



Agenda Date: 9/12/2006
Agenda Placement: 6E

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Alice Hughey for Randy 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 2005-2006)

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 decreasing the amount by \$11,974 for a new maximum of \$1,206,931 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. Approval of Amendment No. 2 decreases the maximum contract amount from its original amount of \$1,218,905 to \$1,206,931 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 provides funding for a variety of substance abuse services. The precise mixture and level of services to be provided by HHSA is discretionary. Without the state and federal funding, HHSA will not be able to

	provide the services. The provision of these services now avoids more expensive services and costs to the community in the future.
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. While we have already received the Fiscal Year 2005-2006 funding, if the amendment is not approved it could present problems in finalizing the County's cost report for Fiscal Year 2005-2006 (which is completed after the end of the fiscal year) and possibly jeopardize funding for Fiscal Year 2006-2007.
Additional Information:	Although Fiscal Year 2005-2006 has ended, this amendment reflects a reduction in funding that occurred primarily within the "prevention" and "discretionary" allocations provided to HHSa through the NNA contract in Fiscal Year 2005-2006. These two allocations annually fund HHSa staff positions, HHSa services and supplies, and contracts with local providers. HHSa absorbed these reductions in Fiscal Year 2005-2006 within its approved budget.

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 Health and Human Services Agency. The NNA agreement is a multi-year agreement. Normally, the County receives the yearly NNA agreement (e. g., 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 or additional available funds 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. HHSa received Amendment No. 2 for Fiscal Year 2005-2006 from the State earlier this month.

Amendment No. 2 for Fiscal Year 2005-2006 decreases the maximum contract amount from \$1,218,905, to \$1,206,931, a decrease of \$11,974. This reduction in the NNA funding is due to a decrease in the Drug Medi-Cal component and a slight decrease in the federal SAPT (Substance Abuse Prevention and Treatment) block grant funding. The actual amount to be received by HHSa under the contract 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 accordance with the amended NNA agreement.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Lorenzo Zialcita