DHCS

TOBY DOUGLAS
DIRECTOR

State of California—Health and Human Services Agency
Department of Health Care Services

EDMUND G. BROWN JR.
GOVERNOR

May 6, 2013

TO: PATH County Mental Health Directors
PATH County Mental Health Administrators
PATH County Administrative Fiscal Officers

SUBJECT: Federal McKinney Projects for Assistance in Transition from Homelessness (PATH) Grant Application for State Fiscal Year (SFY) 2013-2014

EXPIRES: June 30, 2014

This letter is to inform you that the California Department of Health Care Services (DHCS) is releasing the State Fiscal Year (SFY) 2013-14 Projects for Assistance in Transition from Homelessness (PATH) application instructions. 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 estimated PATH allotment from the Substance Abuse and Mental Health Services Administration (SAMHSA) Center for Mental Health Services for SFY 2013-2014 is $8,496,000, reflecting a decrease of approximately six percent from the previous fiscal year primarily due to the Federal sequester. The DHCS is utilizing four percent of the grant to administer the statewide program. The Federal government must enact a budget or an annualized Continuing Resolution for Federal Fiscal Year 2013 and the California Legislature and Governor must approve a budget in order for these funds to become available.

APPLICATION SUBMISSION AND DEADLINE - Each County's PATH application package is due electronically to DHCS no later than **June 1, 2013**. Hard copies of the requested documents with original signatures must be mailed to DHCS and postmarked no later than **June 1, 2013**.

Grants Management Unit
Mental Health Services Division
1500 Capitol Avenue, 72.4.14, MS 2704, Sacramento, CA 95814
Phone: (916) 324-0378
Internet Address: http://www.dhcs.ca.gov

The PATH application instructions and 24 enclosures are available for download at: http://www.dhcs.ca.gov/services/MH/Pages/PATH.aspx.

SUBMISSION INSTRUCTIONS

The application must be submitted electronically by close of business June 1, 2013, to the Grant Programs Management Unit at PATH@dhcs.ca.gov. Late submissions may delay funding. The electronic application submission must contain the following:

- Enclosure 1 - PATH Allocation Worksheet- Planning Estimate
- Enclosure 2 - Federal Assurances
- Enclosure 3 - Compliance Assurances
- Enclosure 4 - Federal Assurances- Non-Construction
- Enclosure 5 - County Intended Use Plan
- Enclosure 6 - Provider Intended Use Plan
- Enclosure 7 - Federal Budget Summary
- Enclosure 8 - PATH DHCS 1779P Program Budget(s)

In addition to electronic submission, the county must mail the following documents containing original signatures. The package must be post marked no later than June 1, 2013.

- Enclosure 1 - PATH Allocation Worksheet- Planning Estimate
- Enclosure 2 - Federal Assurances
- Enclosure 3 - Compliance Assurances
- Enclosure 4 - Federal Assurances- Non-Construction

Mail the package via overnight mail to:

Department of Health Care Services
Mental Health Services Division
Grants Management Unit
1500 Capitol Avenue, 72.4.15, MS 2704
Sacramento, CA 95814

The state is required to forward these enclosures to the federal government. Therefore, it is imperative that all counties meet the above deadlines. Please review all enclosures carefully to ensure that the application package is accurate and formatted consistently.

MATCH REQUIREMENT

Counties are required to contribute(directly or indirectly) one dollar ($1) of non-federal funds for each three dollars ($3) of federal funds provided (Section 523(a) PHS Act). Non-federal 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 non-federal contributions (OMB Circular A-110).

SPECIAL REQUIREMENTS

Counties receiving PATH funds are obligated to follow these special requirements:

1. Grant funds may only be used to provide services to individuals who are suffering from serious mental illness (Public Law 102–321) 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 may not 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. Counties must give special consideration to entities with a demonstrated effectiveness in serving homeless veterans when selecting contract providers.

4. No more than 20 percent of the county allocation may be expended on the housing services permitted in item 10 of the 'Eligible PATH Services' section of the PATH Application Instructions.

5. Grant payments may <u>not</u> 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. Counties may not expend more than ten percent of Federal PATH funds received for administration. The ten percent administrative expense cap includes both the county's and the subcontractor's administrative costs in aggregate.

PROGRAM CONSIDERATIONS

Please adhere to the following when implementing PATH programs:

1. According to the federal legislation, PATH funds may not be used for shelter operations or for shelter beds. Funds expended directly to house clients must 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. Although PATH funds can be used to support an array of services, all programs are required to fund outreach, case

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 have a serious mental illness.

4. Counties are strongly encouraged to strengthen PATH services with the implementation and/or expansion of SSI/SSDI Outreach, Access, and Recovery (SOAR). PATH and SOAR are complementary programs. Please visit http://www.prainc.com/soar or email your State PATH Contact for more information on program implementation, costs, and program considerations. PATH funds may be used for SOAR activities.

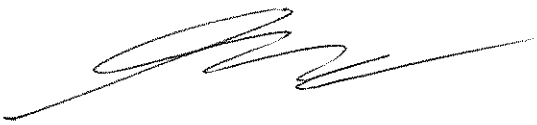
REPORTING REQUIREMENTS

All reporting requirements are included in the application instructions. Required reports include:

- Provider detailed budget forms and Intended Use Plans;
- Quarterly expenditure reports;
- Quarterly performance reports;
- Year-End cost reports; and
- PATH Annual Reports.

If you have any questions regarding the PATH program, please contact your State PATH Contact (SPC), Justin Whitcomb, via phone at (916) 440-7498 or e-mail at PATH@dhcs.ca.gov.

Sincerely,



Gary Renslo
Chief
Fiscal Management and Outcomes Reporting Branch
Mental Health Services Division

Enclosures are available for download at:
http://www.dhcs.ca.gov/services/MH/Pages/PATH.aspx