

**Representative Jack A. Seitz** proposes the following substitute bill:

**COUNTY MENTAL HEALTH AMENDMENTS**

2004 GENERAL SESSION

STATE OF UTAH

**Sponsor: Gene Davis**

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**LONG TITLE**

**General Description:**

This bill amends provisions related to the Local Mental Health and Local Substance Abuse Authority.

**Highlighted Provisions:**

This bill:

- ▶ adds a representative of the legislative body of each participating county to the advisory council;
- ▶ requires the county legislative body to approve the funding and service delivery plan for the local authority; and
- ▶ restricts use of public funds to purposes authorized in the mental health or substance abuse plan.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**17-43-201**, as renumbered and amended by Chapter 22 and last amended by Chapter 262, Laws of Utah 2003



26           **17-43-203**, as renumbered and amended by Chapter 22 and last amended by Chapter  
27 262, Laws of Utah 2003

28           **17-43-301**, as renumbered and amended by Chapter 22 and last amended by Chapters  
29 195 and 262, Laws of Utah 2003

30           **17-43-303**, as renumbered and amended by Chapter 22 and last amended by Chapter  
31 262, Laws of Utah 2003

32           **17-43-309**, as renumbered and amended by Chapter 22, Laws of Utah 2003

33           **62A-15-102**, as renumbered and amended by Chapter 8, Laws of Utah 2002, Fifth  
34 Special Session



36 *Be it enacted by the Legislature of the state of Utah:*

37           Section 1. Section **17-43-201** is amended to read:

38           **17-43-201. Local substance abuse authorities -- Responsibilities.**

39           (1) (a) (i) In each county operating under a county executive-council form of  
40 government under Section 17-52-504, the county [~~executive~~] legislative body is the local  
41 substance abuse authority, provided however that any contract for plan services shall be  
42 administered by the county executive.

43           (ii) In each county operating under a council-manager form of government under  
44 Section 17-52-505, the county manager is the local substance abuse authority.

45           (iii) In each county other than a county described in Subsection (1)(a)(i) or (ii), the  
46 county legislative body is the local substance abuse authority.

47           (b) Within legislative appropriations and county matching funds required by this  
48 section, and under the policy direction of the board and the administrative direction of the  
49 division, each local substance abuse authority shall:

50           (i) develop substance abuse prevention and treatment services plans; and

51           (ii) provide substance abuse services to residents of the county.

52           (2) (a) By executing an interlocal agreement under Title 11, Chapter 13, Interlocal  
53 Cooperation Act, two or more counties may join to provide substance abuse prevention and  
54 treatment services.

55           (b) The legislative bodies of counties joining to provide services may establish  
56 acceptable ways of apportioning the cost of substance abuse services.

57 (c) Each agreement for joint substance abuse services shall:

58 (i) (A) designate the treasurer of one of the participating counties or another person as  
59 the treasurer for the combined substance abuse authorities and as the custodian of moneys  
60 available for the joint services; and

61 (B) provide that the designated treasurer, or other disbursing officer authorized by the  
62 treasurer, may make payments from the moneys for the joint services upon audit of the  
63 appropriate auditing officer or officers representing the participating counties;

64 (ii) provide for the appointment of an independent auditor or a county auditor of one of  
65 the participating counties as the designated auditing officer for the combined substance abuse  
66 authorities;

67 (iii) (A) provide for the appointment of the county or district attorney of one of the  
68 participating counties as the designated legal officer for the combined substance abuse  
69 authorities; and

70 (B) authorize the designated legal officer to request and receive the assistance of the  
71 county or district attorneys of the other participating counties in defending or prosecuting  
72 actions within their counties relating to the combined substance abuse authorities; and

73 (iv) provide for the adoption of management, clinical, financial, procurement,  
74 personnel, and administrative policies as already established by one of the participating  
75 counties or as approved by the legislative body of each participating county or interlocal board.

76 (d) An agreement for joint substance abuse services may provide for joint operation of  
77 services and facilities or for operation of services and facilities under contract by one  
78 participating local substance abuse authority for other participating local substance abuse  
79 authorities.

80 (3) (a) Each local substance abuse authority is accountable to the department, the  
81 Department of Health, and the state with regard to the use of state and federal funds received  
82 from those departments for substance abuse services, regardless of whether the services are  
83 provided by a private contract provider.

