



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

April 18, 2007

DMH LETTER NO.: 07-04

TO: LOCAL MENTAL HEALTH DIRECTORS
LOCAL MENTAL HEALTH PROGRAM CHIEFS
LOCAL MENTAL HEALTH ADMINISTRATORS
COUNTY ADMINISTRATIVE FISCAL OFFICERS
COUNTY HOMELESS COORDINATORS
(PATH HOMELESS FORMULA GRANT COUNTIES ONLY)

SUBJECT: FEDERAL MCKINNEY PROJECTS FOR ASSISTANCE IN
TRANSITION FROM HOMELESSNESS (PATH) GRANT
APPLICATION FOR STATE FISCAL YEAR (SFY) 2007-2008

EXPIRES: Retain Until Rescinded

This letter describes the application process for the State Fiscal Year (SFY) 2007-2008 PATH Formula Grant Program. The PATH grant is authorized under the Stewart B. McKinney Homeless Assistance Amendments Act of 1990 (Public Law 101-645, Title V, Subtitle B). These instructions are consistent with federal and state laws and regulations. The grant provides funds to states for the provision of services to individuals who have a severe mental illness, or who have co-occurring severe mental illness and substance abuse disorders, and who are homeless or at imminent risk of becoming homeless. California's PATH allotment from the Center for Mental Health Services for SFY 2007-2008 is \$7,425,000.

The Department of Mental Health (DMH) intends to distribute PATH funds as follows, contingent upon the budget process:

DMH plans to utilize two percent of the grant to administer the statewide program.

Your county's SFY 2007-2008 planning estimate is enclosed and is at the same funding level as the last SFY. The initial allocation will be forwarded when the 2007 State budget is passed.

APPLICATION SUBMISSION AND DEADLINE

Instructions for completion of the PATH application are contained in the 'PATH Application Instructions' (appended).

The PATH application package should include:

(Enclosures I through VI of the PATH application) which is due no later than **May 4, 2007**. These enclosures must be forwarded to the federal government; therefore, it is urgent that this deadline be observed. Review these enclosures carefully to ensure that the description of PATH funded services and programs accurately respond to the questions on the Intended Use Plan.

Also included is the Cost Report form (Enclosure VII), the Grant Financial Status Report (Enclosure VIII), and the Grant Cash Transaction report form (Enclosure IX). Enclosures VIII and IX must be submitted quarterly within 20 calendar days of the end of the quarter. Services Definitions for PATH-Funded Services (Enclosure X) is provided for your clarification of definitions. Please note, this document is currently in draft form.

Documentation of the local Mental Health Board's review and the Board of Supervisors' approval are no longer required as part of the PATH Grant approval process. However, this does not relieve the county of the responsibility to continue to ensure citizen and professional involvement in the mental health planning process by involving their Local Mental Health Board or Commission per the Performance Contract.

MATCH REQUIREMENT

Counties are required to make available (directly or indirectly) nonfederal contributions toward the cost of services in the amount of one dollar (\$1) for each three dollars (\$3) of federal funds provided. Nonfederal contributions may be in cash or in-kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the federal government, including services assisted or subsidized by the federal government, shall not be included in determining the amount of such nonfederal contributions.

SPECIAL REQUIREMENTS

In funding programs from the PATH grant, counties are obligated to follow these special requirements:

1. Grant funds may be used only to provide services to individuals who are suffering from serious mental illness or from a co-occurring serious mental illness and substance abuse disorder and who are homeless or at imminent risk of becoming homeless.
2. Grant funds cannot be used by any entity that has a policy of excluding individuals due to the existence of substance abuse or that has a policy of excluding individuals from substance abuse services due to the existence or suspicion of mental illness.

3. In selecting contract providers, counties are to give special consideration to entities with a demonstrated effectiveness in serving homeless veterans.
4. Not more than 20 percent of the county allocation can be expended on the housing services permitted in item 10 of the Specification of Services section of the PATH Application Instructions.

5. Grant payments may not be expended:

To support emergency shelters or construct housing facilities.

For inpatient psychiatric treatment costs or inpatient substance abuse treatment costs.

To make cash payments to intended recipients of mental health or substance abuse services.

6. Administrative Expenses:

The federal government allows four percent of the entire state grant for purposes of administrative expenses. County programs will be allowed to claim up to two percent of their allocation for selected administrative costs. The state will utilize two percent of the PATH grant for state incurred administrative costs.

PROGRAM CONSIDERATIONS

The following factors should be considered in formulating PATH programs:

1. According to the federal legislation, the use of PATH funds for shelter operations and for shelter beds is **not** permitted. Funds expended directly to house clients are to be related **only** to security deposits or one-time payments to prevent eviction.
2. Funds expended must clearly be appropriate and necessary to meet the purpose of PATH programs. The federal government places emphasis on the PATH funds being directly related to services received by the target population.
3. Counties are requested, to the extent possible, to expend PATH funds in coordination with other funds available, both federal and state, for persons who are homeless and mentally disabled.

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REPORTING REQUIREMENTS

The reporting requirements, including budget forms, cost report forms, and end-of-year program forms, are included in the instructions. The Department will continue to seek ways of simplifying PATH reporting requirements and will continue the dialogue with the Center for Mental Health Services toward this end.

If you have any questions regarding PATH program requirements, please contact Peter Best at (916) 657-3487, or via e-mail at peter.best@dmh.ca.gov. Questions regarding fiscal reporting requirements should be directed to Kimberly Wimberly at (916) 653-7968, or via e-mail at kimberly.wimberly@dmh.ca.gov.

Sincerely,

Original signed by:

STEPHEN W. MAYBERG, Ph.D.

Director

Enclosures

cc: Program Compliance
Administrative Services
California Mental Health Planning Council