



County of El Dorado

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Legislation Text

File #: 10-0322, **Version:** 1

Health Services Department, Mental Health Division, recommending the Board approve and authorize the Health Services Director to sign and submit a request to the State of California to increase the Department's Mental Health Services Act Community Services and Support and Prevention and Early Intervention FY 2009/10 Prudent Reserve Fund by \$20,000 for a total FY 2009/10 amount of \$417,329.

FUNDING: State Mental Health Services Act Funds

Fiscal Impact/Change to Net County Cost: The total funding request is included in the Health Services Department, Mental Health Division, FY 2009/10 budget. There is no Net County Cost associated with these MHSA items.

Background: In November 2004, California voters passed Proposition 63, now known as the Mental Health Services Act (MHSA). Welfare and Institutions Code (WIC) Section 5847(b)(7) requires counties to establish and maintain a prudent reserve in an amount equal to 50% of the annual MHSA allocation for CSS and PEI programs by June 30, 2011. The intent of the requirement is to enable county MHSA programs to be continued even if MHSA revenues decline. State Department of Mental Health (DMH) Information Notice 09-16 allows counties to use both CSS and PEI funds made available prior to FY 2008/09 to fund their prudent reserve. This includes CSS and PEI funds that were approved through a Plan update and distributed to counties, but which have not been expended, as well as funds that were not requested or approved.

Reason for Recommendation: PEI funds have a three-year reversion date. Therefore, the FY 2007/08 funds must be spent or placed in the prudent reserve by June 30, 2010 or they will revert back to the State. By adding these funds to the prudent reserve, MHD will appropriately fund this required reserve and will avoid any potential reversion of the FY 2007/08 funds.

On November 10, 2009 (item #11, Legistar file #09-1371), the Board approved a request by the MHD to allocate \$397,329 to the MHSA CSS and PEI FY 2009/10 prudent reserve.

The previously approved prudent reserve request did not take into account \$20,000 that had been set aside to fund contracted services. Due to the fact that the contractor's work was not substantiated, the MHD no longer has this obligation. Therefore, the MHD is requesting to add this \$20,000 to the prudent reserve request to avoid reversion of said amount at fiscal year end.

Current Approved FY 2009/10 amount:	\$397,329
Add'l FY 2009/10 Request:	
<i>PEI Planning Funds - Received, but Unspent</i>	<u>\$20,000</u>
Amended FY 2009/10 Prudent Reserve Request	\$417,329

Dedication of these funds to the prudent reserve will bring the total MHD prudent reserve fund to \$1,997,614.

Action to be taken following Board approval: The Health Services Director will sign and submit to the State the finalized MHSA FY 2009/10 Prudent Reserve Funding Request.

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