation that the respondent meets the criteria of the CARE court, as defined above.

c) Either of the following:

i) An affidavit of a licensed behavioral health professional stating that the health professional or their designee has examined the respondent within 60 days of the submission of the petition, or has made multiple attempts to examine, but has not been successful in eliciting the cooperation of the respondent to submit to an examination, within 60 days of submission of the petition, and that the licensed behavioral health professional has determined that the respondent meets, or has reason to believe, explained with specificity in the affidavit, that the respondent meets, the diagnostic criteria for CARE proceedings.

ii) Evidence that the respondent was detained for a minimum of two intensive treatments pursuant to the LPS Act, the most recent of which must be within 60 days from the date of the petition.

6) Requires, upon receipt of a CARE court petition, the court to promptly review the petition to determine if it meets the requirements of CARE Court, as stated above.

7) States the following about the petition:

a) If the court finds the petition does not meet the requirements of CARE court, the court shall to dismiss without prejudice, except as specified.

b) If the court finds that the petition may meet the requirements of CARE court, the court shall order a county agency, or its designee, as determined by the judge, to investigate as necessary and file a written report with the court within 21 days.

c) Requires the written report to include a determination as to whether the respondent meets, or is likely to meet, the criteria for CARE court, and the outcome of efforts made to voluntarily engage the respondent during the 21-day report period.

d) Requires the court to provide notice to the respondent and petitioner that a report has been ordered.

8) Allows the court, at any point in the proceedings, if it determines, by clear and convincing evidence, that the respondent, after receiving notice, is not participating in the CARE proceedings, to terminate respondent's participation in the CARE program and allows the court to make a referral under the LPS Act, as provided.

9) Allows the court, at any time in the proceeding, if it finds that the county, or other local government entity, is not complying with its orders, to fine the county, or other local government entity, up to $1,000 per day for noncompliance.

10) Allows the court, if a county is found to be persistently noncompliant, to appoint a receiver to secure court-ordered care for the respondent at the county's cost.

11) Establishes the CARE Act Accountability Fund (fund) in the State Treasury to receive penalty payments from each county as collected. Requires that all monies in the fund are reserved and continuously appropriated, without regard to fiscal years.

12) Requires, subject to approval from the Department of Finance, the Department of Managed Health Care (DMHC), to determine how funds may be used to support local government efforts that will serve individuals who have schizophrenia or other psychotic disorders who experience or are at risk of homelessness, criminal justice involvement, hospitalization or conservatorship.

13) Requires individuals who are CARE court participants to be prioritized for any appropriate bridge housing funded by the Behavioral Health Bridge Housing program.

14) Requires no later than July 1, 2023, DMHC and California Department of Insurance (CDI) to issue guidance to health plans or insurers regarding compliance with the CARE Act. Exempts the guidance from being subject to the Administrative Procedure Act (APA) and that such guidance is effective only until DMHC and CDI adopt regulations under the APA.

FISCAL EFFECT:

1) Costs (General Fund (GF)) in the tens of millions of dollars to Judicial Council of California (JCC) for courts to operate the CARE Act. The 2022 Budget allocates $39.5 million from the GF in fiscal year (FY) 2022-23 and $37.7 million ongoing for the courts to conduct CARE court hearings and provide resources for self-help centers. According to the Administration, it is continuing to work with the JCC and counties to estimate costs associated with this new process. JCC estimates costs of approximately $40 million to $50 million related to conducting additional hearings, expanding self-help centers, and updating court case management systems.

2) Possibly reimbursable costs (GF and local funds) in the hundreds of millions of dollars to low billions of dollars to counties, including local behavioral health departments, to provide services to CARE court participants. According to the California State Association of Counties (CSAC), costs include as much as $40,000 per participant for at least 12,000 participants (although county offices believe the number of participants could be much higher - as high as 50,000 participants), court-ordered investigations, evaluations, and

reporting requirements, and one-time start-up costs. Costs to the GF will depend on whether the duties imposed by this bill constitute a reimbursable state mandate, as determined by the Commission on State Mandates.

