

COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH

F A C T S H E E T

**AUTHORIZATION TO SIGN A MEMORANDUM OF UNDERSTANDING WITH LOS ANGELES COUNTY OFFICE OF EDUCATION FOR FISCAL YEAR 2007-08
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request to ratify the Department of Mental Health's (DMH) prior acceptance of a Memorandum of Understanding (MOU) with the Los Angeles County of Education (LACOE) to expend \$13,832,574 of Federal Individuals with Disabilities Education Act (IDEA) funds for mental health services to eligible students with disabilities and with an Individual Education Plan (IEP) for Fiscal Year (FY) 2007-08.

REQUEST

Ratify the Department's prior acceptance of a MOU with LACOE that ensures the Department will receive \$13,832,574 in IDEA funds for FY 2007-08 to enable DMH to accept IDEA funds for mental health services to eligible students identified with disabilities and with an IEP. The IDEA funds were allocated to LACOE by the California Department of Education in accordance with Assembly Bill (AB) 1807 (Chapter 74, Statutes 2006), and will be fully transferred to the County of Los Angeles on behalf of DMH for FY 2007-08 upon Board approval. These funds are included in DMH's FY 2007-08 Adopted Budget.

Delegate authority to the Director of DMH or his designee (a) to extend and/or amend the existing MOU, and (b) to sign and execute a new MOU to receive additional funds and/or to continue funding in future fiscal years provided that the MOU remains substantially similar to the present MOU with LACOE, and so long as prior approval is received from County Counsel and the Chief Executive Office (CEO), and notification of acceptance of future IDEA funding is provided to your Board.

PURPOSE/JUSTIFICATION

The recommended action will ratify DMH's prior acceptance of an MOU with LACOE and allow DMH to extend, amend or enter into new MOUs for the use of IDEA funding allocation from LACOE to DMH 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 1807 provides Federal IDEA

funds for mental health services, pursuant to Government Code Section 7570 et seq., through LACOE.

Ratification of the Department's acceptance of the MOU for FY 2007-08 with LACOE meets the exemption criteria No. 2, "The County's receiving funds (normally from a higher level of government)," noted in the CEO's September 7, 2000, memo regarding your Board's policy on timely submission for Board approval.

CONTRACTOR

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 an indefinite 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.

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 2007-08 (SB 77) provides \$69 million of Federal IDEA funds statewide, of which \$13,832,574 are allocated for Los Angeles County.

The requirement for DMH to receive this funding funneled through LACOE is determined by AB 1807 disbursement methodology. This funding is allocated only to local education agencies. The funds are granted to the County Office of Education of each county to transfer to the local County Department of Mental Health through a claiming procedure mandated by AB 1807. 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.

AB 1807 also required that the California Department of Education and California Department of Mental Health develop a template for an MOU between the local offices of education and county mental health plans. The MOU was to affect the transfer of funds and data regarding the provision of mental health services to disabled pupils in all 58 counties for FY 2007-08. The statute required that MOUs be signed by the respective offices of education and county mental health plans and submitted to the California Department of Mental Health by May 15, 2007. The State agencies took longer than expected to develop the template and have it vetted by their respective legal counsels. Upon completion of that process, LACOE and DMH were focused upon obtaining the signatures of the directors and submitting the MOU to the State before the deadline, which was accomplished. Because of the urgency to meet the deadline, the Department executed the revised version of the MOU to ensure the transfer of funds to DMH. The Department seeks Board ratification of this letter to fully disclose the circumstances leading to its development and execution.

The CEO and County Counsel have reviewed the proposed action.

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