## HOUSE AMENDMENTS TO HOUSE BILL 3016

By COMMITTEE ON HUMAN SERVICES AND WOMEN'S WELLNESS

May 3

- On page 1 of the printed bill, line 3, delete the second "and".
- In line 4, after "money" insert "; and declaring an emergency".
  - Delete lines 6 through 31 and delete pages 2 through 10 and insert:
  - "SECTION 1. Section 2 of this 2007 Act is added to and made a part of ORS 426.502 to 426.508.
  - "SECTION 2. (1) There is created in the State Treasury, separate and distinct from the General Fund, the Community Mental Health Housing Trust Account. All earnings on investments of moneys in the Community Mental Health Housing Trust Account shall accrue to the account. Interest earned on moneys in the account shall be credited to the account. With the approval of the State Treasurer, the moneys in the account may be invested as provided in ORS 293.701 to 293.820. All interest earned on the account shall be appropriated annually to the Department of Human Services to carry out the provisions of this subsection with the advice of the Community Mental Health Housing Trust Account Board.
  - "(2) The Department of Human Services may expend any earnings credited to the account, including any interest earned on moneys deposited in the account, and up to five percent of the proceeds of the sale of F. H. Dammasch State Hospital property under ORS 426.508 initially credited to the account by the Oregon Department of Administrative Services. At least 95 percent of the sale proceeds shall remain in the account in perpetuity. Proceeds deposited in the account may not be commingled with proceeds from the sale of any surplus real property that is owned, operated or controlled by the Department of Human Services and that is used as a state training center.
  - "(3) Interest earned on moneys in the Community Mental Health Housing Trust Account may be expended in the following manner:
  - "(a) Seventy percent of interest earned on deposits in the account shall be expended solely for the development of housing in the community for persons with chronic mental illness, as defined in ORS 426.495; and
  - "(b) Thirty percent of interest earned on deposits in the account shall be expended for institutional housing purposes.
  - "(4) Interest earned on deposits in the account shall not be used to support operating expenses of the Department of Human Services or of any project funded by the account.
  - "(5) Any grants provided from the Community Mental Health Housing Trust Account that are not used by a grantee shall be refunded to the account.
    - "(6) The Department of Human Services shall adopt policies:
  - "(a) To establish priorities for the use of the interest from the account that are consistent with the purpose of developing housing for persons with chronic mental illness;

- "(b) To maximize matching private and public funding available for developing housing for persons with chronic mental illness;
- "(c) To administer the account in a manner that will not exceed the State Treasury's maximum cost per transaction; and
- "(d) To collaborate with the Housing and Community Services Department to ensure the highest return and best value for community housing funded with interest from the account.
- "(7) The Department of Human Services shall report its revenues and expenditures to the Legislative Assembly as part of the department's budget report.
- "SECTION 3. (1) There is established the Community Mental Health Housing Trust Account Board.
- "(2) The Governor shall appoint the following voting members, who must be residents of this state:
- "(a) Three members appointed based upon recommendations of the National Alliance on Mental Illness or other organizations that advocate on behalf of persons with chronic mental illness, as defined in ORS 426.495;
  - "(b) One public member;

- "(c) One member with expertise in the field of psychiatry or psychology; and
  - "(d) One member who is a consumer of mental health services.
- "(3) In addition to the members appointed by the Governor under subsection (2) of this section, the following members shall be appointed as nonvoting, advisory members:
  - "(a) A member of the Senate, appointed by the President of the Senate; and
- "(b) A member of the House of Representatives, appointed by the Speaker of the House of Representatives.
  - "(4) The term of office of each voting member is four years, but a member serves at the pleasure of the Governor. Before the expiration of the term of a member, the Governor shall appoint a successor whose term begins on July 1 next following. A member is eligible for reappointment. If there is a vacancy for any cause, the Governor shall make an appointment to become immediately effective for the unexpired term.
  - "(5) The appointments of voting members of the board are subject to confirmation by the Senate in the manner prescribed in ORS 171.562 and 171.565.
  - "SECTION 4. Notwithstanding the term of office specified by section 3 of this 2007 Act, of the voting members first appointed to the Community Mental Health Housing Trust Account Board:
    - "(1) Two shall serve for terms ending June 30, 2009.
    - "(2) Two shall serve for terms ending June 30, 2010.
    - "(3) Two shall serve for terms ending June 30, 2011.
  - "SECTION 5. (1) The Community Mental Health Housing Trust Account Board shall select one of its voting members as chairperson and another as vice chairperson, for such terms and with duties and powers necessary for the performance of the functions of such offices as the board determines.
  - "(2) A majority of the voting members of the board constitutes a quorum for the transaction of business.
  - "(3) The board shall meet at least once every three months at a place, day and hour determined by the board. The board may also meet at other times and places specified by the call of the chairperson or of a majority of the voting members of the board.