84 (b) Each local substance abuse authority shall comply, and require compliance by its  
85 contract provider, with all directives issued by the department and the Department of Health  
86 regarding the use and expenditure of state and federal funds received from those departments  
87 for the purpose of providing substance abuse programs and services. The department and

88 Department of Health shall ensure that those directives are not duplicative or conflicting, and  
89 shall consult and coordinate with local substance abuse authorities with regard to programs and  
90 services.

91 (4) Each local substance abuse authority shall:

92 (a) review and evaluate substance abuse prevention and treatment needs and services,  
93 including substance abuse needs and services for individuals incarcerated in a county jail or  
94 other county correctional facility;

95 (b) annually prepare and submit to the division a plan approved by the county  
96 legislative body for funding and service delivery that includes:

97 (i) provisions for services, either directly by the substance abuse authority or by  
98 contract, for adults, youth, and children, including those incarcerated in a county jail or other  
99 county correctional facility; and

100 (ii) primary prevention, targeted prevention, early intervention, and treatment services;

101 (c) establish and maintain, either directly or by contract, programs licensed under Title  
102 62A, Chapter 2, Licensure of Programs and Facilities;

103 (d) appoint directly or by contract a full or part time director for substance abuse  
104 programs, and prescribe the director's duties;

105 (e) provide input and comment on new and revised policies established by the board;

106 (f) establish and require contract providers to establish administrative, clinical,  
107 procurement, personnel, financial, and management policies regarding substance abuse services  
108 and facilities, in accordance with the policies of the board, and state and federal law;

109 (g) establish mechanisms allowing for direct citizen input;

110 (h) annually contract with the division to provide substance abuse programs and  
111 services in accordance with the provisions of Title 62A, Chapter 15, Substance Abuse and  
112 Mental Health Act;

113 (i) comply with all applicable state and federal statutes, policies, audit requirements,  
114 contract requirements, and any directives resulting from those audits and contract requirements;

115 (j) promote or establish programs for the prevention of substance abuse within the  
116 community setting through community-based prevention programs;

117 (k) provide funding equal to at least 20% of the state funds that it receives to fund  
118 services described in the plan;

119 (l) comply with the requirements and procedures of Title 11, Chapter 13, Interlocal  
120 Cooperation Act, Title 17A, Chapter 1, Part 4, Uniform Fiscal Procedures for Special Districts  
121 Act, and Title 51, Chapter 2, Audits of Political Subdivisions, Interlocal Organizations and  
122 Other Local Entities;

123 (m) for persons convicted of driving under the influence in violation of Subsection  
124 41-6-44(2) or Section 41-6-44.6, conduct the following as defined in Section 41-6-44:

125 (i) a screening and assessment;

126 (ii) an educational series; and

127 (iii) substance abuse treatment; and

128 (n) utilize proceeds of the accounts described in Subsection 62A-15-503(1) to  
129 supplement the cost of providing the services described in Subsection (4)(m).

130 (5) Before disbursing any public funds, each local substance abuse authority shall  
131 require that each entity that receives any public funds from the local substance abuse authority  
132 agrees in writing that:

133 (a) the entity's financial records and other records relevant to the entity's performance  
134 of the services provided to the local substance abuse authority[~~,-except patient identifying~~  
135 ~~information,]~~ shall be subject to examination by:

136 (i) the division;

137 (ii) the local substance abuse authority director;

138 (iii) (A) the county treasurer and county or district attorney; or

139 (B) if two or more counties jointly provide substance abuse services under an  
140 agreement under Subsection (2), the designated treasurer and the designated legal officer;

141 (iv) the county legislative body; and

142 (v) in a county with a county executive that is separate from the county legislative  
143 body, the county executive;

144 (b) the county auditor may examine and audit the entity's financial and other records  
145 relevant to the entity's performance of the services provided to the local substance abuse  
146 authority; and

147 (c) the entity will comply with the provisions of Subsection (3)(b).

148 (6) A local substance abuse authority may receive property, grants, gifts, supplies,  
149 materials, contributions, and any benefit derived therefrom, for substance abuse services. If

150 those gifts are conditioned upon their use for a specified service or program, they shall be so  
151 used.

152 (7) (a) As used in this section, "public funds" means the same as that term is defined in  
153 Section 17-43-203.

