

**PUBLIC HEALTH SERVICE ACT**  
**TITLE V – SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION**  
**PART C – PROJECTS FOR ASSISTANCE IN TRANSITION FROM**  
**HOMELESSNESS**

**SEC. 521. 290cc–21. FORMULA GRANTS TO STATES.**

For the purpose of carrying out section 522, the Secretary, acting through the Director of the Center for Mental Health Services, shall for each of the fiscal years 1991 through 1994<sup>1</sup> make an allotment for each State in an amount determined in accordance with section 524. The Secretary shall make payments, as grants, each such fiscal year to each State from the allotment for the State if the Secretary approves for the fiscal year involved an application submitted by the State pursuant to section 529.

**SEC. 522. 290cc–22. PURPOSE OF GRANTS.**

(a) IN GENERAL.—The Secretary may not make payments under section 521 unless the State involved agrees that the payments will be expended solely for making grants to political sub divisions of the State, and to nonprofit private entities (including community-based veterans organizations and other community organizations), for the purpose of providing the services specified in subsection (b) to individuals who—

- (1)(A) Are suffering from serious mental illness; or
- (B) Are suffering from serious mental illness and from substance abuse; and
- (2) are homeless or at imminent risk of becoming homeless.

(b) SPECIFICATION OF SERVICES.—the services referred to in subsection (a) are—

- (1) Outreach services;
- (2) Screening and diagnostic treatment services;
- (3) Habilitation and rehabilitation services;
- (4) Community mental health services;
- (5) Alcohol or drug treatment services;
- (6) Staff training, including the training of individuals who work in shelters, mental health clinics, substance abuse programs, and other sites where homeless individuals require services;
- (7) Case management services, including—
  - (A) Preparing a plan for the provision of community mental health services to the eligible homeless individual involved, and reviewing such plan not less than once every 3 months;
  - (B) Providing assistance in obtaining and coordinating social and maintenance services for the eligible homeless individuals, including services relating to daily living activities, personal financial planning, transportation services, and habilitation and rehabilitation services, prevocational and vocational services, and housing services;
  - (C) providing assistance to the eligible homeless individual in obtaining income support services, including housing assistance, food stamps, and supplemental security income benefits;
  - (D) Referring the eligible homeless individual for such other services as may be appropriate; and
  - (E) Providing representative payee services in accordance with section 1631(a)(2) of the Social Security Act if the eligible homeless individual is receiving aid under title XVI of such act and if the applicant is designated by the Secretary to provide such services;
- (8) Supportive and supervisory services in residential settings;
- (9) Referrals for primary health services, job training, educational services, and relevant housing services;
- (10) subject to subsection (h) (1)—
  - (A) Minor renovation, expansion, and repair of housing;
  - (B) Planning of housing;
  - (C) Technical assistance in applying for housing assistance;

<sup>1</sup> Probably should be “2001 through 2003”. Section 3203(b) of Public Law 106–310 (114 Stat. 1191) amended section 535(a) of this Act, which provides the authorization of appropriations for this part, by striking “1991 through 1994” and inserting “2001 through 2003”. Such Public Law did not conform the reference in section 521 above.

(D) Improving the coordination of housing services;

(E) Security deposits;

(F) The costs associated with matching eligible homeless individuals with appropriate housing situations; and

(G) 1-time rental payments to prevent eviction; and

(11) Other appropriate services, as determined by the Secretary.

(c) COORDINATION.—The Secretary may not make payments under section 521 unless the State involved agrees to make grants pursuant to subsection (a) only to entities that have the capacity to provide, directly or through arrangements, the services specified in section 522(b), including coordinating the provision of services in order to meet the needs of eligible homeless individuals who are both mentally ill and suffering from substance abuse.

(d) SPECIAL CONSIDERATION REGARDING VETERANS.—The Secretary may not make payments under section 521 unless the State involved agrees that, in making grants to entities pursuant to subsection (a), the State will give special consideration to entities with a demonstrated effectiveness in serving homeless veterans.