3) Possible cost pressure (GF) to the California Department of Health and Human Services (CHHSA), possibly in the millions of dollars to engage in an independent, research-based entity to advise on the development of data-drive processes and outcome measure for the CARE Act and provide support and coordination between stakeholders during the implementation process.

4) Costs (GF) possibly in the tens of millions of dollars to the Department of Health Care Services (DHCS) to provide training to support to people enrolled in CARE court. Costs include providing technical assistance to counties and contractors, overseeing stakeholder engagement on the CARE Court model, developing guidance for counties on CARE Court responsibilities; implementing processes to support ongoing data collection and reporting; analyzing data and developing an annual legislative report; and, publishing an independent evaluation. Costs may also result from increased Medi-Cal utilization rates by individuals referred to the CARE court program, who otherwise may not have been existing beneficiaries. Possible cost savings to state public health systems to the extent that peer support services provide support and assistance to Medi-Cal beneficiaries with mental illness and reduce the need for more expensive downstream services, such as inpatient hospitalizations or incarceration.

5) Possibly reimbursable costs (GF and local funds) in the millions of dollars to counties for public defender services. This bill requires a person to receive counsel before ruling on a CARE court petition. Section 5977, subdivision (a)(5)(A)(ii)(II) requires a court to appoint a qualified legal services project to represent any person in the CARE court program that does not already have counsel. If a legal services project declines representation, the public defender is appointed. Only 14 counties have legal services organizations and most do not have enough attorneys to handle even their existing workload. Therefore, it seems far more likely this bill will result in increased duties on county public defenders. Existing law already requires public defenders to represent individuals in LPS and other conservatorships. The

6) Cost pressure (GF), possibly in the hundreds of millions of dollars on state and local housing programs, to the extent this bill increases utilization of the specified housing programs, including the Bridge Housing program, HOME Investment Partnership Program, Housing and Urban Development (HUD) Continuum of Care program, and emergency housing vouchers, among other programs identified in this bill. In addition, as this bill reprioritizes CARE plan program participants in the Behavioral Health Bridge Housing program, it does not increase the funding for Bridge Housing in this bill. The 2021 Budget Act allocated a $12 billion multi-year investment for local governments to build housing and provide critical supports and homelessness services. The 2022 Budget Act includes an additional $3.4 billion GF over three years to continue the state's efforts by investing in immediate behavioral health housing and treatment, as well as encampment cleanup grants, and extends for an additional year support for local government efforts. It is unknown whether existing allocations for housing will be sufficient.

7) Costs (GF) to the Department of Insurance (CDI) of $17,000 in FY 2022-23 and $12,000 FY 2023-24.

8) California Department of Social Services (CDSS) reports no costs. However, this bill may result in considerable cost pressures, possibly in the millions of dollars, downstream to local county welfare departments. The Care Act will likely result in increased use of several programs such as the CalWORKS Housing Support Program, SSI/SSP, Cash Assistance Program for immigrants, CalWORKs, CalFresh, and homeless housing assistance and prevention. This bill may generate costs in the form of local assistance, as county welfare departments will have to conduct participant eligibility, redetermination, and screening for programs. While the bill would be implemented on a county-level, the workload for CDSS to provide technical assistance, program monitoring, and to issue new or updated guidance or all county letters to implement the bill may result in the need for GF money.

9) Department of Managed Health Care (DMHC) reports costs (GF) to draft regulations and provider technical assistance will be minor and absorbable.

COMMENTS:

1) **Purpose.** This bill is sponsored by the Governor and is intended to address the homelessness crisis in California. Multiple large cities and business groups support this bill while numerous civil rights and mental health assistance advocates remain strongly opposed. According to Governor Newsom in a June 28, 2022 press release:

> Californians understand that we need a paradigm shift to help the thousands of individuals in crisis suffering with untreated psychosis and too often living on the streets. The passage of CARE Court will not only bring relief to those in dire need of care in the community, but it will also bring hope to their friends and family members who feel helpless under today's status quo.