154 ~~[(b) Nothing in this section limits or prohibits an organization exempt under Section~~  
155 ~~501(c)(3), Internal Revenue Code, from using public funds for any business purpose or in any~~  
156 ~~financial arrangement that is otherwise lawful for that organization.]~~

157 (b) Public funds received for the provision of services pursuant to the local substance  
158 abuse plan may not be used for any other purpose except those authorized in the contract  
159 between the local substance abuse authority and the provider for the provision of plan services.

160 Section 2. Section **17-43-203** is amended to read:

161 **17-43-203. Definition of "public funds" -- Responsibility for oversight of public**  
162 **funds -- Substance abuse programs and services.**

163 (1) As used in this section, "public funds":

164 (a) means:

165 (i) federal money received from the department or the Department of Health; and

166 (ii) state money appropriated by the Legislature to the department, the Department of  
167 Health, a county governing body, or a local substance abuse authority for the purposes of  
168 providing substance abuse programs or services; and

169 (b) includes that federal and state money:

170 (i) even after the money has been transferred by a local substance abuse authority to a  
171 private provider under an annual or otherwise ongoing contract to provide comprehensive  
172 substance abuse programs or services for the local substance abuse authority; and

173 (ii) while in the possession of the private provider.

174 (2) Each local substance abuse authority is responsible for oversight of all public funds  
175 received by it, to determine that those public funds are utilized in accordance with federal and  
176 state law, the rules and policies of the department and the Department of Health, and the  
177 provisions of any contract between the local substance abuse authority and the department, the  
178 Department of Health, or a private provider. That oversight includes requiring that neither the  
179 contract provider, as described in Subsection (1), nor any of its employees:

180 (a) violate any applicable federal or state criminal law;

181 (b) knowingly violate any applicable rule or policy of the department or Department of  
182 Health, or any provision of contract between the local substance abuse authority and the  
183 department, the Department of Health, or the private provider;

184 (c) knowingly keep any false account or make any false entry or erasure in any account  
185 of or relating to the public funds;

186 (d) fraudulently alter, falsify, conceal, destroy, or obliterate any account of or relating  
187 to public funds;

188 (e) fail to ensure competent oversight for lawful disbursement of public funds;

189 (f) appropriate public funds for an unlawful use or for a use that is not in compliance  
190 with contract provisions; or

191 (g) knowingly or intentionally use public funds unlawfully or in violation of a  
192 governmental contract provision, or in violation of state policy.

193 [~~(3) Nothing in this section limits or prohibits an organization exempt under Section~~  
194 ~~501(c)(3), Internal Revenue Code, from using public funds for any business purpose or in any~~  
195 ~~financial arrangement that is otherwise lawful for that organization.]~~

196 [~~(4)~~ (3) Each local substance abuse authority that knows or reasonably should know of  
197 any of the circumstances described in Subsection (2), and that fails or refuses to take timely  
198 corrective action in good faith shall, in addition to any other penalties provided by law, be  
199 required to make full and complete repayment to the state of all public funds improperly used  
200 or expended.

201 [~~(5)~~ (4) Any public funds required to be repaid to the state by a local substance abuse  
202 authority under Subsection [~~(4)~~ (3), based upon the actions or failure of the contract provider,  
203 may be recovered by the local substance abuse authority from its contract provider, in addition  
204 to the local substance abuse authority's costs and attorney's fees.

205 Section 3. Section **17-43-301** is amended to read:

206 **17-43-301. Local mental health authorities -- Responsibilities.**

207 (1) (a) (i) In each county operating under a county executive-council form of  
208 government under Section 17-52-504, the county [~~executive~~] legislative body is the local  
209 mental health authority, provided however that any contract for plan services shall be  
210 administered by the county executive.

211 (ii) In each county operating under a council-manager form of government under

212 Section 17-52-505, the county manager is the local mental health authority.

213 (iii) In each county other than a county described in Subsection (1)(a)(i) or (ii), the  
214 county legislative body is the local mental health authority.

215 (b) Within legislative appropriations and county matching funds required by this  
216 section, under the policy direction of the board and the administrative direction of the division,  
217 each local mental health authority shall provide mental health services to persons within the  
218 county.

219 (2) (a) By executing an interlocal agreement under Title 11, Chapter 13, Interlocal  
220 Cooperation Act, two or more counties may join to provide mental health prevention and  
221 treatment services.

222 (b) The legislative bodies of counties joining to provide services may establish  
223 acceptable ways of apportioning the cost of mental health services.