(e) SPECIAL RULES.—The Secretary may not make payments under section 521 unless the State involved agrees that grants pursuant to subsection (a) will not be made to any entity that—

(1) Has a policy of excluding individuals from mental health services due to the existence or suspicion of substance abuse; or

(2) Has a policy of excluding individuals from substance abuse services due to the existence or suspicion of mental illness.

(f) ADMINISTRATIVE EXPENSES.—The Secretary may not make payments under section 521 unless the State involved agrees that not more than 4 percent of the payments will be expended for administrative expenses regarding the payments.

(g) MAINTENANCE OF EFFORT.—The Secretary may not make payments under section 521 unless the State involved agrees that the State will maintain State expenditures for services specified in subsection (b) at a level that is not less than the average level of such expenditures maintained by the State for the 2-year period preceding the fiscal year for which the State is applying to receive such payments.

(h) RESTRICTIONS ON USE OF FUNDS.—The Secretary may not make payments under section 521 unless the State involved agrees that—

(1) Not more than 20 percent of the payments will be expended for housing services under subsection

(b) (10); and

(2) The payments will not be expended—

(A) To support emergency shelters or construction of housing facilities;

(B) For inpatient psychiatric treatment costs or inpatient substance abuse treatment costs; or

(C) To make cash payments to intended recipients of mental health or substance abuse services.

(i) WAIVER FOR TERRITORIES.—With respect to the United States Virgin Islands, Guam, American Samoa, Palau, the Marshall Islands, and the Commonwealth of the Northern Mariana Islands, the Secretary may waive the provisions of this part that the Secretary determines to be appropriate.

## **SEC. 523. 290cc–23. REQUIREMENT OF MATCHING FUNDS.**

(a) IN GENERAL.—The Secretary may not make payments under section 521 unless, with respect to the costs of providing services pursuant to section 522, the State involved agrees to make available, directly or through donations from public or private entities, non-Federal contributions toward such costs in an amount that is not less than \$1 for each \$3 of Federal funds provided in such payments.

(b) DETERMINATION OF AMOUNT.—Non-Federal contributions required in subsection (a) may be in cash or in kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the Federal Government, or services

assisted or subsidized to any significant extent by the Federal Government, shall not be included in determining the amount of such non-Federal contributions.

(c) LIMITATION REGARDING GRANTS BY STATES.—The Secretary may not make payments under section 521 unless the State involved agrees that the State will not require the entities to which grants are provided pursuant to section 522(a) to provide non-Federal contributions in excess of the non-Federal contributions described in subsection (a).

**SEC. 524. 290cc–24. DETERMINATION OF AMOUNT OF ALLOTMENT.**

(a) MINIMUM ALLOTMENT.—the allotment for a State under section 521 for a fiscal year shall be the greater of—

(1) \$300,000 for each of the several States, the District of Columbia, and the Commonwealth of Puerto Rico, and \$50,000 for each of Guam, the Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands; and

(2) An amount determined in accordance with subsection (b).

(b) DETERMINATION UNDER FORMULA.—The amount referred to in subsection (a)(2) is the product of—

(1) An amount equal to the amount appropriated under section 535(a) for the fiscal year; and

(2) A percentage equal to the quotient of—

(A) an amount equal to the population living in urbanized areas of the State involved, as indicated by the most recent data collected by the Bureau of the Census; and (B) an amount equal to the population living in urbanized areas of the United States, as indicated by the sum of the respective amounts determined for the States under subparagraph (A).

**SEC. 525. 290cc–25. CONVERSION TO CATEGORICAL PROGRAM IN EVENT OF FAILURE OF STATE REGARDING EXPENDITURE OF GRANTS.**

(a) IN GENERAL.—Subject to subsection (c), the Secretary shall, from the amounts specified in subsection (b), make grants to public and nonprofit private entities for the purpose of providing to eligible homeless individuals the services specified in section 522(b).

