



Board Agenda Item 39

DATE: June 6, 2017

TO: Board of Supervisors

SUBMITTED BY: Dawan Utecht, Director, Department of Behavioral Health

SUBJECT: Amendment to Agreement with Kings View Corporation for the Projects for Assistance in Transition from Homelessness Program

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute Amendment I to Agreement No. 15-257 with Kings View Corporation for the Projects for Assistance in Transition from Homelessness Program, effective upon execution with no change in term to June 30, 2020 and increasing the maximum by \$240,728 to a total of \$2,890,728.

There is no increase in Net County Cost associated with the recommended action. Approval of the recommended action will increase funding from \$530,000 to \$590,182 for FY 2016-17 through FY 2019-20, an 11.36% annual increase (\$60,182) to the Projects for Assistance in Transition from Homelessness (PATH) program. In addition, approval will decrease the number of individuals served to reflect the actual target population service need in alignment with the California Department of Health Care Services (DHCS) Substance Abuse and Mental Health Services Administration (SAMHSA) PATH grant funding, and standardize contract language regarding insurance and administrative/benefits costs. The funding increase will allow the provider, Kings View Corporation, to address housing needs for adults who have a severe mental illness and/or co-occurring disorder and are homeless, or at imminent risk of becoming homeless. Additional funds will also support permanent housing services in alignment with the PATH grant funding requirements. The program is fully funded with PATH grant, Medi-Cal Federal Financial Participation (FFP), client rents/transportation reimbursements, and a County match of Mental Health Services Act (MHSA) funds.

ALTERNATIVE ACTION(S):

There are no viable alternative actions for consideration. Non-approval of the recommended action would result in a financial hardship for the provider and an annual lapse in permanent housing services for those with serious mental illness and/or co-occurring disorders. The lapse could result in homelessness for those clients not yet stable in housing and supports, and will reduce the number of clients who may be served through the housing component. In addition, non-approval will bind the provider to service goals that do not meet the needs of the population, contrary to the intent of PATH grant funding and DHCS' recommendation.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. Services are fully funded by DHCS PATH grant, Medi-Cal FFP, client rent/transportation reimbursements, and a County match of MHSA. There is no change to the annual maximum of \$530,000 in FY 2015-16. However, the FY 2016-17 through FY 2019-20 annual maximums (\$530,000) will increase by 11.36% (\$60,182), to a total of \$590,182. The term maximum will increase \$240,728 for the four remaining years, from \$2,650,000 to \$2,890,728. The \$60,182 annual increase results from a net MHSA fund increase of \$48,260, due to an increase in Medi-Cal FFP revenue of \$14,922, and a decrease of \$3,000 in client rents/transportation revenue.

For FYs 2016-17 through 2019-20, the recommended PATH annual budget will be funded as follows:

MHSA	\$173,130
SAMHSA	\$307,403
Medi-Cal FFP	\$100,649
<u>Client Rents/Transportation</u>	<u>\$ 9,000</u>
Annual Total	\$590,182

Sufficient appropriations and estimated revenues are included in the Department's Org 5630 FY 2016-17 Adopted Budget and will be included in future budget requests for the term's duration. Total expenditures are based on actual services provided.

The recommended administrative costs for each FY are 9.1% as compared to the total budget. The recommended employee benefits costs for each FY are between 27.9% and 28.7% as compared to the total salaries. The benefits calculation includes the full amount of employee health and retirement costs, life insurance, payroll taxes, State disability and unemployment insurance. Based on similar contract services, the percentages are both reasonable and necessary for the administration of the program.

DISCUSSION:

On June 16, 2015, your Board approved Agreement No. 15-257 with Kings View Corporation to provide mental health and supportive housing services to severely mentally ill adults who are homeless and/or at-risk of homelessness. The Kings View Corporation has continued to provide services as contracted, but as of February 2017, has depleted the \$29,350 housing allocation. Pursuant to the agreement, specialty mental health services shall be provided to a minimum of 30 seriously mentally ill and/or co-occurring clients, of whom a maximum of 10 at any given time must receive permanent supportive housing services. In FY 2016-17, as of March 31, 2017, permanent supportive housing services have been provided to 57 individuals. The recommended amendment will reduced the outreach to a minimum of 350 (previously 500) clients and of those, 200 (previously 400) shall be engaged in services, referrals, and linkages. The service reduction is with full support from SAMHSA as counties are encouraged to reflect realistic numbers, be responsive to program experience, and provide more in depth and substantial services to clients engaged.

In FY 2015-16, the PATH program provided services to 408 unique individuals and 3,247 individual services at a cost-per-client of \$1,175.89. Tracking data was captured for 34 clients, of which 33 or 97.1% remained free from incarceration, arrests, citations and probation violations, were able to function without psychiatric hospitalization, and decreased or maintained (at zero) the number of homeless days throughout the fiscal year. On June 21, 2016, your Board approved Agreement No. 16-362 with DHCS for the PATH Grant Application / Agreement (\$310,122), which partially funds the PATH program. On March 28, 2017, your Board approved Amendment I to Agreement No. 16-362 with the DHCS increasing the PATH grant from \$310,122 to \$316,524, a 2.1% (\$6,402) increase to FY 2016-17. Accepting the funds required a 0.02% (\$2,134) increase to the original County match (\$103,374 or 33% of the allocation), which is funded with MHSA funds, to a total of \$105,508. The amended total, with the increased allocation and match, was \$422,032 and was applied to County administrative costs. The FY 2017-18 PATH grant application is pending release by DHCS.

The recommended amendment allows the Department Director, or designee, the ability to approve budget line item changes that do not exceed 10% of the annual maximum contract amount. The recommended amendment provides for termination by the Contractor, County, or their designee, upon giving 60-day advanced written notice, and includes language allowing for the termination of the agreement due to the non-allocation of funds upon giving of 30-day advanced written notice to the Contractor.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was made aware of the recommended amendment during its May 17, 2017 meeting.

REFERENCE MATERIAL:

BAI #26, March 28, 2017, Amendment I to Agreement No. 16-362 with DHCS

BAI #31, June 21, 2016, Agreement No. 16-362 with DHCS

BAI #45, June 16, 2015, Agreement No. 15-257 with Kings View Corporation

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment I to Agt. No. 15-257 with Kings View Corporation

CAO ANALYST:

Sonia De La Rosa