

MONTEREY COUNTY BOARD OF SUPERVISORS

MEETING: August 30, 2011 Consent	AGENDA NO.:
SUBJECT: a. Authorize the Auditor-Controller to establish Designated Account 3127, Mental Health Designation, effective FY 2010-11; b. Approve a transfer in the estimated amount of \$2,519,250 from Behavioral Health Revenue 001-4000-8081-HEA002-4960 to Account 3127, Mental Health Designation, for FY 2010-11; c. Approve a transfer in the estimated amount of \$890,440 from Non-Program Revenue 001-1050-8041-CAO019-4820 to Account 3127, Mental Health Designation, for FY 2010-11; d. Authorize the Director of Health to certify the final amounts to be transferred to the Designated Account, where those amounts do not have a variance greater than 10% of the total estimated amount of the transfers (\$340,969); and e. Authorize the Auditor-Controller to make changes as detailed on the accompanying Board Order. (4/5ths Vote Required)	
DEPARTMENT: Health	

RECOMMENDATION:

It is recommended that the Board of Supervisors

- a. Authorize the Auditor-Controller to establish Designated Account 3127, Mental Health Designation, effective FY 2010-11;
- b. Approve a transfer in the estimated amount of \$2,519,250 from Behavioral Health Revenue 001-4000-8081-HEA002-4960 to Account 3127, Mental Health Designation, for FY 2010-11;
- c. Approve a transfer in the estimated amount of \$890,440 from Non-Program Revenue 001-1050-8041-CAO019-4820 to Account 3127, Mental Health Designation, for FY 2010-11;
- d. Authorize the Director of Health to certify the final amounts to be transferred to the Designated Account, where those amounts do not have a variance greater than 10% of the total estimated amount of the transfers (\$340,969); and
- e. Authorize the Auditor-Controller to make changes as detailed on the accompanying Board Order. (4/5ths Vote Required)

SUMMARY/DISCUSSION:

Behavioral Health's Mental Health (MH) programs are funded by a combination of Federal and State monies and the amount of County General Fund dollars necessary to satisfy the County's Maintenance of Effort (MOE) requirement (See Welfare and Institutions Code Section 117608.05). In FY 2010-11, MH leveraged the County MOE amount of \$532,678 to more than \$55,000,000 of non-County dollars to serve Monterey County clients.

Part of the State funding are Sales Tax (STR) and Vehicle License Fees (VLF) specifically allocated to the County for MH use. The STR and VLF amounts discussed in this Board item are often referred to as 1991 Realignment. These funds are not the same as the recent 2011 Realignment plan enacted by the State.

Any funds not expended by the County for MH activity must be set aside and designated as MH funds until eligible expenditures are identified. If the County spends the MH funds on non-eligible activity, the monies are subject to recoupment by the State.

For this reason, the Health Department performs a certification report to identify MH specific costs and revenue. This report is completed with the assistance and coordination of the Auditor-Controller's Office (Auditor) and the County Administrative Office, Budget and Analysis Division (CAO). Any STR and VLF funds not expended on MH expenses are identified in this certification to be set aside in a separate account until a future MH eligible expense is incurred.

Behavioral Health identifies an estimated \$3,409,690 (\$2,519,250 in STR and \$890,440 in VLF funds) not expended for MH activities. Auditor, CAO, and Health staff reached a consensus that the best way to ensure that the County recognizes the use of these funds only for their required MH purposes is to establish a Designated Account and transfer the funds to that account.

The STR and VLF funds are received monthly, without prior submittal of invoices or other claim documentation. At the time of this item's printing, the final FY 2010-11 STR allocation for August has not been received by the County.

The County will shortly receive an estimated \$6,943,860 in STR funds recognized to Behavioral Health Revenue 001-4000-8081-HEA002-4960 and \$2,454,338 in VLF funds recognized to Non-Program Revenue 001-1050-8041-CAO019-4820. The estimated total for FY 2010-11 is \$9,398,199. STR represents 74% of the total; VLF represents 26%. Health recommends that the total transfer amount be allocated between STR and VLF on a pro rata basis. The transfer of \$2,519,250 from Health Revenue is 74% of the total amount. The transfer of \$890,440 from Non-Program Revenue is 26% of the total amount.

The August 30, 2011, Board of Supervisors meeting is the last available meeting to authorize the recommended activity for FY 2010-11. The Department of Health requests authorization to complete the certification and determine the final amount of the STR and VLF transfer. The certification will take into account the final STR monthly allocation and any other significant MH expenses or revenue recognized by September 30, 2011.

OTHER AGENCY INVOLVEMENT:

The County Administrative Office, Budget and Analysis Division and the Auditor-Controller's Office have participated in the development of and agree with this recommendation.

FINANCING:

The recommended actions will result in the identified restriction of \$3,409,690 for MH purposes. The recommended actions will also ensure that State provided MH monies are expended only for MH purposes.

Prepared by:

Approved by:

Joe Ripley
Finance Manager

Ray Bullick
Director of Health