



Agenda Date: 5/1/2007
Agenda Placement: 6L

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Shelli Brobst for Randolph F. Snowden - Director
Health & Human Services
REPORT BY: Sharon Bull, Fiscal Analyst, Substance Abuse Services, 707 253-4718
SUBJECT: Cancellation of a Designation

RECOMMENDATION

Director of Health and Human Services requests approval of Budget Transfer No. 54 appropriating \$25,000 in the Substance Abuse Services budget, offset by the cancellation of a portion of a designation, for the purpose of cost report repayment. (4/5 vote required)

EXECUTIVE SUMMARY

Under the Negotiated Net Amount agreement with the State Department of Alcohol and Drug Programs, HHSA receives revenue in advance to provide alcohol and drug prevention and treatment services. At the end of the year, a reconciliation of actual expenditures is performed and accounts are settled.

For Fiscal Year 2005-2006, HHSA was unable to spend \$25,000 for HIV prevention, and the State is now claiming the unspent funds. Approval of the requested action will cancel a portion of a designation set up pending the settlement based on the reconciliation, and increase HHSA's Substance Abuse Services Division's current year spending authority to enable the repayment of unspent funds to the State.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	Cancellation of \$25,000 from previously set aside funds for the repayment of Fiscal Year 2005-2006 cost report settlement.
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	No

Future fiscal impact: None.

Consequences if not approved: The County will be in violation of the terms of the Net Negotiated Amount (NNA) agreement with the State.

Additional Information: Substance Abuse Prevention and Treatment (SAPT) Block Grant funds are received by the County in advance of expenditures. The Cost Report is prepared after the fiscal year is closed and any unspent funds must be returned. The County has to return \$25,000 in unspent HIV funds received under the SAPT Block Grant.

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Napa County receives most of the state and federal funding for the Substance Abuse Services Programs provided by the Health and Human Services Agency through the Negotiated Net Amount (NNA) agreement with the State Department of Alcohol and Drug Programs. Services provided under this agreement include residential treatment, outpatient treatment and prevention services. The agreement includes discretionary funds that can be used for a variety of substance abuse services, Drug Medi-Cal funds that support narrowly defined outpatient treatment services for Medi-Cal eligible clients, and categorical funds that can be spent only on specific services and/or clients.

Annual revenue for this agreement is received in advance on a monthly basis. A reconciliation of expenditures, known as the Cost Report, is prepared after the close of the fiscal year. In Fiscal Year 2005-2006, not being able to meet the exacting standards for the expenditure of these funds, Napa County was unable to use all of the funding provided for HIV prevention, and an estimated payback amount of \$30,000 was set up in a designation pending the settlement of the cost report.

The Department of Alcohol and Drug Programs is now requesting repayment of \$25,000 as part of the settlement process. Approval of the requested action will cancel \$25,000 of the designation and increase the expenditure authority in the Substance Abuse Services budget to enable the return of these funds to the State.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Lorenzo Zialcita