- "SECTION 6. (1) The Community Mental Health Housing Trust Account Board shall advise the Department of Human Services regarding:
  - "(a) The investment of Community Mental Health Housing Trust Account moneys;
  - "(b) The progress of projects funded from the account;
  - "(c) The priorities for expenditures from the account;
    - "(d) The grantees of funding from the account;
- 7 "(e) The distribution of housing within the Villebois Community of Wilsonville, Oregon; 8 and
  - "(f) Potential integrated projects to be funded from the account.
  - "(2) The Community Mental Health Housing Trust Account Board shall receive staff support from the Department of Human Services for purposes of carrying out the board's functions under this section.
  - "SECTION 7. All moneys in the Community Housing Trust Account in the Community Mental Health Housing Fund are transferred to the Community Mental Health Housing Trust Account.
    - "SECTION 8. ORS 426.005 is amended to read:
  - "426.005. (1) As used in ORS 426.005 to 426.390, unless the context requires otherwise:
- 18 "(a) 'Department' means the Department of Human Services.
  - "(b) 'Director of the facility' means a superintendent of a state mental hospital, the chief of psychiatric services in a community hospital or the person in charge of treatment and rehabilitation programs at other treatment facilities.
  - "(c) 'Facility' means a state mental hospital, community hospital, residential facility, detoxification center, day treatment facility or such other facility as the department determines suitable, any of which may provide diagnosis and evaluation, medical care, detoxification, social services or rehabilitation for committed mentally ill persons.
  - "(d) 'Mentally ill person' means a person who, because of a mental disorder, is one or more of the following:
  - "(A) Dangerous to self or others.
- 29 "(B) Unable to provide for basic personal needs and is not receiving such care as is necessary 30 for health or safety.
  - "(C) A person [who]:

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- "(i) [Is chronically mentally ill] With a chronic mental illness, as defined in ORS 426.495;
- "(ii) **Who,** within the previous three years, has twice been placed in a hospital or approved inpatient facility by the department under ORS 426.060;
  - "(iii) **Who** is exhibiting symptoms or behavior substantially similar to those that preceded and led to one or more of the hospitalizations or inpatient placements referred to in sub-subparagraph (ii) of this subparagraph; and
- "(iv) **Who,** unless treated, will continue, to a reasonable medical probability, to physically or mentally deteriorate so that the person will become a person described under either [or both] subparagraph (A) or (B) of this paragraph, or both.
- "(e) 'Nonhospital facility' means any facility, other than a hospital, that is approved by the department to provide adequate security, psychiatric, nursing and other services to persons under ORS 426.232 or 426.233.
- "(f) 'Prehearing period of detention' means a period of time calculated from the initiation of custody during which a person may be detained under ORS 426.228, 426.231, 426.232 or 426.233.

"(2) Whenever a community mental health and developmental disabilities program director, director of the facility, superintendent of a state hospital or administrator of a facility is referred to, the reference includes any designee such person has designated to act on the person's behalf in the exercise of duties.

"SECTION 9. ORS 426.490 is amended to read:

"426.490. It is declared to be the policy and intent of the Legislative Assembly that the State of Oregon shall assist in improving the quality of life of [chronically mentally ill] persons with chronic mental illness within this state by [insuring] ensuring the availability of an appropriate range of residential opportunities and related support services.

"SECTION 10. ORS 426.495 is amended to read:

"426.495. As used in ORS 426.490 to 426.500, unless the context requires otherwise:

- "(1) 'Case manager' means a person who works on a continuing basis with [the chronically mentally ill] a person with a chronic mental illness and is responsible for [assuring] ensuring the continuity of the various services called for in the discharge plan of the [chronically mentally ill] person with a chronic mental illness including services for basic personal maintenance, mental and personal treatment, and appropriate education and employment.
- "(2) 'Discharge plan' means a written plan prepared jointly with the person with a chronic mental illness, mental health staff and case manager prior to discharge, prescribing for the basic and special needs of the person upon release from the hospital.
- "[(2)] (3) ['Chronically mentally ill'] 'Person with a chronic mental illness' means an individual who [is]:
  - "(a) Is eighteen years of age or older; and
- "(b) [Diagnosed by] Has a primary diagnosis from a psychiatrist, a licensed clinical psychologist or a nonmedical examiner certified by the Department of Human Services [as suffering from] of chronic schizophrenia, a chronic major affective disorder, a chronic paranoid disorder or another chronic psychotic mental disorder other than those caused by substance abuse. For purposes of providing services in the community, the department may adopt rules consistent with this section and accepted professional practices in the fields of psychology and psychiatry more specifically to specify other criteria for determining who is [chronically mentally ill] a person with a chronic mental illness.
- "[(3) 'Discharge plan' means a written plan prepared jointly with the chronically mentally ill person, mental health staff and case manager prior to discharge, prescribing for the basic and special needs of the person upon release from the hospital.]