224 (c) Each agreement for joint mental health services shall:

225 (i) (A) designate the treasurer of one of the participating counties or another person as  
226 the treasurer for the combined mental health authorities and as the custodian of moneys  
227 available for the joint services; and

228 (B) provide that the designated treasurer, or other disbursing officer authorized by the  
229 treasurer, may make payments from the moneys available for the joint services upon audit of  
230 the appropriate auditing officer or officers representing the participating counties;

231 (ii) provide for the appointment of an independent auditor or a county auditor of one of  
232 the participating counties as the designated auditing officer for the combined mental health  
233 authorities;

234 (iii) (A) provide for the appointment of the county or district attorney of one of the  
235 participating counties as the designated legal officer for the combined mental health  
236 authorities; and

237 (B) authorize the designated legal officer to request and receive the assistance of the  
238 county or district attorneys of the other participating counties in defending or prosecuting  
239 actions within their counties relating to the combined mental health authorities; and

240 (iv) provide for the adoption of management, clinical, financial, procurement,  
241 personnel, and administrative policies as already established by one of the participating  
242 counties or as approved by the legislative body of each participating county or interlocal board.



243 (d) An agreement for joint mental health services may provide for:  
244 (i) joint operation of services and facilities or for operation of services and facilities  
245 under contract by one participating local mental health authority for other participating local  
246 mental health authorities; and  
247 (ii) allocation of appointments of members of the mental health advisory council  
248 between or among participating counties.

249 (3) (a) Each local mental health authority is accountable to the department, the  
250 Department of Health, and the state with regard to the use of state and federal funds received  
251 from those departments for mental health services, regardless of whether the services are  
252 provided by a private contract provider.

253 (b) Each local mental health authority shall comply, and require compliance by its  
254 contract provider, with all directives issued by the department and the Department of Health  
255 regarding the use and expenditure of state and federal funds received from those departments  
256 for the purpose of providing mental health programs and services. The department and  
257 Department of Health shall ensure that those directives are not duplicative or conflicting, and  
258 shall consult and coordinate with local mental health authorities with regard to programs and  
259 services.

260 (4) (a) Each local mental health authority shall:  
261 (i) review and evaluate mental health needs and services, including mental health needs  
262 and services for persons incarcerated in a county jail or other county correctional facility;  
263 (ii) as provided in Subsection (4)(b), annually prepare and submit to the division a  
264 plan approved by the county legislative body for mental health funding and service delivery,  
265 either directly by the local mental health authority or by contract;  
266 (iii) establish and maintain, either directly or by contract, programs licensed under Title  
267 62A, Chapter 2, Licensure of Programs and Facilities;  
268 (iv) appoint, directly or by contract, a full-time or part-time director for mental health  
269 programs and prescribe the director's duties;  
270 (v) provide input and comment on new and revised policies established by the board;  
271 (vi) establish and require contract providers to establish administrative, clinical,  
272 personnel, financial, procurement, and management policies regarding mental health services  
273 and facilities, in accordance with the policies of the board and state and federal law;

274 (vii) establish mechanisms allowing for direct citizen input;

275 (viii) annually contract with the division to provide mental health programs and  
276 services in accordance with the provisions of Title 62A, Chapter 15, Substance Abuse and  
277 Mental Health Act;

278 (ix) comply with all applicable state and federal statutes, policies, audit requirements,  
279 contract requirements, and any directives resulting from those audits and contract requirements;

280 (x) provide funding equal to at least 20% of the state funds that it receives to fund  
281 services described in the plan;

282 (xi) comply with the requirements and procedures of Title 11, Chapter 13, Interlocal  
283 Cooperation Act, Title 17A, Chapter 1, Part 4, Uniform Fiscal Procedures for Special Districts  
284 Act, and Title 51, Chapter 2, Audits of Political Subdivisions, Interlocal Organizations and  
285 Other Local Entities; and

286 (xii) take and retain physical custody of minors committed to the physical custody of  
287 local mental health authorities by a judicial proceeding under Title 62A, Chapter 15, Part 7,  
288 Commitment of Persons Under Age 18 to Division of Substance Abuse and Mental Health.

289 (b) Each plan under Subsection (4)(a)(ii) shall include services for adults, youth, and  
290 children, which ~~may~~ shall include:

291 (i) inpatient care and services;

292 (ii) residential care and services;

293 (iii) outpatient care and services;

294 (iv) 24-hour crisis care and services;

295 (v) psychotropic medication management;

296 (vi) psychosocial rehabilitation, including vocational training and skills development;

297 (vii) case management;

298 (viii) community supports, including in-home services, housing, family support  
299 services, and respite services;

300 (ix) consultation and education services, including case consultation, collaboration  
301 with other county service agencies, public education, and public information; and

302 (x) services to persons incarcerated in a county jail or other county correctional facility.

