



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

July 24, 2008

DMH INFORMATION NOTICE NO.: 08-21

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

SUBJECT: FUNDING AUGMENTATION TO THE MENTAL HEALTH SERVICES ACT (MHSA) CAPITAL FACILITIES AND TECHNOLOGICAL NEEDS AND ADDITIONAL INFORMATION FOR REQUEST FOR PRE-DEVELOPMENT FUNDING FOR CAPITAL FACILITIES

REFERENCE IMPLEMENTATION OF THE MHSA, WELFARE AND INSTITUTIONS CODE (WIC) SECTIONS 5847, 5848, AND 5892

This Department of Mental Health (DMH) Information Notice provides notification of increase in planning estimates, clarification regarding pre-development costs, and instructions to county mental health programs to request additional funding for their Capital Facilities and Technological Needs Component of the Three-Year Program and Expenditure Plan of the Mental Health Services Act (Three-Year Plan).

DMH Information Notice 08-09 provided the proposed guidelines for the content of a County's¹ Capital Facilities and Technological Needs Component of its Three-Year Plan. This Information Notice provides: I) increased Capital Facilities and Technological Needs Planning Estimates² for each County (Enclosure 1), II) instructions for requesting this additional funding, and, III) additional guidance to DMH Information Notice 08-09 regarding requests for pre-development funding including a Request for Capital Facilities Pre-Development Funds form (Enclosure 2A). This DMH Information Notice applies only to the Capital Facilities and Technological Needs Component of the County's Three-Year Plan.

¹ "County" means a County Mental Health Department, two or more County Mental Health Departments acting jointly, and/or a city-operated program receiving funds per Welfare and Institutions Code Section 5701.5 (California Code of Regulations, Section 3200.090).

² "Planning Estimate" means the estimate provided by the Department to the County of the maximum amount of MHSA funding that the County can request.

I. Planning Estimates

An additional \$108.4 million is available for the Capital Facilities and Technological Needs Planning Estimates based on actual revenues received in the State Mental Health Service Fund (MHS Fund) through June 30, 2008, bringing the total funding for the component to \$453.4 million. Enclosure 1 includes the initial Capital Facilities and Technological Needs Planning Estimates identified in DMH Information Notice 08-02, the additional Planning Estimates identified through this Information Notice, and the total Capital Facilities and Technological Needs Planning Estimate for each County. No additional funding will be made available specifically for this component after the Planning Estimates identified in Enclosure 1 pursuant to Welfare and Institutions Code (WIC) 5892.

As described in DMH Information Notice 08-10, Counties may also request funds from the Community Services and Supports (CSS) component for Capital Facilities and/or Technological Needs projects beginning in FY 2008/09, provided that the total amount requested for prudent reserve, Capital Facilities and Technological Needs, and Workforce Education and Training does not exceed 20 percent of the average amount of funds allocated to the County for the previous five years (WIC 5892(b)). Any CSS funds approved for Capital Facilities and Technological Needs projects cannot be used for any other purpose. Funds that have been allocated for Capital Facilities and Technological Needs must be spent within ten years, or they will revert to the MHS Fund, pursuant to WIC 5892(h).

II. Instructions for Requesting Funds

To access the Capital Facilities and Technological Needs Planning Estimates identified in Enclosure 1, Counties should follow the process presented in DMH Information Notice 08-09. As described in that Information Notice, County mental health programs must have an approved Capital Facilities and Technological Needs Component Proposal prior to DMH approving a request for MHSA funds for a specific Capital Facilities or Technological Needs Project.

III. Additional Guidance

DMH Information Notice 08-09 transmits to Counties the proposed guidelines for Counties to submit their Capital Facilities and Technological Needs Component Proposal as well as the Capital Facilities and the Technological Needs Project Proposals for the County's Three-Year Plan. This Information Notice further clarifies a funding policy contained in those guidelines and provides additional methods for County to request pre-development funding.

DMH recognizes that there are specific pre-development costs associated with many Capital Facilities Projects that may be incurred prior to Capital Facilities Project Proposal approval. Page 6 of Enclosure 2 of DMH Information Notice 08-09 states "the specific, allowable pre-development costs are architectural, engineering, legal and environmental services, and costs associated with site control (e.g., security deposit on purchase agreement or on lease/rent-to-own agreement)." These specific pre-development costs, in addition to costs associated with consultant services to assist in the development of

Capital Facilities Project Proposal(s), are allowable expenditures to be funded independent of a Project Proposal.

In order for a County to submit a request for pre-development funding, the County must have an approved Capital Facilities and Technological Needs Component Proposal that includes the Capital Facilities segment. This request will be an Update to the Capital Facility and Technological Needs Component of the County's Three-Year Plan.

Alternatively, Counties may access pre-development funds associated with Capital Facilities projects through two already existing processes: 1) Counties may continue to use the process described in Information Notice 08-09 and be reimbursed for pre-development costs upon Capital Facilities Project Proposal approval, and/or 2) A County may classify these specific pre-development costs for a Capital Facilities project(s) as an administrative cost associated with supporting CSS programs and, therefore, an eligible CSS administrative expenditure. NOTE: To request CSS administrative funds for pre-development costs associated with a possible Capital Facilities project, Counties should follow the existing procedure for requesting CSS administrative funds (currently DMH Information Notices 08-10 and 08-16).

To request Capital Facilities funds for pre-development costs, submit an electronic copy of the Request for Capital Facilities Pre-Development Funds (Enclosure 2A) to DMH at the e-mail address below. Submit the signed original request for Capital Facilities Pre-Development Funds to:

California Department of Mental Health
Request for Capital Facilities Pre-Development Funds
Attn: Child and Family Program
1600 9th Street, Room 130
Sacramento, CA 95814
MHSA-CFTN@DMH.CA.GOV

The review and approval for a Request for Capital Facilities Pre-Development Funds will be completed within 30 days of submission.

For further information, clarification or questions about this Information Notice please contact your County Operations Liaison.

Sincerely,

Original signed by

STEPHEN W. MAYBERG, Ph.D.
Director

Enclosures