(b) <sup>2</sup> SPECIFICATION OF FUNDS.—The amounts referred to in subsection (a) are any amounts made available in appropriations Acts for allotments under section 521 that are not paid to a State as a result of—

(A) The failure of the State to submit an application under section 529;

(B) The failure of the State, in the determination of the Secretary, to prepare the application in accordance with such section or to submit the application within a reasonable period of time; or

(C) The State informing the Secretary that the State does not intend to expend the full amount of the allotment made to the State.

(c) REQUIREMENT OF PROVISION OF SERVICES IN STATE INVOLVED.— With respect to grants under subsection (a), amounts made available under subsection (b) as a result of the State involved shall be available only for grants to provide services in such State.

**SEC. 526. 290cc–26. PROVISION OF CERTAIN INFORMATION FROM STATE.**

The Secretary may not make payments under section 521 to a State unless, as part of the application required in section 529, the State submits to the Secretary a statement—

(1) Identifying existing programs providing services and housing to eligible homeless individuals and identify gaps in the delivery systems of such programs;

(2) Containing a plan for providing services and housing to eligible homeless individuals, which plan—  
(A) Describes the coordinated and comprehensive means of providing services and housing to homeless individuals; and

(B) Includes documentation that suitable housing for eligible homeless individuals will accompany the provision of services to such individuals;

(3) Describes the source of the non-Federal contributions described in section 523;

(4) Contains assurances that the non-Federal contributions described in section 523 will be available at the beginning of the grant period;

(5) Describe any voucher system that may be used to carry out this part; and

(6) contain such other information or assurances as the Secretary may reasonably require.

2 So in law. Subparagraphs (A) through (C) probably should be redesignated as paragraphs (1) through (3), respectively. See section 511 of Public Law 104-645 (104 Stat. 4729).

**SEC. 527. 290cc-27. DESCRIPTION OF INTENDED EXPENDITURES OF GRANT.**

(a) IN GENERAL.—The Secretary may not make payments under section 521 unless—

(1) As part of the application required in section 529, the State involved submits to the Secretary a description of the intended use for the fiscal year of the amounts for which the State is applying pursuant to such section;

2) Such description identifies the geographic areas within the State in which the greatest numbers of homeless individuals with a need for mental health, substance abuse, and housing services are located;

(3) Such description provides information relating to the programs and activities to be supported and services to be provided, including information relating to coordinating such programs and activities with any similar programs and activities of public and private entities; and

(4) The State agrees that such description will be revised throughout the year as may be necessary to reflect substantial changes in the programs and activities assisted by the State pursuant to section 522.

(b) OPPORTUNITY FOR PUBLIC COMMENT.—The Secretary may not make payments under section 521 unless the State involved agrees that, in developing and carrying out the description required in subsection (a), the State will provide public notice with respect to the description (including any revisions) and such opportunities as may be necessary to provide interested persons, such as family members, consumers, and mental health, substance abuse, and housing agencies, an opportunity to present comments and recommendations with respect to the description.

(c) RELATIONSHIP TO STATE COMPREHENSIVE MENTAL HEALTH SERVICES PLAN.—

(1) IN GENERAL.—The Secretary may not make payments under section 521 unless the services to be provided pursuant to the description required in subsection (a) are consistent with the State comprehensive mental health services plan required in subpart 2 of part B of title XIX.

(2) SPECIAL RULE.—The Secretary may not make payments under section 521 unless the services to be provided pursuant to the description required in subsection (a) have been considered in the preparation of, have been included in, and are consistent with, the State comprehensive mental health services plan referred to in paragraph (1).

**SEC. 528. 290cc-28. REQUIREMENT OF REPORTS BY STATES.**

(a) IN GENERAL.—The Secretary may not make payments under section 521 unless the State involved agrees that, by not later than January 31 of each fiscal year, the State will prepare and submit to the Secretary a report in such form and containing such information as the Secretary determines (after consultation with the Administrator of the Substance Abuse and Mental Health Services Administration) to be necessary for—

(1) securing a record and a description of the purposes for which amounts received under section 521 were expended during the preceding fiscal year and of the a) IN GENERAL.—The Secretary may recipients of such amounts; and

(2) Determining whether such amounts were expended in accordance with the provisions of this part.

