



# County of Santa Cruz

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## HEALTH SERVICES AGENCY

1400 Emeline Avenue, Santa Cruz, CA 95060  
(831) 454-4170 FAX: (831) 454-4663 TDD: (800) 523-1786

### Mental Health and Substance Abuse Services

March 25, 2008

#### LETTER FROM THE MENTAL HEALTH & SUBSTANCE ABUSE DIRECTOR

The Santa Cruz County Mental Health & Substance Abuse Services has posted a draft of proposed amendments to the Community Services and Supports (CSS) component of the Mental Health Services Act (MHSA/Proposition 63). The Report is available for public review and comment from March 25, 2008 to April 25, 2008. Call Alicia Nájera (the MHSA coordinator) at 831-454-4931 with your comments or feedback, or write to:

**Santa Cruz County Mental Health & Substance Abuse Services  
1400 Emeline Avenue  
Santa Cruz, CA 95060**

The proposed changes are primarily “technical” in nature. The State Department of Mental Health requires that each County establish and maintain a prudent reserve for the CSS component, pursuant to DMH Information Notice #08-01. The prudent reserve should be funded at 50 % of the most recent annual approved CSS funding level by July 1, 2010. CSS funds that have not been spent for their authorized purpose within three years shall revert to the State (DMH Information Notice 08-07), unless dedicated to the prudent reserve. Therefore, Santa Cruz County proposes to request previously unapproved funds in the CSS Planning Estimate for Santa Cruz County to be dedicated to prudent reserve. In addition, we are requesting that recently approved “one time” funds that will otherwise be due to be reverted by June 30<sup>th</sup> be dedicated to Prudent Reserve.

All California Counties received a letter from the California Department of Mental Health indicating that in order to participate in the State-administered MHSA Housing Program (funded from the CSS component of the MHSA) must complete the enclosed “Assignment” letter. The Department of Mental Health (DMH) and the California Housing and Finance Agency (CalHFA) will jointly administer the MHSA Housing Program.

The final part of the proposed changes consolidates dual diagnosis services previously provided by the CSS-ACT team.

Sincerely,

Leslie Tremaine  
Director

**Mental Health Services Act (MHSA)  
Request to Dedicate Funds to the  
Community Services and Supports (CSS)  
Local Prudent Reserve**

County: **Santa Cruz**  
Date: **March 28, 2008**

<b>Approved CSS Component Amount</b>	
CSS Plan Component Amount	\$3,555,700.00
Maximum Prudent Reserve (50%)	\$1,777,850.00
<b>Prudent Reserve</b>	
Prudent Reserve Balance from Prior Approvals	0
Amount Requested to Dedicate to Prudent Reserve	
Approved Unspent Funds	\$121,225.00
Unapproved Funds in Planning Estimate	\$550,000.000
Total Request	\$671,225.00
Prudent Reserve Balance	\$671,225.00

I HEREBY request that the above amounts be dedicated to a local Prudent Reserve in accordance with Welfare and Institutions Code Section 5847(a)(7). Funds dedicated to the Prudent Reserve may not be accessed unless approved by the Department of Mental Health through an update to the Three-Year Program and Expenditure Plan. I certify that the County has copied with Title 9, California Code of Regulations Sections 3300 and 3315(b).

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Leslie Tremaine, Director  
Santa Cruz County Mental Health & Substance Abuse Services

## Assignment Agreement

### MHSA Housing Program Santa Cruz County

Santa Cruz County (the County) agrees to participate in the state-administered Mental Health Services Act (MHSA) Housing Program funded from the Community Services and Support Component of the MHSA. The MHSA Housing Program will be jointly administered by the Department of Mental Health (DMH) in conjunction with the California Housing and Finance Agency (CalHFA).

The County agrees that upon its approval of this Assignment, the State Fiscal Year 2007/08 Planning Estimate in the amount of \$2,914,600 specified for the MHSA Housing Program will be transferred by DMH on behalf of the County to CalHFA. Specifically, funds in the amount specified will be transferred from the Mental Health Services Fund to State Operations portion of the DMH state budget, item 4440-001-0001 Program 10, State Operations. DMH will then transfer these funds to CalHFA for support of the MHSA Housing Program.

CalHFA will hold the funds transferred in a county specific sub-account, invest the funds in an appropriate investment vehicle as determined by Cal HFA, and credit the county sub-account with interest received on the investment. The County (and the project sponsor, if applicable) may access MHSA Housing Program funds only through a MHSA Housing Program Application approved by CalHFA and DMH.

CalHFA is responsible for the review of the application for all aspects of the project related to purchase, renovation and/or construction of the housing development; underwriting of loans; disbursement of funds; all determinations regarding the use of operating subsidies for the development; and continued monitoring of the project.

DMH is responsible for review of the service related aspects of the application and for monitoring of the project to assure that appropriate supportive services continue to be provided.

Nothing shall prohibit the County from using funds from other programs to supplement the MHSA Housing Program funds, subject to requirements that may be applicable to use of such funds. This Assignment shall be effective only if the county has a fully executed MHSA Agreement with DMH.

Approved for County (by signature): \_\_\_\_\_

Leslie Tremaine, Director  
Santa Cruz County Mental Health & Substance Abuse Services

1. **Clearly identify the program proposed for elimination. The County must indicate the implementation status of the program being targeted for elimination (e.g., never implemented, currently operational, etc.).**

The Santa Cruz County CSS Work plan #9, The CSS-ACT team is the proposed team to be eliminated. It has been fully implemented.

2. **Briefly describe the rationale for eliminating the proposed program.**

This CSS-ACT team is proposed to be eliminated and services will be integrated into the FSP teams and generalist teams in order to shift funding to higher priorities.

3. **Describe how the funding for the eliminated program will be used. If the funding is to be redirected to start a new program, then the County must also follow the procedures outlined in Section II to secure the necessary approvals. No approvals are necessary if the funding is being redirected to expand an existing program.**

The funds will be redirected to Wheelock House.

4. **Counties eliminating an FSP program should submit a revised CSS Program Work Plan Listing, Exhibit 2, DMH Letter No. 05-05, page 45) demonstrating that the County still meets the requirement that the majority of its CSS funds support the FSP.**

The majority of CSS funds support the Full Service Partnerships (FSP). The Exhibit 2 is attached.