COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL

(1) DEPARTMENT	(2) MEETING DATE	(3) CONTACT/PHONE
Drug and Alcohol/Behavioral Health	August 8, 2006	Jason Wells (805)788-2060

(4) SUBJECT
Request to approve the second of two scheduled mandatory annual amendments to the FY 2005-06 Combined Negotiated Net Amount and Drug Medi-Cal contract with the State Department of Alcohol and Drug Programs.

(5) SUMMARY OF REQUEST
Presented here is the second and final mandatory amendment to the FY 2005-06 Combined NNA/DMC contract with the State Department of Alcohol and Drug Programs. The amendments reflect the reality of the current fiscal status and replace the estimated amounts adopted when the three-year contract with the State was approved in June 2004. On May 9th of this year, the Board of Supervisors approved the first amendment, V1, totaling $2,674,371 of State and Federal funding for local drug and alcohol programs. The contract is being amended to reflect the state and federal funding changes that have occurred since the approval of the first amendment (see financial considerations). The amount now encumbered by the contract is $2,658,600.

(6) RECOMMENDED ACTION
It is recommended that the Board approve and sign the second of two scheduled mandatory annual amendments to the FY 2005-06 Combined Negotiated Net Amount (NNA) and Drug Medi-Cal (DMC) contract (Clerk's file) with the State Department of Alcohol and Drug Programs.

(7) FUNDING SOURCE(S)	(8) CURRENT YEAR COST	(9) ANNUAL COST	(10) BUDGETED?
State	$2,658,600	$2,658,600	☐ No ☒ Yes ☐ N/A

(11) OTHER AGENCY/ADVISORY GROUP INVOLVEMENT (LIST):
County Counsel has approved the contract as to form and legal effect.

(12) WILL REQUEST REQUIRE ADDITIONAL STAFF? ☒ No ☐ Yes, How Many? _____
☐ Permanent _____ ☐ Limited Term ____ ☐ Contract _____ ☐ Temporary Help _____

(13) SUPERVISOR DISTRICT(S)
☐ 1st, ☐ 2nd, ☐ 3rd, ☐ 4th, ☐ 5th, ☒ All

(14) LOCATION MAP
☐ Attached ☒ N/A

(15) Maddy Act Appointments Signed-off by Clerk of the Board
☒ N/A

(16) AGENDA PLACEMENT
☒ Consent ☐ Hearing (Time Est. _____)
☐ Presentation ☐ Board Business (Time Est._____)

(17) EXECUTED DOCUMENTS
☐ Resolutions (Orig + 4 copies) ☒ Contracts (Orig + 4 copies)
☐ Ordinances (Orig + 4 copies) ☐ N/A

(18) NEED EXTRA EXECUTED COPIES? Original plus 3 face sheets
☐ Number: _____ ☒ Attached ☐ N/A

(19) BUDGET ADJUSTMENT REQUIRED?
☐ Submitted ☐ 4/5th's Vote Required ☒ N/A

(20) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)
_____

(21) W-9
☒ No ☐ Yes

(22) Agenda Item History
☐ N/A Date May 9, 2006

(23) ADMINISTRATIVE OFFICE REVIEW
OK Dan Buckelli 8-8-06
B-12

COUNTY OF SAN LUIS OBISPO
Behavioral Health Services
DRUG AND ALCOHOL SERVICES
2945 McMillan Avenue, Suite 136
San Luis Obispo, CA 93401-1489
Phone: (805) 781- 4275 Fax: (805) 781-1227
www.slodas.org

TO: Board of Supervisors

FROM: Jeff Hamm, Health Agency Director Karen Baylor for Jeff Hamm

DATE: August 8th, 2006

SUBJECT: Request to approve the second of two scheduled mandatory annual amendments to the FY 2005-06 Combined Negotiated Net Amount and Drug Medi-Cal contract with the State Department of Alcohol and Drug Programs.

Recommendation

It is recommended that the Board approve and sign the second of two scheduled mandatory annual amendments to the FY 2005-06 Combined Negotiated Net Amount (NNA) and Drug Medi-Cal (DMC) contract (Clerk's file) with the State Department of Alcohol and Drug Programs.

Discussion

Presented here is the second and final mandatory amendment to the FY 2005-06 Combined NNA/DMC contract with the State Department of Alcohol and Drug Programs. These amendments are a regular part of the State's annual contract process with the County of San Luis Obispo's Drug and Alcohol Services department. The amendments reflect the reality of the current fiscal status and replace the estimated amounts adopted when the three-year contract with the State was approved in June 2004. On May 9th of this year, the Board of Supervisors approved the first amendment, V1, totaling $2,674,371 of State and Federal funding for local drug and alcohol programs. The contract is being amended to reflect the state and federal funding changes that have occurred since the approval of the first amendment (see financial considerations). The amount now encumbered by the contract is $2,658,600. It is important to note that the decrease was factored into the FY 2005-06 County forecast projections, and that program adjustments were made prior to the closure of FY 2005-06 to reflect the changes.

Other Agency Involvement/Impact

County Counsel has approved the contract as to form and legal effect.

Financial Considerations

The FY 2005-06 second mandatory amendment, called the Version 2 (V2), totals $2,658,600, a decrease of $15,771 to funds encumbered for the first amended contract approved by the Board of Supervisors on May 9th, 2006. The $15,771 net decrease is a one percent reduction in the federal Substance Abuse Prevention and Treatment (SAPT) Block Grant Award for drug and alcohol funding. The State has chosen to proportionately decrease the funding provided to counties. It is important to note that the decrease was factored into the FY 2005-06 County forecast projections. The item will have no General Fund impact. See Table below for details.

	Amended NNA-DMC V1 Contract	Amended NNA-DMC V2 Contract	(Cuts)/Add'l Funding
State Funds			
State General Funds	54,566	54,566	-
Perinatal State General Funds			
Perinatal State General Funds NNA	243,724	243,724	-
Other			
Residential	736,574	736,574	-
Federal Funds			
Federal Discretionary	923,033	913,225	(9,808)
Adolescent/Youth Award	179,036	177,164	(1,872)
Friday Night Live/Club Live	30,000	30,000	
Prevention Set-aside	309,482	306,184	(3,298)
HIV Set-Aside	67,045	66,252	(793)
Perinatial Set-Aside	72,201	72,201	
SACPA Drug Testing	58,710	58,710	-
Contracted Amount	2,674,371	2,658,600	(15,771)

The amended V2 contract shows a decrease in the NNA-DMC contract of $15,771. The one percent decrease in federal funding reflects a permanent ongoing reduction to the SAPT Block Grant Award. As mentioned, the decreases have been factored into the current FY 2005-06 County forecast projections, and the department has taken the appropriate actions to absorb the federal funds reduction.

Results

Adoption of this amended contract will result in this County being in compliance with an amended contract with the State Department of Alcohol and Drug Programs, with previous estimates reconciled to reflect the current funding environment.

B-12
3