"SECTION 11. ORS 426.500 is amended to read:

- "426.500. For the purpose of carrying out the policy and intent of ORS 426.490 to 426.500, the Department of Human Services shall:
  - "(1) Adopt rules for the administration of [ORS 426.490 to 426.500] this section;
- "(2) Prepare a written discharge plan for each [chronically mentally ill] person with a chronic mental illness who is a patient at a state mental institution or who is committed to the department pursuant to ORS 426.005 to 426.223 and 426.241 to 426.380;
- "(3) Ensure that case managers are provided for each [chronically mentally ill] person with a chronic mental illness described in subsection (2) of this section; and
  - "(4) Disburse from any available funds:
- "[(a) Funds for one LINC model in the area served by F. H. Dammasch State Hospital and one LINC model in the area served by the Oregon State Hospital licensed under ORS 443.415;]

- "[(b)] (a) Discretionary funds for services necessary to implement a discharge plan, including but not limited to transportation, medication, recreation and socialization; and
- "[(c)] (b) Funds to provide day treatment services, community psychiatric inpatient services, and work activity services for [chronically mentally ill] persons [where] with chronic mental illness when needed.
  - "SECTION 12. ORS 426.502 is amended to read:
  - "426.502. As used in ORS 426.502 to 426.508:

- "[(1) 'Chronically mentally ill' has the meaning given that term in ORS 426.495.]
- "[(2)] (1) 'Community housing' means property and related equipment that are used or could be used to house [chronically mentally ill] persons with chronic mental illness and their care providers. 'Community housing' includes single-family housing and multiple-unit residential housing.
- "[(3)] (2) 'Construct' means to build, install, assemble, expand, alter, convert, replace or relocate.

  'Construct' includes to install equipment and to prepare a site.
  - "[(4) 'Department' means the Department of Human Services.]
- "[(5)] (3) 'Equipment' means furnishings, fixtures or appliances that are used or could be used to provide care in community housing.
- "[(6)] (4) 'Multiple-unit residential housing' means housing that provides two or more living units and spaces for common use by the occupants in social and recreational activities. 'Multiple-unit residential housing' may include nonhousing facilities incidental or appurtenant to the housing that, in the determination of the [department] **Department of Human Services**, improve the quality of the housing.
- "(5) 'Person with a chronic mental illness' has the meaning given that term in ORS 426.495.
- "[(7)] (6) 'Single-family housing' means a detached living unit with common living room and dining facilities for at least three occupants with chronic mental illness. 'Single-family housing' may include nonhousing facilities incidental or appurtenant to the housing that, in the determination of the department, improve the quality of the housing.
  - "SECTION 13. ORS 426.504 is amended to read:
- "426.504. Subject to review by and the recommendation of the Community Mental Health Housing Trust Account Board:
- "(1) The Department of Human Services may, through contract or otherwise, acquire, purchase, receive, hold, exchange, demolish, construct, lease, maintain, repair, replace, improve and equip community housing for the purpose of housing [chronically mentally ill] persons with chronic mental illness.
- "(2) The department may dispose of community housing acquired under subsection (1) of this section in a public or private sale, upon such terms and conditions as the department considers advisable to increase the quality and quantity of community housing available for [chronically mentally ill] persons with chronic mental illness. Except as provided in subsection (3) of this section, in any instrument conveying fee title to community housing, the department shall include language that restricts the use of the community housing to housing for [chronically mentally ill] persons with chronic mental illness. Such restriction is not a violation of ORS 93.270.
- "(3) If the department determines that community housing acquired under subsection (1) of this section is no longer suitable for use as community housing, the department may sell or otherwise dispose of the community housing without including in any instrument conveying fee title to the community housing any language that restricts the use of the community housing. Proceeds from the

sale or disposition of community housing under this subsection are considered proceeds described in ORS 426.506 [(4)(c)] (3)(b).

"(4) When exercising the authority granted to the department under this section, the department is not subject to ORS chapter 273 or ORS 270.100 to 270.190, 276.900 to 276.915 or 279A.250 to 279A.290.

