



C A L I F O R N I A   D E P A R T M E N T   O F  
**Mental Health**

1600 9th Street, Sacramento, CA 95814  
(916) 654-2309

DMH INFORMATION NOTICE NO.: 06-15

TO: LOCAL MENTAL HEALTH DIRECTORS  
LOCAL MENTAL HEALTH PROGRAM CHIEFS  
LOCAL MENTAL HEALTH ADMINISTRATORS  
COUNTY ADMINISTRATIVE OFFICERS  
CHAIRPERSONS, LOCAL MENTAL HEALTH BOARDS

SUBJECT: MENTAL HEALTH SERVICES ACT (MHSA) PERFORMANCE  
CONTRACT AMENDMENT PROCESS FOR THE COMMUNITY  
SERVICES AND SUPPORTS COMPONENT OF THE THREE-YEAR  
PROGRAM AND EXPENDITURE PLAN.

REFERENCE: DMH LETTER NO.: 05-05, DMH INFORMATION NOTICE NO. 06-08,  
AND WELFARE AND INSTITUTIONS CODE (WIC) SECTIONS  
5848(a), 5847(a), and 5892(g).

This Department of Mental Health (DMH) Information Notice describes the process that a County<sup>1</sup> should follow when requesting an amendment to their existing Mental Health Services Act (MHSA) Performance Contract specifically to change the Community Services and Supports (CSS) component of the Three-Year Program and Expenditure Plan for the following purposes:

1. Request additional funds to add new and/or expand program(s)/service(s)
2. Eliminate a program or service and/or
3. Request changes in the amount or use of the Fiscal Year (FY) 2005-06 CSS "One-time Funding"

This information notice expands on the previous direction provided in DMH Information Notice No.: 06-08.

**I. General Information.**

- A. The County Mental Health Director may request to amend the MHSA Performance Contract at any time by following the process delineated below for each respective proposed amendment type. A signed letter and accompanying materials must be submitted to:

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<sup>1</sup> "County" means the County Mental Health Programs, two or more counties acting jointly, and/or city operated programs receiving funds per WIC Section 5701.5.

Deputy Director, Systems of Care  
California Department of Mental Health  
1600 9<sup>th</sup> Street, Room 130  
Sacramento, CA 95814

- B. The letter must contain a statement signed by the County Mental Health Director that the proposed amendments to the MHP Performance Contract were made available for the 30-day stakeholder review and comment, pursuant to Welfare and Institutions Code Section 5848(a), prior to submission to DMH.
- C. Funding for FY 2007-08 is to expand existing and/or add new programs/services consistent with the requirements of DMH Letter No.: 05-05.
- D. Counties may propose changes in the use of FY 2005-06 CSS "One-time Funding". The limitations described in DMH Letter No.: 05-06 (page 3) apply. Counties may request additional FY 2005-06 CSS "One-time Funding" only up to the maximum funding threshold established in DMH Letter No.: 05-06 (page 3). For Information Technology projects funded with FY 2005-06 CSS "One-time Funding", the County must follow the process delineated in Section IV below and the process outlined in the DMH Letter No.: 06-03.
- E. The approval of additional funds is subject to the guidelines in DMH Letter No.: 05-05, and WIC Section 5892(g), which specifies:
  - 1. The County should request the majority of its CSS funding for Full Service Partnerships (FSP). Small counties<sup>2</sup> may fulfill this requirement by no later than fiscal year (FY) 2008-09<sup>3</sup>. For small counties that have already submitted their initial Three-Year Program and Expenditure Plan, they need to inform DMH if they choose to delay the FSP implementation requirement. If this is the case, the small county must submit a letter to DMH that states their intentions to delay implementation of the FSP, indicate their intended timeline (which can not exceed FY 2008-09) and confirm their commitment to dedicating the majority of its CSS funding to FSP by FY 2008-09.
  - 2. The DMH and the Oversight and Accountability Commission (OAC) will review and approve the proposed contract amendments consistent with their roles as specified in Welfare and Institutions Code Section 5847(a). Once the approvals are secured, the MHP Performance Contract between DMH and the County will be amended accordingly.

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<sup>2</sup> "Small County" means a county in California with a total population of less than 200,000, according to the most recent projection by the California Department of Finance.

<sup>3</sup> This information notice supersedes the previous DMH Information Notices (i.e., Information Notice No.: 05-05 and 06-02) relevant to the FSP requirement pertaining to the small counties.

- a) Within 60 days of submission, a decision will be issued to approve or disapprove an amendment request to add a new program/service to a MHPA Performance Contract. New programs cannot begin prior to receiving state approval.
- b) Within 30 days of submission, a decision will be issued to approve or disapprove an amendment requesting to:
  - expand previously-approved programs/services or
  - eliminate an approved program/service
  - make changes on the FY 2005-06 CSS "One-time Funding", except on the Information Technology requests. When requesting changes of the use of the FY 2005-06 CSS "One-time Funding" dealing with Information Technology, the County must use the process described in DMH Letter No.: 06-03 and decisions will be made to approve or disapprove within 60 days.

