



**NEVADA COUNTY
HEALTH & HUMAN SERVICES
AGENCY**

BEHAVIORAL HEALTH DEPARTMENT
(Mental Health, Drug and Alcohol Program)

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NEVADA COUNTY BOARD OF SUPERVISORS

Board Agenda Memo

MEETING DATE: September 10, 2019

TO: Board of Supervisors

FROM: **Phebe Bell**

SUBJECT: Resolution approving execution of Amendment #1 to the Nevada County Mental Health Services Act (MHSA) Annual Update to the Three Year Program and Expenditure Plan for FY 19/20.

RECOMMENDATION: Approve the attached Resolution.

FUNDING: Program expenditures will be supported by Mental Health Services Act (MHSA) funds. MHSA funds may only be used to establish or expand services for approved plan components, and may not be used to supplant funding for programs existing prior to the enactment of MHSA. The Proposed Plan does not require any county match or county general fund dollars and is planned for within the Department's existing budget.

BACKGROUND:

The Mental Health Services Act (Proposition 63) adopted by the California electorate on November 2, 2004, increased overall State funding for the community mental health system by imposing a 1% income tax on California residents with more than \$1 million per year in income. The stated intention of the proposition was to "transform" local mental health service delivery systems from a "fail first" model to one promoting intervention, treatment and recovery from mental illness. A key strategy in the act was the prioritization of prevention and early intervention services to reduce the long-term adverse impacts of untreated, serious mental illness on individuals, families and state and local budgets. Each year, counties must submit an annual update to the Three-Year Program and Expenditure Plan to summarize programmatic and budgetary

changes in the coming fiscal year, in addition to a progress report summarizing program evaluation outcomes.

On December 12, 2017, the Board approved the Nevada County Mental Health Services Act (MHSA) FY 2017/18 through FY 2019/20 Three-Year Program and Expenditure Plan and Annual Progress Report for FY 2015/16 per Resolution 17-585. On May 28, 2019, the Board approved the FY 19/20 Annual Plan Update to the Three-Year Program and Expenditure Plan and Annual Progress Report for FY 17/18 per Resolution 19-203.

The Prudent Reserve is a reserve of MHSA dollars that may be accessed in the event of an economic downturn to ensure continuity of core MHSA services and programs. In September of 2018, Senate Bill 192 established a new limit on counties' Prudent Reserve balances, establishing that counties' Prudent Reserve balances shall not exceed 33% of the average Community Services and Support (CSS) revenue over the previous five years. The original FY 19/20 Annual Plan Update shifted \$72,032 out of the Prudent Reserve into existing Community Services and Supports (CSS) programs to comply with this new limit. After receiving further guidance from the Department of Health Care Services, this amendment adjusts the amount shifted out of the Prudent Reserve in FY 19/20 by \$9,772 to \$81,804. This establishes a DHCS-approved Prudent Reserve cap of \$1,111,502 for FY 19/20.

The MHSA FY 19/20 Annual Plan Update and FY 17/18 Annual Progress Report were shared with the Mental Health Board, MHSA Steering Committee and our e-mail subscribers, consisting of over 180 interested individuals ranging from family members, consumers/program participants, and community based organizations to staff from various county departments. A Notice of Public Comment Period of July 2, 2019 through August 1, 2019 was posted, and the proposed Plan has been available on the County website for review and comments. The final public hearing was held at our local Mental Health Board meeting on August 2, 2019, where the Mental Health Board approved the proposed amendment.

Item Initiated and Approved by:

Phebe Bell, MSW, Director of Behavioral Health