## "SECTION 14. ORS 426.506 is amended to read:

- "426.506. (1) There is created in the State Treasury, separate and distinct from the General Fund, the Community Mental Health Housing Fund. All earnings on investments of moneys in the Community Mental Health Housing Fund shall accrue to the fund. Interest earned on moneys in the fund shall be credited to the fund. All moneys in the fund are continuously appropriated to the Department of Human Services to carry out the provisions of ORS 426.504.
- "(2) The Community Mental Health Housing Fund shall be administered by the department to provide housing for [chronically mentally ill] persons with chronic mental illness. As used in this subsection, 'housing' may include acquisition, maintenance, repair, furnishings and equipment.
- "[(3)(a) There is established within the Community Mental Health Housing Fund a Community Housing Trust Account. Notwithstanding the provisions of ORS 270.150, the department shall deposit into the account the proceeds, less costs to the state, received by the department from the sale of F. H. Dammasch State Hospital property under ORS 426.508. The department may expend, for the purposes set forth in ORS 426.504, any earnings credited to the account, including any interest earned on moneys deposited in the account, and up to five percent of the sale proceeds initially credited to the account by the Oregon Department of Administrative Services. At least 95 percent of the sale proceeds shall remain in the account in perpetuity. Proceeds deposited in the account may not be commingled with proceeds from the sale of any surplus real property owned, operated or controlled by the Department of Human Services and used as a state training center.]
- "[(b) Interest earned on moneys in the Community Housing Trust Account may be expended in the following manner:]
- "[(A) Seventy percent of interest earned on deposits in the account shall be expended for community housing purposes; and]
- "[(B) Thirty percent of interest earned on deposits in the account shall be expended for institutional housing purposes.]
- "[(c) Interest earned on deposits in the account shall not be used to support operating expenses of the department.]
  - "[(4)] (3) The Community Mental Health Housing Fund shall consist of:
    - "(a) Moneys appropriated to the fund by the Legislative Assembly;
    - "[(b) Sale proceeds and earnings from the account under subsection (3) of this section;]
- "[(c)] (b) Proceeds from the sale, transfer or lease of any surplus real property owned, operated or controlled by the department and used as community housing;
  - "[(d)] (c) Moneys reallocated from other areas of the department's budget;
- 39 "[(e)] (d) Interest and earnings credited to the fund; and
- "[(f)] (e) Gifts of money or other property from any source, to be used for the purposes of developing housing for [chronically mentally ill] persons with chronic mental illness.
  - "[(5)] (4) The department shall adopt policies:
- "(a) To establish priorities for the use of moneys in the Community Mental Health Housing Fund for the sole purpose of developing housing for [chronically mentally ill] persons with chronic mental illness;

- "(b) To match public and private moneys available from other sources for developing housing for [chronically mentally ill] persons with chronic mental illness; and
- "(c) To administer the fund in a manner that will not exceed the State Treasury's maximum cost per transaction.
  - "[(6)] (5) The Department of Human Services shall collaborate with the Housing and Community Services Department to ensure the highest return and best value for community housing from the Community Mental Health Housing Fund.
  - "[(7)] (6) The Department of Human Services shall provide a report of revenues to and expenditures from the Community Mental Health Housing Fund as part of its budget submission to the Governor and Legislative Assembly under ORS chapter 291.

## "SECTION 15. ORS 426.508 is amended to read:

"426.508. (1) Notwithstanding ORS 421.611 to 421.630 or any actions taken under ORS 421.611 to 421.630, the Department of Corrections shall transfer the real property known as the F. H. Dammasch State Hospital and all improvements to the Oregon Department of Administrative Services to be sold for the benefit of the Department of Human Services.

"(2)(a) Notwithstanding ORS 270.100 to 270.190, and except as provided in subsection (4) of this section, the Oregon Department of Administrative Services shall sell or otherwise convey the real property known as the F. H. Dammasch State Hospital in a manner consistent with the provisions of this section. Conveyance shall not include transfer to a state agency. The sale price of the real property shall equal or exceed the fair market value of the real property. The Oregon Department of Administrative Services shall engage the services of a licensed real estate broker or principal real estate broker to facilitate the sale of the real property.