According to the author:

> County behavioral health departments provide Medi-Cal specialty mental health services to those who are enrolled in Medi-Cal and have severe mental illness. However, many of the most impaired and vulnerable individuals remain under or un-served because: (a) the individual is so impaired they do not seek out services, (b) the necessary services are not available at the right time due to administrative complexities and/or legal barriers, (c) client care lacks coordination among providers and services, resulting in fragmentation among provided services, and (d) little accountability at various levels of the system results in poor outcomes for the client, who is often living on the streets. This legislation seeks to overcome these barriers by connecting individuals to services, requiring coordination, and adding a necessary layer of accountability through the courts.

2) **Housing First.** California law requires that any proposed homelessness solution focus on "Housing First." SB 1380 (Mitchell) Chapter 847, Statutes of 2016, created the California Interagency Council on Homelessness to oversee implementation of Housing First regulations and coordinate the state's response to homelessness, as well as create

partnerships among state agencies and departments, local government agencies, nonprofits, and federal agencies to prevent and end homelessness in California. SB 1380 also aligned the Housing First guidelines with any state program that provides housing and supportive services to people experiencing homelessness. Housing First is an evidence-based model that uses housing as a tool, rather than a reward, for recovery and that centers on providing or connecting homeless people to permanent housing as quickly as possible. Housing First providers offer services as needed and requested on a voluntary basis and do not make housing contingent on participation in services.

This bill does not mandate housing for CARE court participants, but identifies numerous state and federal housing programs that may be used to provide housing to CARE court participants. It grants housing priority for any *"appropriate bridge housing funded by the Behavioral Health Bridge Housing program."* However, it does not require a person be placed in supportive housing before being enrolled in CARE court. Opponents of this bill argue that any mental health assistance will likely be unsuccessful until a person is provided safe and stable housing. According to Housing California:

> Instead of allocating vast sums of money towards intimidating and likely unsuccessful court-ordered treatment that does not guarantee housing, the state should expend its resources on a proven solution to houselessness for people living with mental health disabilities: guaranteed housing with voluntary services. Given that housing reduces both utilization of emergency services and contacts with the criminal legal system, a team of UC Irvine researchers concluded that it is 'fiscally irresponsible, as well as inhumane' not to provide permanent housing for Californians experiencing houselessness. To effectuate guaranteed housing, California should invest in low-barrier, deeply affordable (15% of area median income or less), accessible, integrated housing for people experiencing houselessness.

The Governor's Summary of the 2022 Budget Act states:

> The Administration continues to work with the Judicial Council and counties to estimate costs associated with this new court process. In addition, the Budget includes significant investments in community treatment and care for individuals suffering from mental illness who are deemed incompetent to stand trial. The Budget also allocates opioid settlement funds, expands medication assisted treatment, and expands community-based mobile crises services. All of these investments will better serve individuals experiencing mental illness and substance use disorders. To support the implementation of these and other efforts, the Budget also includes $1.5 billion to invest in a multi-pronged effort to develop and train thousands of new care economy workers, including various mental health professionals and 25,000 new community health workers.

It is unclear whether this bill is contrary to California's Housing First policy because it does not mandate housing to any person referred to CARE court. According to the CHHSA discussion of CARE court on its website, "A person should be offered housing before they can reasonably be expected to engage in intensive mental health services." Existing evidence suggests mental health treatment is best achieved after a person is placed in stable housing. According to a study on Housing First principles in Santa Clara County published in the National Library of Medicine, permanent supportive housing (which incorporates Housing First principles) combined with intensive case management, significantly reduced psychiatric emergency room visits and increased the rate of scheduled outpatient mental health visits compared to the control group.