303 (5) Before disbursing any public funds, each local mental health authority shall require  
304 that each entity that receives any public funds from a local mental health authority agrees in

305 writing that:

306 (a) the entity's financial records and other records relevant to the entity's performance  
307 of the services provided to the mental health authority[~~except patient identifying information,~~]  
308 shall be subject to examination by:

309 (i) the division;

310 (ii) the local mental health authority director;

311 (iii) (A) the county treasurer and county or district attorney; or

312 (B) if two or more counties jointly provide mental health services under an agreement  
313 under Subsection (2), the designated treasurer and the designated legal officer;

314 (iv) the county legislative body; and

315 (v) in a county with a county executive that is separate from the county legislative  
316 body, the county executive;

317 (b) the county auditor may examine and audit the entity's financial and other records  
318 relevant to the entity's performance of the services provided to the local mental health  
319 authority; and

320 (c) the entity will comply with the provisions of Subsection (3)(b).

321 (6) A local mental health authority may receive property, grants, gifts, supplies,  
322 materials, contributions, and any benefit derived therefrom, for mental health services. If those  
323 gifts are conditioned upon their use for a specified service or program, they shall be so used.

324 (7) (a) As used in this section, "public funds" means the same as that term is defined in  
325 Section 17-43-303.

326 [~~(b) Nothing in this section limits or prohibits an organization exempt under Section  
327 501(c)(3), Internal Revenue Code, from using public funds for any business purpose or in any  
328 financial arrangement that is otherwise lawful for that organization.]~~

329 (b) Public funds received for the provision of services pursuant to the local mental  
330 health plan may not be used for any other purpose except those authorized in the contract  
331 between the local mental health authority and the provider for the provision of plan services.

332 Section 4. Section **17-43-303** is amended to read:

333 **17-43-303. Definition of "public funds" -- Responsibility for oversight of public**  
334 **funds -- Mental health programs and services.**

335 (1) As used in this section, "public funds":

336 (a) means:  
337 (i) federal money received from the department or the Department of Health; and  
338 (ii) state money appropriated by the Legislature to the department, the Department of  
339 Health, a county governing body, or a local mental health authority for the purposes of  
340 providing mental health programs or services; and  
341 (b) includes that federal and state money:  
342 (i) even after the money has been transferred by a local mental health authority to a  
343 private provider under an annual or otherwise ongoing contract to provide comprehensive  
344 mental health programs or services for the local mental health authority; and  
345 (ii) while in the possession of the private provider.  
346 (2) Each local mental health authority is responsible for oversight of all public funds  
347 received by it, to determine that those public funds are utilized in accordance with federal and  
348 state law, the rules and policies of the department and the Department of Health, and the  
349 provisions of any contract between the local mental health authority and the department, the  
350 Department of Health, or a private provider. That oversight includes requiring that neither the  
351 contract provider, as described in Subsection (1), nor any of its employees:  
352 (a) violate any applicable federal or state criminal law;  
353 (b) knowingly violate any applicable rule or policy of the department or Department of  
354 Health, or any provision of contract between the local mental health authority and the  
355 department, the Department of Health, or the private provider;  
356 (c) knowingly keep any false account or make any false entry or erasure in any account  
357 of or relating to the public funds;  
358 (d) fraudulently alter, falsify, conceal, destroy, or obliterate any account of or relating  
359 to public funds;  
360 (e) fail to ensure competent oversight for lawful disbursement of public funds;  
361 (f) appropriate public funds for an unlawful use or for a use that is not in compliance  
362 with contract provisions; or  
363 (g) knowingly or intentionally use public funds unlawfully or in violation of a  
364 governmental contract provision, or in violation of state policy.  
365 ~~[(3) Nothing in this section limits or prohibits an organization exempt under Section~~  
366 ~~501(c)(3), Internal Revenue Code, from using public funds for any business purpose or in any~~

367 ~~financial arrangement that is otherwise lawful for that organization.]~~

368       ~~[(4)]~~ (3) A local mental health authority that knew or reasonably should have known of  
 369 any of the circumstances described in Subsection (2), and that fails or refuses to take timely  
 370 corrective action in good faith shall, in addition to any other penalties provided by law, be  
 371 required to make full and complete repayment to the state of all public funds improperly used  
 372 or expended.