- "(b) The Oregon Department of Administrative Services shall retain from the sale or other conveyance of the real property those costs incurred by the state in selling or conveying the real property, including costs incurred by the Department of Corrections in transferring the real property to the Oregon Department of Administrative Services. The remaining proceeds from the sale or other conveyance shall be transferred to the [Community Housing Trust Account created under ORS 426.506 (3)] Community Mental Health Housing Trust Account created under section 2 of this 2007 Act.
- "(3) Redevelopment of the real property formerly occupied by the F. H. Dammasch State Hospital shall be consistent with the Dammasch Area Transportation Efficient Land Use Plan developed by Clackamas County, the City of Wilsonville, the Oregon Department of Administrative Services, the Department of Land Conservation and Development, the Department of Transportation, the State Housing Council, the Department of Human Services and the Department of State Lands.
- "(4) The Oregon Department of Administrative Services shall reserve from the sale of the real property under subsection (2) of this section [not more than] 10 acres. The real property reserved from sale shall be transferred to the Department of Human Services for use by the Department of Human Services to develop community housing at the Villebois Community of Wilsonville, Oregon, for [chronically mentally ill] persons with chronic mental illness. The Oregon Department of Administrative Services and the Department of Human Services shall jointly coordinate with the City of Wilsonville to identify the real property reserved from sale under this subsection.

## "SECTION 16. ORS 279A.050 is amended to read:

"279A.050. (1) Except as otherwise provided in the Public Contracting Code, a contracting agency shall exercise all rights, powers and authority in accordance with the provisions of the Public Contracting Code.

"(2) Except as otherwise provided in the Public Contracting Code, for state agencies the Director of the Oregon Department of Administrative Services has all of the rights, powers and authority necessary to carry out the provisions of the Public Contracting Code.

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- "(3) Except as otherwise provided in the Public Contracting Code, the Director of Transportation has all of the rights, powers and authority to:
- "(a) Procure or supervise the procurement of all services and personal services to construct, acquire, plan, design, maintain and operate passenger terminal facilities and motor vehicle parking facilities in connection with any public transportation system in accordance with ORS 184.689 (5);
- "(b) Procure or supervise the procurement of all goods, services, public improvements and personal services relating to the operation, maintenance or construction of highways, bridges and other transportation facilities that are subject to the authority of the Department of Transportation; and
- "(c) Establish standards for, prescribe forms for and conduct the prequalification of prospective bidders on public improvement contracts related to the operation, maintenance or construction of highways, bridges and other transportation facilities that are subject to the authority of the Department of Transportation.
- "(4) Except as otherwise provided in the Public Contracting Code, the Secretary of State has all of the rights, powers and authority to procure or supervise the procurement of goods, services and personal services related to programs under the direct authority of the Secretary of State.
- "(5) Except as otherwise provided in the Public Contracting Code, the State Treasurer has all of the rights, powers and authority to procure or supervise the procurement of goods, services and personal services related to programs under the authority of the State Treasurer.
- "(6) The following specific limited authorities are subject to the provisions of the Public Contracting Code:
- "(a) The Department of Human Services to procure or supervise the procurement of goods, services and personal services for the construction, demolition, exchange, maintenance, operation and equipping of housing:
- "(A) For [the chronically mentally ill] persons with chronic mental illness, subject to applicable provisions of ORS 426.504; and
- "(B) For the purpose of providing care to individuals with mental retardation or other developmental disabilities, subject to applicable provisions of ORS 427.335;
- "(b) The State Department of Fish and Wildlife to procure or supervise the procurement of all goods, services, public improvements and personal services relating to dams, fishways, ponds and related fish and game propagation facilities;
- "(c) The State Parks and Recreation Department to procure or supervise the procurement of all goods, services, public improvements and personal services relating to state parks;
- "(d) The Oregon Department of Aviation to procure or supervise the procurement of all goods, services, public improvements and personal services related to airports owned or operated by the state;
- "(e) The Economic and Community Development Department to procure or supervise the procurement of all goods, services, personal services and public improvements related to its foreign trade offices operating outside the state;
- "(f) The Attorney General to enter into contracts as necessary to exercise the authority granted in ORS chapter 180;
- "(g) The Housing and Community Services Department to procure or supervise the procurement of goods, services and personal services;

- "(h) The Department of Corrections to procure or supervise the procurement of goods, services and personal services for the construction of all new buildings or additions for its institutions;
- "(i) The Department of Corrections, subject to any applicable provisions of ORS 279A.120, 279A.125, 279A.145 and 283.110 to 283.395, to procure or supervise the procurement of goods for its institutions;
- "(j) The Department of Veterans' Affairs to procure or supervise the procurement of real estate broker and principal real estate broker services related to programs under the department's authority; and
- "(k) Any state agency to make procurements when the agency is specifically authorized by any provision of law other than the Public Contracting Code to enter into a contract.
- "SECTION 17. Sections 2 and 7 of this 2007 Act and the amendments to ORS 279A.050, 426.005, 426.490, 426.495, 426.500, 426.502, 426.504, 426.506 and 426.508 by sections 8 to 16 of this 2007 Act become operative on January 1, 2008.
- "SECTION 18. This 2007 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect on its passage."