3) **Disparate Impact.** Opponents of this bill allege it will result in racially disparate impacts to communities of color, and in particular, Black Californians. AB 3121 (Weber), Chapter 319, Statutes of 2020, created the Task Force to Study and Develop Reparation Proposals for African Americans. The Taskforce issued its first report in June 2022 wherein it detailed historical and continued discrimination against Black Californians in, among other things, housing and medical services. As a result, Black Californians suffer a disproportionate rate of homelessness and are more likely to receive an inaccurate mental health diagnosis. According to the Racial and Ethnic Mental Health Disparities Coalition:

> The Reparations Report recounts the history of racial discrimination enacted against Black people in the health care system over centuries, including the weaponizing of a mental health diagnosis to force sterilization and treatment. Research demonstrates that Black, Indigenous, and People of Color (BIPOC) and immigrant racial minorities are more likely to be diagnosed, and misdiagnosed, with psychotic disorders than white Americans because of clinicians' prejudice and misinterpretation of patient behaviors. In California, rates of those living with mental health disabilities requiring intense support vary considerably by racial and ethnic groups, with American Indian and Alaska Native and Black Californians experiencing the highest rates of diagnosis for serious mental health disabilities. For unhoused LGBTQIA+ people of color, the intersecting identities can result in even more significant mental health struggles and intensified discrimination.

The World Journal of Psychiatry published a report in December 2014 entitled, "Racial disparities in psychotic disorder diagnosis: A review of empirical literature," which found:

> The preponderance of literature clearly shows how African Americans are more frequently misdiagnosed than Euro-Americans, with research findings initially gaining momentum since the early 1980's. In particular, African Americans are disproportionately diagnosed with Schizophrenia with estimates ranging from three to five times more likely in receiving such a diagnosis. … Clinician-perceived honesty was lower for African American consumers, a factor found to be a significant correlate of increased Schizophrenia diagnoses among African Americans.

> Conversely, increased distrust and a poorer clinical relationship were reported by African American consumers.

Opponents further argue that CARE court will result in higher rates of involuntary detention because any person who does not participate in court when eligible may be referred to LPS conservatorship proceedings, which includes involuntary detention and may include forced medication. Additionally, and as explained in greater detail below, it is unclear how a person will get to court to determine eligibility. This bill allows peace officers to file CARE court petitions. If law enforcement is responsible for rounding up possible CARE court candidates, members of a community that already do not trust law enforcement because of centuries of oppression, may react aggressively out of fear, leading to possibly deadly and tragic consequences.

While the opponents do not suggest the status quo is sufficient, several racial justice organizations have expressed serious concern that this bill may result in forced incarceration and even institutionalization of people of color. California has enacted several laws to root out institutional racism, including AB 2542 (Kalra), Chapter 317, Statutes of 2020, which allows a defendant to file a motion in court requesting re-sentencing where there is evidence of racial discrimination, and, as noted above, AB 3121. The opponents contend this bill is in diametric opposition to existing efforts to end institutional racism.

4) **Due Process**. In addition to a "Housing First" policy in response to homelessness, existing law also requires that any person placed in a mental health treatment program or conservatorship be placed in the least restrictive environment. This bill does not provide the CARE court recipient a choice about which mental health treatment program they wish to participate in. If the person refuses to comply with CARE court, they may be referred to LPS conservatorship – which is not voluntary. Moreover, it is not clear how a person referred to CARE court will receive notice of the petition. Opponents contend this may constitute a violation of state and federal due process protections. This bill also has no clear appeals process for any person who disputes eligibility or does not believe they failed the requirements of the program.

5) **Practical Concerns.** CSAC, the Urban Counties Association, the Rural Counties Association, and several individual counties have expressed concerns about how this bill will be implemented. Both opponents and county agencies claim this bill requires referral to extensive mental health services that do not currently exist and are not funded in this bill. First, the County Behavioral Health Directors Association (CBHDA) notes there is a stunning lack of mental health care service providers now. In smaller counties that have suffered multiple wildfires – there are no treatment providers at all. CBHDA contends there are not enough mental health care providers statewide to handle the requirements of this bill. The 2022 Budget Act allocates funds to, among other things, address the shortage of mental health staff. CBHDA also notes this bill may result in having to prioritize people with health insurance over indigent patients because a county is legally obligated to provide specific services to a person in CARE Court regardless if they have insurance. Since the counties do not have sufficient resources to provide full service to both CARE court recipients and people relying on other county services, indigent people using other county services may be short-changed.

