

COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH

F A C T S H E E T

**AUTHORIZATION FOR ACCEPTANCE OF FEDERAL
INDIVIDUALS WITH DISABILITIES EDUCATION ACT FUNDS
AND
APPROVAL OF MEMORANDUM OF UNDERSTANDING WITH LOS ANGELES
COUNTY OFFICE OF EDUCATION FOR FISCAL YEAR 2005-2006
(ALL SUPERVISORIAL DISTRICTS)**

REQUEST

1. Authorize the receipt of Federal Individuals with Disabilities Education Act (IDEA) funds totaling \$13,832,574 from the Los Angeles County Office of Education (LACOE) for Fiscal Year (FY) 2005-2006 only for mental health services to eligible students identified with disabilities and with an individualized education plan (IEP). Effective upon Board approval, these Federal IDEA funds, which were allocated to LACOE by the California Department of Education in accordance with Senate Bill (SB) 77, Chapter 38, Statutes of 2005, will be transferred to the County of Los Angeles on behalf of the Department of Mental Health (DMH) for FY 2005-2006 only. These funds are included in DMH's FY 2005-2006 Adopted Budget.
2. Approve the Memorandum of Understanding (MOU) with LACOE to allow for the transfer of these Federal IDEA funds in order to comply with legislation and instruct the Mayor of the Board and the Executive Officer, Board of Supervisors, to sign and certify two original MOUs.

PURPOSE/JUSTIFICATION

Board approval is required to receive the IDEA funding allocation from LACOE to allow County to provide State-mandated mental health services (referred to as "AB 3632" or "Chapter 26.5 services"), without interruption, to eligible students identified with disabilities and with an IEP, pursuant to Government Code Section 7570 et seq. (Chapter 1747, Statutes of 1984). SB 77 provides Federal IDEA funds for mental health services through County Offices of Education, which in Los Angeles County is LACOE.

The MOU is retroactive to July 1, 2005, as a result of LACOE's late submission of the MOU to the County on November 15, 2005. Untimely submission of this Board letter meets the exemption criteria number two (2) noted in the Chief Administrative Officer's September 7, 2000, memo regarding the Board's policy on timely submission for Board approval.

CONTRACTOR

LACOE is the nation's largest regional education agency that is fiscally independent from Los Angeles County government. Under the leadership of the County Superintendent of schools and the County Board of Education, LACOE's goal is to help the County's public school students achieve the best possible education by:

- working closely with students with disabilities, juvenile offenders and others who are at risk of dropping out of school or who have special educational needs;
- providing specialized training in technology and professional development programs;
- strengthening students' families with parenting programs, literacy classes, and job development services;
- providing specialized support, consultation, and technical assistance services; and
- developing collaborative partnerships to foster student achievement.

BACKGROUND

In California, counties are responsible for providing mental health services to students when required in the student's IEP under statute and regulation (Government Code Section 7570 et seq.).

Prior to FY 2002-2003, a total of \$12 million had been budgeted for counties statewide as categorical funding to pay for mandated services under Chapter 26.5. Since the costs incurred by counties in providing those services far exceeded the categorical funding, counties were reimbursed their excess costs through the SB 90 mandate reimbursement process. However, in the FY 2002-2003 State Budget, the \$12 million categorical funding was eliminated, and an indefinite moratorium on SB 90 mandate reimbursements to local government was implemented, creating an acute hardship on local governments to pay for mental health services to more than 27,000 disabled students statewide, including approximately 6,000 in Los Angeles County.

Proposition 1A, approved by the voters in the November 2004 election, amended the California Constitution to require full funding to local governments to provide programs and services mandated by the State. The Budget Act of 2005-2006 (SB 77) provides \$69 million statewide of Federal IDEA funds, of which \$13,832,574 are allocated for Los Angeles County. In addition, the Legislature allocated \$120 million for FYs 2004-2005 and 2005-2006 to the State Controller to pay counties for claims under the SB 90 reimbursement process for these Federal and State mandated services to disabled

students. Approximately \$8.9 million in payments to Los Angeles County have already been received for services delivered in FY 2004-2005, and payment based on the estimated claims for FY 2005-2006 is anticipated in the early spring of 2006.

During the past year, intensive and extensive efforts have continually been made to identify a long-term permanent solution to the lack of funding for this Federal and State mandated program, but without success. While these efforts continue, in the State Budget Act (SB 77), the State provided \$13,832,574 in Federal IDEA dollars to the County of Los Angeles and \$120 million to the State Controller to reimburse the counties for FYs 2004-2005 and FY 2005-2006 only in order to sustain the program.

SB 77 also defines the allocation methodology for the disbursement of funds to the counties. Since Federal law requires that IDEA funds be allocated only at local education agencies, the funds are granted to the County Office of Education of each county. Legislation further stipulates that the local County Office of Education shall contract with the local Mental Health Plan for the transfer of these funds in their entirety. The allocation amount to each county is determined by the amount of funding each county received in FY 2004-2005, according to the allocation formula approved by the State.

CONTRACTING PROCESS

This contract with LACOE is mandated by legislation as the means for the County to receive the allocated funds. The MOU, which is substantially the same as that being used by other counties for this purpose, is designed solely for the purpose of having LACOE provide the funds as set forth in the legislation.

RK:KT:PP