373       ~~[(5)]~~ (4) Any public funds required to be repaid to the state by a local mental health  
 374 authority pursuant to Subsection ~~[(4)]~~ (3), based upon the actions or failure of the contract  
 375 provider, may be recovered by the local mental health authority from its contract provider, in  
 376 addition to the local mental health authority's costs and attorney's fees.

377       Section 5. Section **17-43-309** is amended to read:

378       **17-43-309. Local mental health advisory councils -- Powers and responsibilities.**

379       (1) A county legislative body may, separately or in conjunction with one or more other  
 380 counties, establish a local mental health advisory council.

381       (2) Mental health advisory council members shall be appointed by their respective  
 382 county legislative bodies. Initially one-fourth of the members shall be appointed for one year,  
 383 one-fourth for two years, one-fourth for three years, and one-fourth for four years. After the  
 384 initial appointment, the term of each member shall be for four years. Vacancies shall be filled  
 385 in the same manner as for unexpired terms. Council members may be removed for cause.

386       (3) Each mental health advisory council shall be responsible and advisory to local  
 387 mental health authorities in planning, organizing, and operating community mental health  
 388 programs.

389       (4) Council members shall be selected from persons representative of interested groups  
 390 in the community, including, if possible:

391       (a) an officer or employee of the school district within the city or county;

392       (b) one or more persons familiar with problems in mental health, as these are involved  
 393 in proceedings in criminal, domestic, or juvenile courts;

394       (c) one or more members of voluntary health, welfare, or mental health associations or  
 395 agencies; ~~and]~~

396       (d) a member of the legislative body of each participating county; and

397       ~~[(d)]~~ (e) at least one person licensed in this state to practice medicine and surgery in all

398 their branches and engaged in the private practice of medicine.

399 (5) Council members may be reimbursed for actual and necessary expenses incurred in  
400 the performance of official duties, from funds made available to local mental health authorities.

401 (6) Each mental health advisory council shall be an agent of the local mental health  
402 authority, and is subject to laws and requirements relating to the local mental health authority.

403 Section 6. Section **62A-15-102** is amended to read:

404 **62A-15-102. Definitions.**

405 As used in this chapter:

406 (1) "Board" means the Board of Substance Abuse and Mental Health established in  
407 accordance with Sections 62A-1-105 and 62A-15-106.

408 (2) "Director" means the director of the Division of Substance Abuse and Mental  
409 Health.

410 (3) "Division" means the Division of Substance Abuse and Mental Health established  
411 in Section 62A-15-103.

412 (4) "Local mental health authority" means a county legislative body.

413 (5) "Local substance abuse authority" means a county legislative body.

414 (6) (a) "Public funds" means federal monies received from the Department of Human  
415 Services or the Department of Health, and state monies appropriated by the Legislature to the  
416 Department of Human Services, the Department of Health, a county governing body, or a local  
417 substance abuse authority, or a local mental health authority for the purposes of providing  
418 substance abuse or mental health programs or services.

419 (b) "Public funds" includes those federal and state monies that have been transferred by  
420 a local substance abuse authority or a local mental health authority to a private provider under  
421 an annual or otherwise ongoing contract to provide comprehensive substance abuse or mental  
422 health programs or services for the local substance abuse authority or local mental health  
423 authority. Those monies maintain the nature of "public funds" while in the possession of the  
424 private entity that has an annual or otherwise ongoing contract with a local substance abuse  
425 authority or a local mental health authority to provide comprehensive substance abuse or  
426 mental health programs or services for the local substance abuse authority or local mental  
427 health authority.

428 ~~[(b) This definition of "public funds" does not limit or prohibit an organization exempt~~

429 ~~under Section 501(c)(3), Internal Revenue Code, from using public funds for any business~~  
430 ~~purpose or in any financial arrangement that is otherwise lawful for that organization.]~~

431 (c) Public funds received for the provisions of services pursuant to substance abuse or  
432 mental health service plans may not be used for any other purpose except those authorized in  
433 the contract between the local mental health or substance abuse authority and provider for the  
434 provision of plan services.

435 (7) "Severe mental disorder" means schizophrenia, major depression, bipolar disorders,  
436 delusional disorders, psychotic disorders, and other mental disorders as defined by the board.