**II. Process to Request An Amendment to the MHPA Performance Contract for the Purpose of Requesting Funds to Expand or Add New Programs/Services.**

- A. Funds - For FY 2006-07, the County may request up to the lesser of: 1) the sum of the County's CSS Planning Estimate for FY 2005-06<sup>4</sup> that DMH has not yet approved and the County's CSS Planning Estimate for FY 2006-07, or 2) the County's CSS revised Planning Estimate for FY 2007-08. For FY 2007-08, the maximum amount the County may request is the revised Planning Estimate for that fiscal year.
- B. Process to Request an Amendment to the MHPA Performance Contract for the purpose of Requesting Additional Funds to Expand Programs/Services. The County may request additional funding to expand a CSS program/service included in their MHPA Performance Contract beyond the level already approved by DMH by fiscal year. The County must submit the following information to DMH along with a signed cover letter requesting an amendment:
  1. A brief description of the proposed program expansion (e.g., increased number of clients served, new services added, etc.), the amount of funding being requested, and the proposed effective date.
  2. With the additional expansion funds, indicate the resulting net cost per client for the expanded program. If the net cost per client is greater than the originally approved program, the County must also complete and submit a revised Mental Health Services Act Community Services and Supports Budget

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<sup>4</sup> DMH Letter No. 06-03, specifies that "Start-up funds" may be expended during any of the three years [FYs, 05-06, 06-07, 07-08]." Please note that if the County elects to request the maximum Planning Estimate from the CSS FY 05-06 to create new and/or expand programs/services in FY 2006-07, that funding will no longer be available as "One-Time Funding." If the County does not request the maximum CSS Planning Estimate from FY 05-06 to create new and/or expand services in FY 2006-07, the County may request "One-Time Funding" from CSS Planning Estimate from FY 2005-06 that DMH has not yet approved as stated in DMH Letter No.: 06-03.

Worksheet (Exhibit 5a, DMH Letter No.: 05-05, page 53), and the Detailed Staffing Worksheet (Exhibit 5b, DMH Letter No.: 05-05, page 57), along with a budget narrative for the proposed expanded program. If the net cost per client for the expanded program is the same or less, there is no need to resubmit the Budget Worksheets.

3. A revised Three-Year Plan Quarterly Report: Estimated/Actual Populations Served (Exhibit 6, DMH Letter No.: 05-05, page 60) for the program/service being expanded.
  4. If the County has not implemented this program/service as approved by DMH, the County must describe its capacity for implementing the proposed program/service expansion on the projected timeline.
- C. Process to Request an Amendment to the MHSA Performance Contract for the Purpose of Requesting Funds to Add a New Program/Service.

The County may request an increase in funding beyond the level approved by DMH by fiscal year to add new CSS programs/services. The majority of the CSS funding requested and used by the County must support the FSP. Small counties may fulfill this requirement by fiscal year 2008-09. (Please see Section IV below.)

The County must receive prior approval before implementing new programs. The County must submit the following information to DMH along with a signed cover letter requesting an amendment:

1. The amount of new funding requested.
2. For each new program proposed, responses to questions 1 through 13 in Section VI, of DMH Letter No.: 05-05 (beginning on page 40).
3. Assurance from the County Mental Health Director that the proposed new program(s) were a result of the local stakeholder process.
4. The following budget information for the amount of funding being requested:
  - a) Budgets substantiating any proposed funding increase above the previously approved fiscal year amount.
  - b) The County must complete and submit to DMH the MHSA CSS Budget Worksheet (Exhibit 5a, DMH Letter No.: 05-05, page 53); and the Detailed Staffing Worksheet (Exhibit 5b, DMH Letter No.: 05-05, page 57), along with a budget narrative for each proposed new program<sup>5</sup>. Note: Only one budget per fiscal year is required for each new program and not for each service category (i.e., Full Service Partnership, General System

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<sup>5</sup> DMH Letter 05-05 (beginning on page 49) provides specific instructions on how to fill out these forms.

Development, or Outreach and Engagement) or population (i.e., Children, Transition Age Youth, Adults, or Older Adults) within a program.

5. A revised CSS Program Work Plan Listing, (Exhibit 2, DMH Letter No.: 05-05, page 45) that clearly demonstrates that the majority of the County's total funds support the FSP.
6. A revised Three-Year Plan Quarterly Report: Estimated/Actual Populations Served (Exhibit 6, DMH Letter No.: 05-05, page 60) for the proposed new programs/services.
7. If the county has not implemented all the programs/services approved by DMH, the County must describe its capacity for implementing the new program/service on the projected timeline.

### **III. Process to Request an Amendment to the MHPA Performance Contract to Eliminate Programs.**

- A. The County may submit a request to amend the MHPA Performance Contract for the purpose of eliminating a program. Please note that a change (e.g., a decrease) in the number of clients to be served in an approved program does not require an amendment.

The County must submit the following information to DMH along with a signed cover letter requesting an amendment to eliminate an approved program:

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.).
2. Briefly describe the rationale for eliminating the proposed program.
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 outline in Section II to secure the necessary approvals. No approvals are necessary if the funding is being redirected to expand an existing MHPA program.
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.

### **IV. Process to Request an Amendment to the MHPA Performance Contract to Change Provisions Dealing with FY 2005-06 CSS "One-time Funding".**

- A. The County may request FY 2005-06 CSS "One-time Funding" to either increase the funding amount of a project that has received approval from DMH or to add a

new project. The amount requested must not exceed the maximum allowed in accordance with DMH Letter No.: 05-06. The projects funded with FY 2005-06 CSS "One-time Funding", including information technology projects, must support the implementation of the CSS component of the Three-Year Program and Expenditure Plan. FY 2005-06 CSS "One-time Funding" for Information Technology project must also follow the process outlined in the DMH Letter No.: 06-03. The County must submit the following information to DMH along with a signed cover letter requesting additional FY 2005-06 CSS "One-time Funding":

1. Provide a description of the proposed project and the amount of FY 2005-06 CSS "One-time Funding" being requested.
2. Provide budget and budget narrative, including the approach the County used to estimate the budget amounts and the source document, e.g., contract bids, prior experience etc.
3. Provide a description on how the expenditures are critical to achieving outcomes of specified programs.

If you have additional questions or need further clarification on the amendment process for the MHSA performance contract, please contact your county liaison listed in Enclosure 1.

Sincerely,

Original signed by:

STEPHEN W. MAYBERG, Ph.D.  
Director

Enclosure