Second, as noted above, it is not clear how a person will actually get to court. If, for example, a paramedic identifies a person through multiple contacts, as possibly being eligible for CARE court (although the paramedic likely would not know for sure if a person suffers from schizophrenia spectrum or other psychotic disorder), and the person is not transported to a hospital or otherwise detained, it is unclear how that person will appear in court unless law enforcement forces them to court or county behavioral health providers try to persuade a person to come to court. This bill allows a court to dismiss a petition for referral if a person does not show to court. Given it is not clear how a person would actually get to court in the first place, it is unknown how the court will properly consider a petition for a person that is not present. This bill also allows the court to hold the initial hearing without the person being present if "*appropriate attempts to elicit the attendance"* have been made. Again, opponents contend this may result in law enforcement "rounding up" people who may be eligible for CARE court.

Also, as alluded to above, county agencies allege this bill may cost as much as $1.3 billion to counties, assuming an enrollment of 7,000 to 12,000 participants. CSAC and others contend:

> As currently drafted, SB 1338 would require that a CARE Act court be established in all 58 counties, which would be the venue for a new civil court process designed to provide effective treatment and long-term plans for those suffering with psychotic disorders. Counties would play a key and substantial role in implementation under SB 1338 as the state's partners in providing critical behavioral health assessments and care, social services, and housing resources. SB 1338 imposes new mandated activities on counties, including but not limited to county behavioral health agencies, which will require both one-time and ongoing resources and funding in order to implement the CARE Act. While the overall impact to counties will depend on factors yet to be determined such as the annual number of CARE Act petitions submitted and the number of qualifying participants, an initial fiscal estimate developed in coordination with affected county departments reflects county costs upon full implementation could range between approximately $780 million to $1.3 billion annually.

CSAC and other county representatives are seeking amendments to this bill including a deliberate phase-in implementation schedule, more funding for increased duties, a showing of deliberate and chronic deficiencies before sanctions may be used, and additional funds for Bridge Housing to service the CARE court population. The Behavioral Health Bridge Housing Program allocated $1.5 billion to address housing and treatment needs of people suffering serious mental health issues. However, counties note that this plan program was just implemented and may DHCS additional time to allocate funds to counties. Moreover, housing should be available to all unhoused people with mental health needs, not just those referred to CARE court. Counties further argue that other budget allocations in past two years are one-time funds and do not include funds for mental health services.

6) **Alternatives.** Opponents of this bill concede that homelessness is a serious problem in this state and greater mental health assistance is needed. The organizations and coalitions opposed to this bill all prioritize funding for stable housing. Opponents of this bill contend that once a person's housing is stable, care providers can meaningfully engage with people struggling with mental health issues. Addressing mental health issues is virtually impossible while a person remains homeless. Additionally, advocates propose expanded supported decision-making. According to Disability Rights California:

> Supported Decision Making (SDM) is a practice recognized and endorsed by the Administration for Community Living of the U.S. Department of Health and Human Services (which funds the National Resource Center for Supported Decision-Making), the American Bar Association Commission on Law and Aging, and the United Nations Convention on Rights of Persons with Disabilities. These entities have all used the term SDM to refer to a model or practice that enables individuals to make choices about their own lives with support from a team of people they choose. With SDM, individuals choose people they know and trust to be part of a support network that helps them understand their issues, options, and choices. Disability Rights California, Disability Rights Education and Defense Fund and California Advocates for Nursing Home Reform are sponsors of AB 1663 (Maienschein), the Probate Conservatorship Reform and Supported Decision-Making Act, which seeks to codify SDM as part of the Probate Code.

