

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 2006-07
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

REQUEST

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) 2006-07 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 Assembly Bill 1801(AB1801), Chapter 47, Statutes of 2006, will be transferred to the County of Los Angeles on behalf of the Department of Mental Health (DMH) for FY 2006-07 only. These funds are included in DMH's FY 2006-07 Adopted Budget.

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 Chairman of your Board and the Executive Officer, Board of Supervisors, to sign and certify two (2) 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). AB 1801 provides Federal IDEA funds for mental health services, pursuant to Government Code Section 7570 et seq., through County Offices of Education, which is LACOE.

The MOU is retroactive to July 1, 2006, as a result of LACOE's late submission of the MOU to the County on February 15, 2007. Submission of this Board letter meets the exemption criteria No. 2, "The County's receiving funds (normally from a higher level of government)," noted in the Chief Administrative Officer's (CAO) September 7, 2000, memo regarding your 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.). This is a Federal mandate under IDEA.

Prior to FY 2002-03, 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 Senate Bill (SB) 90 mandate reimbursement process. However, the FY 2002-03 State Budget eliminated the \$12 million categorical funding. Further, State placed a moratorium on SB 90 mandate reimbursements to local governments, creating an acute financial hardship on local governments, mandated to pay for mental health services to more than 27,000 disabled students statewide, including approximately 6,000 in Los Angeles County. Fortunately, in FY 2005-06 the State restored the SB 90 reimbursement mechanism and developed a repayment plan to the counties over a 15 year period to reimburse for prior years claims.

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 2006-07 (AB 1801) provides

\$69 million statewide of Federal IDEA funds, of which \$13,832,574 are allocated for Los Angeles County.

The Budget Act also renewed the categorical program of State General Funds, in the amount of \$52 million statewide, of which \$ 16,086,217 is allocated to Los Angeles County. Authorization to accept the categorical State General Funds will be presented to your Board for approval in a separate action to this request.

The requirement for DMH to receive this funding funnelled through LACOE is determined by AB 1801 disbursement methodology. This AB 1801 funding is allocated only to 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 2004-05, according to the allocation formula approved by the State.

The MOUs have been approved as to form by County Counsel. The CAO and LACOE have reviewed and approved the proposed actions.

IMPACT ON CURRENT SERVICES

Board approval of the acceptance of Federal IDEA funds totaling \$13,832,574 from LACOE will provide continual funding to the County to provide mandated mental health services to eligible students identified with disabilities and with an IEP so that they may benefit from public education.

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