

SANTA BARBARA COUNTY
BOARD AGENDA LETTER



Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Agenda Number:

Prepared on: 06/14/04
Department Name: Alcohol, Drug & Mental Health
Department No.: 043
Agenda Date: 07/06/04
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: **Dr. James L. Broderick, Ph.D.**, Director
Alcohol, Drug and Mental Health Services (ADMHS)

STAFF CONTACT: Al Rodriguez, Assistant Director, ADMHS-Alcohol and Drug Program
(805) 681-5442

SUBJECT: State Revenue Contract for Alcohol and Drug Program Services

Recommendation(s):

That the Board of Supervisors:

Execute a multi-year Negotiated Net Amount (NNA) and Drug Medi-Cal (D/MC) revenue contract with the California Department of Alcohol and Drug Programs for alcohol and drug program services for the period 07/01/04 through 6/30/08, for a provisional amount of \$19,782,660, with \$6,594,220 payable annually (FY 2004 through 2007), contingent upon enactment of the FY 2004-05 Budget Act, federal appropriations, final allocation and cost report filing.

Alignment with Board Strategic Plan:

The recommendation is primarily aligned with Goal No. 2. A Safe and Healthy Community in Which to Live, Work, and Visit.

Executive Summary and Discussion:

The State Department of Alcohol and Drug Programs (ADP) allocates state and federal revenue to counties for the provision of substance abuse prevention and treatment services. This four-year master contract between the State ADP and the County of Santa Barbara is a renewal of a multi-year contract approved by your Board 7/24/01. While the state has allocated funding over three fiscal years (FY 04-07) the term of the contract will be for a four-year term to reflect the federal fiscal years that are involved.

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The proposed multi-year contract and reimbursement amounts are based on the FY 2004-05 Governor's Preliminary Budget Allocation, dated February 20, 2004. In comparison with the prior \$15,679,236 multi-year contract award in FY 01-04, the overall funding allocation for FY 04-07 increased by \$4,103,424 for a total of \$19,782,660. During the past three-year funding period, the County has claimed a total of \$18,480,475 of the \$19,782,660 through annual State contract amendments that were approved by your Board. The remaining balance of \$1,302,185 is primarily D/MC and is provisional; contingent upon local contract providers delivering services including receiving additional referrals and increasing case loads.

The overall three-year funding increase of \$4,103,424 is comprised of:

- an increase of \$3,817,815 in Drug Medi-Cal treatment services which includes \$264,939 for perinatal services
- an increase of \$1,061,676 in Federal Block Grant Funds, consisting of categorical and discretionary funding specifically earmarked for substance abuse treatment and prevention services for clients and communities alcohol and drug related problems;
- a reduction of \$663,138 in State General Funds consisting of \$516,330 for Adult and Youth Treatment and \$146,808 for perinatal services; and
- a reduction of \$112,929 in Safe and Drug Free Schools and Communities (SDFSC), however \$200,000 is being claimed annually from a separate SDFSC grant award for a total three-year amount of \$600,000.

The increased allocation by the state supports the continuing need for alcohol and drug treatment and prevention services in Santa Barbara County. It further reflects the effort by ADMHS to expand services provided by community based organizations (CBO); the strong partnership and collaboration between county departments and ADP; and the interest by contract providers to enhance services.

This agreement lists the terms and conditions under which various state and federal revenue sources are made available and provides the specific terms and conditions for funding alcohol and drug prevention and treatment services.

The proposed renewal agreement will authorize reimbursement to County Alcohol and Drug Program a division of Alcohol, Drug and Mental Health, partner agencies, and to community based providers for currently approved services such as outpatient counseling, intensive day treatment, methadone maintenance, assessments, case management and perinatal residential treatment. These services are currently provided under Memorandum of Understandings (MOU's), Purchase Agreements, and existing multi-year contracts approved by your Board in FY 01/04. The same funding process will serve as the basis for reimbursements of the costs of these services over the next four-year period. Considering that this agreement extends until June 30, 2008, agreements with CBO's will be reevaluated and amended to ensure a continuum of care.

Mandates and Service Levels:

Acceptance of state and Federal Government funds (non Medi-Cal) earmarked for the purpose of providing alcohol and drug program services obligates a county to comply with federal and state laws, regulations, and administrative policies specified as a condition for the receipt of funds. The non Medi-Cal [Negotiated

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Net Amount (NNA)] provisions are mandated by §1758.10 et seq. of the California Health and Safety Code.

In receive state and federal Drug Medi-Cal (D/MC) funding the County of Santa Barbara is mandated to comply with the provisions of: 1) Section 1915b of the Social Security Act; 2) Health and Safety Code, Section 11758.46 (e) and (g) (2) requiring the contract between county and state to be executed by July 31st of each fiscal year; 3) "Order for Permanent Injunction" in Sobky v. Smoley, United States District Court, Eastern District of California, relative to ensuring client access to services, and; 4) various provisions of the preliminary FY 01/02 California Budget Act.

This recommended action will result in the continuation of newly developed prevention, mentoring, assessment, outpatient, residential detoxification, treatment courts and integrated services for county residents with co-occurring substance use and mental illness. As respects prevention services, since 2001 approximately 9,000 youth continue to receive primary prevention services county-wide. Additionally, the number of community coalitions, including youth and adults, actively engaged in changing alcohol related problems increased from one (1) in 2001 to five (5) in 2003. For treatment services, the number of alcohol and drug program clients reporting receiving treatment services increased by 17.18%, from 3,219 as of July 1, 2001 to a total of 3,772 as of July 1, 2003.

Fiscal and Facilities Impacts:

The recommended action does not change the current year General Fund Contribution of \$110,517, of which \$54,517 is for the Drug Court Program and \$56,000 is the mandated 10% match for perinatal services. This amount has been incorporated into the ADMHS-Alcohol and Drug Program budget for FY 04-05. The Alcohol and Drug Program operates under a capped budget supported by annual subvention of state and federal revenue. The NNA portion provides federal funds under the terms and conditions of federal funding agencies, whereas the D/MC portion provides state funds and associated federal financial participation subsequent to the State's Medi-Cal program.

This master contract annually allocates \$2,833,608 in NNA funds and \$3,760,612 in D/MC funds based on the preliminary FY 04/05 State Budget Act. The FY 04-07 provisional amount of this revenue contract is \$19,782,660 of which \$8,500,824 is NNA funds and \$11,281,836 is D/MC funds. These funds are subject to adjustment based on the final state allocation each year. Alcohol, Drug and Mental Health Services will schedule necessary Budget Revisions for FY 04/05 upon receipt of the final state allocation notice by May 1, 2005. The provisional revenue is included in the Adopted Budget 2004-2005, Budget Revenue Items 3690, 3984, 4360 and 5403, in Division 06, all program units – Alcohol and Drug Programs, on page D-132.

This action does not result in a need for any additional facilities.

Special Instructions:

Please return a certified copy of the minute order and 5 copies of the Standard Agreement signed by the Chair of the Board of Supervisors to the Alcohol and Drug Program, Attn., Carolyn Sellers (Ext: 5443), 300 N. San Antonio Rd., Santa Barbara, California.

Concurrence:

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