According to an article in the Los Angeles Times on July 11, 2022, entitled "Cause of homelessness? It's not drugs or mental illness, researchers say," about a recent study on homelessness, the root cause of homelessness is spiraling housing costs or the lack of any available housing:

> By looking at the rate of homeless per 1,000 people, [the authors] found communities with the highest housing costs had some of the highest rates of homelessness, something that might be overlooked when looking at just the overall raw number of homeless people. As an example, the 2019 count of people in shelters and on the street found a homeless population of 56,000 in Los Angeles County; 11,200 in King County, Wash.; 9,700 in Santa Clara County, Calif.; and 4,000 in Multnomah County, Ore. The homeless populations became similar when looking at per capita rates, with Los Angeles having six homeless people for every 1,000 residents and the other three, smaller counties having five homeless people for every 1,000. What they had in common was a lack of affordable housing.

Finally, centers statewide that assist people struggling with homelessness and mental health issues are closing. In Santa Ana, the city filed suit to close a public drop-in center for homeless people with mental illness or other disorders. In the city's lawsuit against

the non-profit Mental Health Association, it asked a court to declare the Homeless Multi-Service Center a public nuisance, seeking to at least temporarily – if not permanently – shut the center down.

Supporters of this bill, including numerous cities, particularly in historically underserved parts of the state, allege law enforcement and mental health resources are stretched to the breaking point by the homelessness crisis. As a result, a new approach is necessary. According to the Cities across the Coachella Valley, which supports the bill:

> As mayors representing cities across the Coachella Valley, we are writing to express our strong support for SB 1338 that will establish the Community Assistance, Recovery and Empowerment (CARE) Court. Solving the homelessness crisis and addressing mental health continues to be a top priority for our cities. Under CARE Court, we can bring an end to the cycle of homelessness, incarceration, and hospitalization due to mental health challenges. SB 1338 is a bold step toward meaningful reform. The issues for us in the Coachella Valley are heightened. We have experienced a higher percentage of homelessness in our communities and our region has been historically underserved. With CARE Court, our cities will now have a new set of tools to connect a person struggling with an untreated mental illness, to the care and treatment they deserve.

7) **Argument in Support.** According to the California Professional Firefighters:

> While we recognize the complexity and concerns that come with court ordered treatment, the current system is clearly failing this population and that is why we believe that CARE Court provides a real pathway to care and healing while balancing individual rights and the need for care. Moreover, this model will reduce the need for more restrictive conservatorships while establishing a clear pathway for treatment. We recognize that this measure is the start of a robust dialogue on how to implement this vision and paradigm shift, and has already sparked wider discussions on the most effective way to implement not only the intent of this bill but also a more comprehensive and holistic mental healthcare system.

8) **Argument in Opposition.** According to Cal Voices:

> The recently enacted AB 178, a budget trailer bill with $39.5 in court funding contingent on enactment of policy changes, appears to fall far short. Recent amendments to SB 1338 add legal services attorneys to the mix, with funding by the Judicial Council. Public defenders are to serve as a backup. It is unclear how the bill contemplates deploying this mix of services but the costs will still be great. A better use of these significant funds will be to invest in a robust housing framework for this target population and provide

services, the ultimate solution to homelessness. The bill targets bringing 7,000 to 12,000 people with severe mental illness into court but it is unclear how they will be found, how they will get to court, and how much will be spent on care teams of providers through county behavioral health departments. Services will require extensive staffing. Ongoing costs could be at least in the hundreds of millions of dollars statewide. Current funding for mental health services, already insufficient to meet needs, will likely be diverted to pay for CARE Court, risking services for others, including children and youth. In addition, much of CARE Court will not be reimbursable through Medi-Cal.

9) Related Legislation.

a) AB 2242 (Santiago) permits county mental health providers, to the extent otherwise permitted under state and federal law and consistent with the Mental Health Services Act, to pay for the provision of services for individuals placed in involuntary detentions and conservatorship using funds distributed from the Mental Health Subaccount, among others. AB 2242 is pending in the Senate Appropriations Committee. According to the opponents of SB 1338, AB 2242 will allow counties to use Proposition 63 money to fund CARE court at the expense of other clients.

b) AB 2830 (Bloom) is very similar to SB 1338 in that it creates a CARE court with similar requirements. AB 2830 was referred to the Assembly Judiciary Committee, but never heard.

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