

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:** 04/21/02  
**Department Name:** Alcohol, Drug & Mental Health  
**Department No.:** 043  
**Agenda Date:** 05/28/02  
**Placement:** Administrative  
**Estimate Time:**  
**Continued Item:** NO  
**If Yes, date from:**

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**TO:** Board of Supervisors

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

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

**SUBJECT:** State Revenue Contract Amendments for Alcohol and Drug Program Services

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**Recommendation(s):**

That the Board of Supervisors:

Approve recommendations, as follows:

- (a) Execute Amendment No. 1 to SCC42 (00/01) agreement with the California Department of Alcohol and Drug Programs (State ADP), increasing the total amount for FY 00/01 (Year Three) by \$294,385, from \$5,166,633 to \$5,461,018, and incorporating contract provisions for the Combined Negotiated Net Amount/Drug Medi-Cal County/State contract;
- (b) Execute Amendment No. 1 (01/02) to the County 42 agreement with the State ADP increasing the funding in FY 01-02 (Year One) by \$1,048,264 to a total of \$6,274,676, and increasing the overall four-year total (07/01/01 to 06/30/05) to \$16,727,500.

**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 (State ADP) allocates state and federal revenue to counties for the provision of substance abuse prevention and treatment services. Each year, Alcohol, Drug

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and Mental Health Services (ADMHS) is required to prepare multiple amendments to its fiscal plan with the state due to fluctuations in funding and the utilization in local services by county residents. These proposed amendments between the County of Santa Barbara and State ADP adjust the revenue allocated for the Negotiated Net Amount (non Medi-Cal) and Drug Medi-Cal (D/MC) services for FY 00-01 and FY 01-02 based on actual service levels.

The proposed Amendment No.1, for FY 00-01, reissues a prior amendment approved by your Board on February 5, 2002, that anticipated an increase of \$1,885,840 in revenue. Although your board previously approved that amendment, it was not fully executed by the State ADP; therefore, a revenue adjustment was made by the state reducing the revenue amount back to \$5,166,633. The proposed Amendment No. 1 increases the \$5,166,633 funding in FY 00-01 by \$294,385 to \$5,461,018. The increase reflects \$279,558 in State General Funds (SGF) for Minor Consent Medi-Cal (state funds only); \$50,673 in Substance Abuse Prevention and Treatment (SAPT) Block Grant funds (federal) that supports alcohol and drug treatment and prevention services throughout the county; and a reduction of \$35,846 in Perinatal Medi-Cal (federal share) funds, which is based on prior-year Drug Medi-Cal (D/MC) expenditures from actual service delivery. This revenue change will remain provisional until the final year-end Cost Report for FY 00-01 is accepted by the state.

The Alcohol and Drug Program (ADP) a Division of ADMHS, upon notification of the revenue adjustment in FY 00-01, successfully negotiated with the State ADP to reallocate \$750,000 of the funds into FY 01-02, which is reflected as an augmentation in Amendment No. 1 (FY 01-02). This amendment increases the overall revenue by \$1,048,264 to \$6,274,676. The increase is comprised of: \$206,709 in State General Funds (SGF) for Minor Consent Medi-Cal; \$916,385 in Substance Abuse Prevention and Treatment (SAPT) which includes a \$30,938 increase in the federal award, the \$750,000 additional augmentation, and \$135,447 for Drug Testing (S.B. 223-Burton); a reduction of \$74,792 in D/MC (federal portion) and \$38 in Safe and Drug Free Schools.

ADMHS-ADP has also been working directly with the State ADP, for over a year, to reconcile expenditure and revenue figures to make a determination on substantial amounts of revenue paid to ADMHS in prior years. We are hopeful that a resolution will be reached with the State ADP that will allow ADMHS-ADP to retain sufficient funds to fully offset the revenue adjustment that was made in FY 00-01.

Approval of these contract amendments with the state will make the revenue adjustments in FY 00-01 and FY 01-02, allow ADMHS to continue to receive state and federal revenue, and will allow community based organizations to provide the needed alcohol and drug services throughout the county.

### **Mandates and Service Levels:**

In accepting state or federal funds earmarked for alcohol and drug program services, counties are obligated to comply with federal and state laws, regulations, and administrative policies specified as a condition for the receipt of funds.

The NNA (non Medi-Cal) provisions are mandated by §1758 (a) and (b) and §1758.10 et seq. of the California Health and Safety Code. By expending D/MC funds, the County of Santa Barbara is mandated to

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comply with the provisions of: 1) §1915b of the Social Security Act; 2) Health and Safety Code, §11758.46 (e) (AB2071) requiring the contract between county and state to be executed by July 31; 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.

The proposed contract amendments recognize revenue adjustments in FY 00/01 and FY 01-02, for alcohol and drug prevention and treatment services. These services are currently provided by county community based organizations (CBO’s) under three-year contacts approved by your Board in FY 00-01. The adjustments in funding were previously budgeted and do not impact existing service levels. The additional State General Funds (\$279,558 in FY 00-01 and \$206,709 in FY 01-02) reflects CBO’s increased utilization in drawing down Medi-Cal (state portion) funds by providing treatment services to minors.

**Fiscal and Facilities Impacts:**

The recommended action does not change the County’s General Fund Contribution of \$76,404 in FY 00-01 and \$88,004 in FY01-02, for the mandated local match for the State Perinatal Treatment Expansion Program and funds to support substance abuse treatment. The General Fund Contributions has been incorporated in the ADMHS budget for FY 00-01 and FY 01-02.

ADP operates under a capped budget supported by annual subvention of state and federal revenue. The impact of these amendments in relation to the prior Amendment 1 (FY 00-01), previously approved by your board, results in an overall reduction of \$543,191. Using reserves (federal funds) that had been accumulated by ADP over the years, although significant, offset the reduction in revenue. This action allowed CBO’s to continue to provide alcohol and drug services without a reduction in funding.

The proposed revised amendments adjust revenue amounts in FY 00-02 resulting in an increase of \$294,385 (from \$5,166,633 to \$5,461,018) in FY 00-01, and a \$ 1,048,264 increase (from 5,226,230 to \$6,274,676) in FY 01-02. These revenue amounts have been incorporated into the ADP budget for FY 00-01 and FY 01-02.

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 each of the Standard Agreements signed by the Chair of the Board of Supervisors to the Alcohol, Drug and Mental Health Services, Attn., Carolyn Sellers (Ext: 5443), 300 N. San Antonio Rd., Santa Barbara, California 93110.

**Concurrence:**

Auditor-Controller