(b) AVAILABILITY TO PUBLIC OF REPORTS.—The Secretary may not make payments under section 521 unless the State involved agrees to make copies of the reports described in subsection (a) available for public inspection.

(c) EVALUATIONS BY COMPTROLLER GENERAL.—The Administrator of the Substance Abuse and Mental Health Services Administration shall evaluate at least once every 3 years the expenditures of grants under this part by eligible entities in order to ensure that expenditures are consistent with the provisions of this part, and shall include in such evaluation recommendations regarding changes needed in program design or operations.

**SEC. 529. 290cc-29. REQUIREMENT OF APPLICATION.**

The Secretary may not make payments under section 521 unless the State involved—

(1) Submits to the Secretary an application for the payments containing agreements and information in accordance with this part;

(2) The agreements are made through certification from the chief executive officer of the State; and

(3) The application otherwise is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this part.

**SEC. 530. 290cc–30. TECHNICAL ASSISTANCE.**

The Secretary, through<sup>3</sup> the National Institute of Mental Health, the National Institute of Alcohol Abuse and Alcoholism, and the National Institute on Drug Abuse, shall provide technical assistance to eligible entities in developing planning and operating programs in accordance with the provisions of this part.

**SEC. 531. 290cc–31. FAILURE TO COMPLY WITH AGREEMENTS.**

(a) REPAYMENT OF PAYMENTS.—

(1) The Secretary may, subject to subsection (c), require a State to repay any payments received by the State under section 521 that the Secretary determines were not expended by the State in accordance with the agreements required to be contained in the application submitted by the State pursuant to section 529.

(2) If a State fails to make a repayment required in paragraph (1), the Secretary may offset the amount of the repayment against the amount of any payment due to be paid to the State under section 521.

(b) WITHHOLDING OF PAYMENTS.—

(1) The Secretary may, subject to subsection (c), withhold payments due under section 521 if the Secretary determines that the State involved is not expending amounts received under such section in accordance with the agreements required to be contained in the application submitted by the State pursuant to section 529.

(2) The Secretary shall cease withholding payments from a State under paragraph (1) if the Secretary determines that there are reasonable assurances that the State will expend amounts received under section 521 in accordance with the agreements referred to in such paragraph.

(3) The Secretary may not withhold funds under paragraph (1) from a State for a minor failure to comply with the agreements referred to in such paragraph.

(c) OPPORTUNITY FOR HEARING.—Before requiring repayment of payments under subsection (a)(1), or withholding payments under subsection (b)(1), the Secretary shall provide to the State an opportunity for a hearing.

(d) RULE OF CONSTRUCTION.—Notwithstanding any other provision of this part, a State receiving payments under section 521 may not, with respect to any agreements required to be contained in the application submitted under section 529, be considered to be in violation of any such agreements by reason of the fact that the State, in the regular course of providing services under section 522(b) to eligible homeless individuals, incidentally provides services to homeless individuals who are not eligible homeless individuals.

**SEC. 532. 290cc–32. PROHIBITION AGAINST CERTAIN FALSE STATEMENTS.**

(a) IN GENERAL.—

(1) A person may not knowingly make or cause to be made any false statement or representation of a material fact in connection with the furnishing of items or services for which amounts may be paid by a State from payments received by the State under section 521.

(2) A person with knowledge of the occurrence of any event affecting the right of the person to receive any amounts from payments made to the State under section 521 may not conceal or fail to disclose any such event with the intent of securing such an amount that the person is not authorized to receive or securing such an amount in an amount greater than the amount the person is authorized to receive.

(b) CRIMINAL PENALTY FOR VIOLATION OF PROHIBITION.—Any person who violates a prohibition established in subsection (a) may for each violation be fined in accordance with title 18, United States Code, or imprisoned for not more than 5 years, or both.

