



Agenda Date: 8/21/2007
Agenda Placement: 6B

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: Shelli Brobst, Contracts Analyst, 253-4720
SUBJECT: Amendment No. 2 to Agreement No. 3579 with the Department of Alcohol and Drug Programs
(FY 2006-2007)

RECOMMENDATION

Director of Health and Human Services requests approval of and authorization for the Chair to sign Amendment No. 2 to Revenue Agreement No. 3579 with the California Department of Alcohol and Drug Programs increasing the amount by \$9,370 for a new maximum of \$1,216,579 for Fiscal Year 2006-2007.

EXECUTIVE SUMMARY

The current multi-year revenue agreement with the State's Department of Alcohol and Drug Programs provides state and federal funding for most of the Napa County Health and Human Services Agency's alcohol and drug programs. The agreement includes federal SAPT (Substance Abuse Prevention and Treatment) block grant funding for outpatient treatment, residential treatment, and prevention services for both Drug Medi-Cal and non-Drug Medi-Cal clients. Approval of the requested action will increase the maximum amount for Fiscal Year 2006-2007 from the original amount of \$1,207,209 to \$1,216,579. This change reflects a \$9,370 increase in projected Drug Medi-Cal revenue.

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:	The requested contract amendment is discretionary in that Napa County may choose not to receive the increase in funding for its substance abuse

	programs from the state and federal governments.
Is the general fund affected?	Yes
Future fiscal impact:	This is a multi-year agreement terminating June 30, 2008.
Consequences if not approved:	If this amendment is not approved, Napa County's Negotiated Net Amount agreement will be inconsistent with state and federal allocations. The County will thus not receive the additional \$9,370. Until this amendment is fully executed, the County's funding will be based on the initial contract executed for Fiscal Year 2006-2007.
Additional Information:	The requested amendment increases the total amount of the agreement by \$9,370 in Drug Medi-Cal billing revenue. The actual amount to be received by HHS for Drug Medi-Cal for Fiscal Year 2006-2007 will be based on actual Drug Medi-Cal billings, up to the new maximum amount available in the amended NNA agreement. The original allocation was based on a best estimate in Fiscal Year 2004-2005 before the agreement was executed. The V.1 Amendment is based on the availability of funds for fiscal year 2006-2007, the County's initial estimate of Drug Medi-Cal billings, and budgeted use of block grant funding for Fiscal Year 2006-2007. The V.2 Amendment is based on an updated estimate at the end of the fiscal year, which more accurately reflects the Drug Medi-Cal billing and use of the federal SAPT (Substance Abuse Prevention and Treatment) block funding.

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 (NNA) Agreement, provides most of the state and federal funding for the substance abuse services delivered by the Napa County Health and Human Services Agency. The Agreement includes federal SAPT (Substance Abuse Prevention and Treatment) block grant 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, state general funds, and state and federal categorical funds that can only be spent on specific services and/or clients. The categorical funds can be used for prevention services, services for pregnant or parenting women, services for parolees, youth treatment, and HIV early intervention services for clients engaged in treatment.

The NNA Agreement is a multi-year revenue agreement. The County receives an initial three-year placeholder NNA Agreement based on state funding estimates. To ensure that counties have sufficient revenue to operate their programs, however, the State begins providing yearly funding on a monthly basis at the beginning of the first fiscal year. The total funding amount is based on the previous year's funding amount.

Near the beginning of each fiscal year, the County submits a budget to the State reflecting the previous year's alcohol and drug actual costs, expected current year costs, and available federal and state funding, including federal SAPT block grant and Drug Medi-Cal funding. Based on this budget, the County receives an amended NNA Agreement (Amendment No. 1 or "V.1") from the State midway through the fiscal year or later. Amendment No. 1

was approved by the Board on May 22, 2007. It contained a \$103,880 decrease in federal SAPT block grant and Drug Medi-Cal funds.

The State provides Amendment No. 2 ("V.2") containing additional NNA budget adjustments to the County after the fiscal year is over. Amendment No. 2, which is being submitted for the Board's consideration today, reflects a \$9,370 increase in Drug Medi-Cal revenue for Fiscal Year 2006-2007. This increase is based on the County's total projected Drug Medi-Cal billings for the fiscal year.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Lorenzo Zialcita