



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

January 28, 2008

DMH INFORMATION NOTICE NO.: 08-01

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

SUBJECT: REQUEST TO DEDICATE FUNDS TO THE MENTAL HEALTH
SERVICES ACT COMMUNITY SERVICES AND SUPPORTS
PRUDENT RESERVE

REFERENCE: IMPLEMENTATION OF THE MHSA, WELFARE AND
INSTITUTIONS CODE (WIC) SECTION 5847(a)(7).

This Department of Mental Health (DMH) Information Notice provides Counties¹ that receive funding under the Mental Health Services Act (MHSA) a form to request to dedicate Community Services and Supports (CSS) funding to the local prudent reserve pursuant to the Welfare and Institutions Code (WIC) Section 5847(a)(7). A copy of the form (Request to Dedicate Funds to the CSS Local Prudent Reserve) is enclosed.

Pursuant to WIC Section 5847(a)(7), each County is required to submit a Three-Year Program and Expenditure Plan and update that includes establishment and maintenance of a prudent reserve for the CSS component. The prudent reserve is necessary so that the County can continue to serve children, adults and seniors during years in which revenues for the Mental Health Services Fund are insufficient. Each County should establish the prudent reserve at the local level. The prudent reserve should be funded at 50 percent of the most recent annual approved CSS funding level by July 1, 2010, unless the County would have to reduce MHSA services below the level funded in FY 2007-08 (including services funded with the FY 2007-08 CSS augmentation and CSS administration) in order to reach the 50 percent prudent reserve.

To dedicate funds to the local prudent reserve, a County may submit the enclosed form signed by the County Mental Health Director (or designee). This form functions as both a

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

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Plan update to the County's existing Three-Year Program and Expenditure Plan and a request for DMH to modify the County's existing MHSA Agreement. Each County must comply with Title 9, California Code of Regulations, Section 3300 regarding the Community Planning Process and Section 3315(b) regarding the local review process that includes a 30-day comment period prior to submitting the enclosed form (Request to Dedicate Funds to the CSS Local Prudent Reserve).

MHSA CSS funds dedicated by the County to the local prudent reserve can only be accessed in accordance with WIC Sections 5847(a)(7) and 5847(f) which requires a Plan update to the County's Three-Year Program and Expenditure Plan. A County will be able to access these funds only with DMH approval.

The signed form (original plus three copies) should be sent to the following address:

**Assistant Deputy Director, Community Program Support
Community Services Division
California Department of Mental Health
1600 9th Street, Room 130
Sacramento, CA 95814**

The Mental Health Services Oversight and Accountability Commission (MHSOAC) will review and comment on the proposed Plan update (i.e., the Request to Dedicate Funds to the CSS Local Prudent Reserve form) and DMH will review and approve the proposed Plan update, as specified in WIC Section 5847(a). Within 30 days of submission of a complete signed proposed Plan update, DMH will issue a decision to approve or disapprove the Plan update to dedicate funds to the local prudent reserve. If approved, DMH will incorporate the prudent reserve into the County's MHSA Agreement.

If you have any further questions, please contact your County Liaison identified on the following internet site: http://www.dmh.ca.gov/Provider_Info/default.asp. Thank you.

Sincerely,

Original signed by:

STEPHEN W. MAYBERG, Ph.D.
Director

Enclosure