3 Section 162(2) of Public Law 102–321 (106 Stat. 375) provides that section 530 is amended by striking out “through the National” and all that follows through “Abuse” and inserting in lieu thereof “through the agencies of the Administration”. The amendment cannot be executed because it does not specify to which instance of the term “Abuse” the amendment applies. Additionally, section 163(a)(3) of such law described an amendment that could not be executed, as the amendment included instructions to strike “on Alcohol Abuse” while “of Alcohol Abuse” is the term in section 530. This latter amendment attempted to insert “Administrator of the Substance Abuse and Mental Health Services Administration”. Subsequently, such section 163(a)(3) was struck by section 2(b)(2) of Public Law 102–352 (106 Stat. 939).

### **SEC. 533. 290cc–33. NONDISCRIMINATION.**

#### **(a) IN GENERAL.—**

(1) **RULE OF CONSTRUCTION REGARDING CERTAIN CIVIL RIGHTS LAWS.—**For the purpose of applying the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act of 1973, on the basis of sex under title IX of the Education Amendments of 1972, or on the basis of race, color, or national origin under title VI of the Civil Rights Act of 1964, programs and activities funded in whole or in part with funds made available under section 521 shall be considered to be program

(2) **PROHIBITION.—**No person shall on the ground of sex or religion be excluded from participation in, be

#### **(b) ENFORCEMENT.—**

(1) **REFERRALS TO ATTORNEY GENERAL AFTER NOTICE.—**Whenever the Secretary finds that a State, or an entity that has received a payment pursuant to section 521, has failed to comply with a provision of law referred to in subsection (a)(1), with subsection (a)(2), or with an applicable regulation (including one prescribed to carry out subsection (a)(2)), the Secretary shall notify the chief executive officer of the State and shall request the chief executive officer to secure compliance. If within a reasonable period of time, not to exceed 60 days, the chief executive officer fails or refuses to secure compliance, the Secretary may—

(A) Refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

(B) Exercise the powers and functions provided by the Age Discrimination Act of 1975, section 504 of the Rehabilitation Act of 1973, title IX of the Education Amendments of 1972, or title VI of the Civil Rights Act of 1964, as may be applicable; or

(C) Take such other actions as may be authorized by law.

(2) **AUTHORITY OF ATTORNEY GENERAL.—**When a matter is referred to the Attorney General pursuant to paragraph (1)(A), or whenever the Attorney General has reason to believe that a State or an entity is engaged in a pattern or practice in violation of a provision of law referred to in subsection (a)(1) or in violation of subsection (a)(2), the Attorney General may bring a civil action in any appropriate district court of the United States for such relief as may be appropriate, including injunctive relief.

### **SEC. 534. 290cc–34. DEFINITIONS.**

For purposes of this part:

(1) **ELIGIBLE HOMELESS INDIVIDUAL.—**the term “eligible homeless individual” means an individual described in section 522(a).

(2) **HOMELESS INDIVIDUAL.—**the term “homeless individual” has the meaning given such term in section 330(h) (5).

(3) **STATE.—**The term “State” means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(4) **SUBSTANCE ABUSE.—**the term “substance abuse” means the abuse of alcohol or other drugs.

### **SEC. 535. 290cc–35. FUNDING.**

(a) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this part, there is authorized to be appropriated \$75,000,000 for each of the fiscal years 2001 through 2003.

(b) EFFECT OF INSUFFICIENT APPROPRIATIONS FOR MINIMUM ALLOTMENTS.—

(1) IN GENERAL.—If the amounts made available under subsection (a) for a fiscal year are insufficient for providing each State with an allotment under section 521 of not less than the applicable amount under section 524(a) (1), the Secretary shall, from such amounts as are made available under such subsection, make grants to the States for providing to eligible homeless individuals the services specified in section 522(b).

(2) RULE OF CONSTRUCTION.—Paragraph (1) may not be construed to require the Secretary to make a grant under such paragraph to each State.