



Agenda Date: 5/9/2006  
Agenda Placement: 6B

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors  
**FROM:** Shelli Brobst for Randy Snowden - Director  
Health & Human Services  
**REPORT BY:** Shelli Brobst, Contracts Analyst, 253-4720  
**SUBJECT:** Amendment No. 1 to Agreement No. 3579 with the Department of Alcohol and Drug Programs

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### **RECOMMENDATION**

Director of Health and Human Services requests approval of and authorization for the Chair to sign Amendment No. 1 to revenue Agreement No. 3579 with the California Department of Alcohol and Drug Programs decreasing the amount by \$92,184 for a new maximum of \$1,218,905 for Fiscal Year 2005-2006.

### **EXECUTIVE SUMMARY**

This multi-year revenue agreement provides state and federal funding for most of the Health and Human Services Agency's alcohol and drug programs. The agreement includes funding for outpatient treatment, residential treatment and prevention services for both Drug Medi-Cal and non-Drug Medi-Cal clients. Amendment No. 1 for Fiscal Year 2005-2006 decreases the maximum contract amount from its original \$1,311,089 to \$1,218,905 for Fiscal Year 2005-2006. This reflects a decrease in projected Drug Medi-Cal revenue, as well as a slight overall decrease in Federal Substance Abuse Prevention and Treatment (SAPT) block grant funding.

### **FISCAL IMPACT**

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Substance Abuse Services
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	This revenue agreement allows HHSA to provide a variety of substance abuse services; without this funding, HHSA would be unable to offer these services.
Is the general fund affected?	Yes

- Future fiscal impact: This is a multi-year agreement terminating in Fiscal Year 2007-2008.
- Consequences if not approved: If this amendment is not approved, the agreement will not contain the correct amount for Fiscal Year 2005-2006 and the County will not receive NNA (Net Negotiated Amount) funding for substance abuse services.
- Additional Information: The original multi-year NNA (Net Negotiated Amount) contract entered into by the State and the County in Fiscal Year 2004-2005 covers Fiscal Years 2004-2005 through 2007-2008. Each year, Napa County submits a budget for the current fiscal year which details actual costs expected during the year. Amendment No. 1 is based on that budget. Amendment No. 1 contains a decrease in Drug Medi-Cal revenues based on actual billing revenue figures for Fiscal Year 2004-2005 and estimated figures for Fiscal Year 2005-2006, and a slight decrease in Federal Substance Abuse Prevention and Treatment (SAPT) block grant funding based on the State's allocation methods.
- There is a small required County match (approximately \$18,000) for the entire NNA agreement, which is included in the County's budget each year.

### **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**

Agreement No. 3579 (referred to as the "Net Negotiated Amount" or NNA agreement) provides most of the state and federal funding for the Substance Abuse Services delivered by the Health and Human Services Agency. The NNA agreement is a multi-year agreement. Normally, the County receives the yearly NNA agreement ("Amendment No. 1") from the State midway through the fiscal year. The yearly agreement is based on a budget submitted by the County which reflects the County's previous year's alcohol and drug cost report, expected current year costs, and the State's available funding. The State provides up-front funding in this manner to ensure that counties have sufficient revenue to operate their programs. Final changes to the NNA budget and any additional available funding are reflected in the form of an amendment to the NNA multi-year agreement ("Amendment No. 2"). While the County actually receives all of the funding during the fiscal year in question, Amendment No. 2 typically does not occur until after the fiscal year is over.

Amendment No. 1 for Fiscal Year 2005-2006 decreases the maximum contract amount from \$1,311,089 to \$1,218,905, which is a \$92,184 decrease specifically in the Drug Medi-Cal component of the NNA funding, as well as a slight decrease in the SAPT (Federal Substance Abuse Prevention and Treatment) block grant funding. The amount of the contract reduction is based on the actual Drug Medi-Cal billings submitted for Fiscal Year 2004-2005 and estimated billings for Fiscal Year 2005-2006. However, the actual amount of revenue which Napa County will be receiving for Drug Medi-Cal for Fiscal Year 2005-2006 will be based on the actual amount of Drug Medi-Cal billings for Fiscal Year 2005-2006, (up to the new maximum amount available in the amended NNA agreement).

### **SUPPORTING DOCUMENTS**

None

CEO Recommendation: Approve

Reviewed By: Lorenzo Zialcita