

El Dorado County Board of Supervisors

Response to

El Dorado County 2018-2019 Grand Jury Final Reports

#18-02: Mental Health Services Act Fund Spending

#18-03: Jail and Juvenile Detention Centers Inspections

#18-06: A Fair Review

#18-02: Mental Health Services Act Fund Spending

The 2018-2019 Grand Jury conducted a review of the County's Mental Health Services Act (MHSA) Fund, following their review of two reports issued by State agencies which reviewed and reported on state-wide use of Mental Health Services Act funding in all counties.

The Grand Jury has requested a response from the Board of Supervisors to all Findings and Recommendations. The El Dorado County Board of Supervisors is the only named respondent to this report.

GRAND JURY CONCLUSION

Unexpended MHSA funds are subject to reversion to the State, unlike most other County programs, where funds not spent during a budget year are returned to the County's General Fund. The State will then redistribute reverted funds to all 58 counties. The County 2018-2019 annual plan update has a *Reversion Reallocation Expenditure Plan*, which calls for funds subject to reversion to be given priority for expenditure. The annual update also calls for Community Services and Support funds identified during the fiscal year that are at risk of reversion be transferred to the Reserve account. The Grand Jury interviewed individuals with the most knowledge of Mental Health Services Act funds. However, none of the key County administrators interviewed indicated there have been any changes to either MHSA budgeting philosophy or contracting procedures, which could reduce the risk of County funds being reverted to the State.

FINDINGS

F1. Underspending of MHSA funds is a State-wide issue, although a few counties have managed to fully utilize funds provided under this program.

The Board of Supervisors agrees with the finding.

F2. The County's MHSA Project Team has taken some actions to minimize the risk of reversion of MHSA funds.

The Board of Supervisors agrees with the finding.

Specifically, MHSA Innovation funds have been at risk of reversion, and the MHSA Project Team has recommended adding one new project, expanding an existing project, and opting into two statewide Innovation projects for FY 2019-20 to address local needs while spending down at-risk funds. These are all still pending approval from the Mental Health Services Oversight and Accountability Commission (MHSOAC).

F3. There are systemic and persistent issues in hiring and retaining County mental health employees that impact the timely expenditure of MHSA funds.

The Board of Supervisors agrees with the finding.

The Health and Human Services Department reports the following status of recruitment and retention efforts, as of May 2019:

- *Since 2016 Behavioral Health has conducted 38 recruitments and has had 30 separations. Overall, the Department has experienced a 109% turnover in Mental Health Clinician positions.*
- *Behavioral Health had 18.5 filled Clinician positions and 12 vacancies.*
- *12 of the 18.5 filled positions were still interns and not qualified for professional licensure yet.*
- *Statewide there is a shortage of medical professionals and there is increasing demand for licensed mental health clinicians.*

F4. The El Dorado County budgeting philosophy puts County MHSA funds at risk of reversion.

The Board of Supervisors disagrees with the finding.

The County budgeting approach is to represent the full obligation and anticipated revenues for all County programs and services. If the Department were to budget at less than the County's obligated expenditures, this could lead to financial and budget complications during the fiscal year. Furthermore, actual expenses are not influenced by the County budgeting approach, but by other challenges that are described in the Grand Jury Report.

Through the county budgeting process, the Department budgets 100% of anticipated annual plan expenditures, based on the approved plan budget. Due to a variety of reasons, including vacancies in budgeted positions, expenditures rarely reach this level, creating "plan savings." The Department uses forecasting tools separate from the annual County budget, and holds routine discussions regarding how to manage and use plan savings.

F5. The County's contracting procedures are complex and time-consuming. This allows less time for contractors to assist staff in developing and implementing programs, putting County MHSA funds at risk of reversion.

The Board of Supervisors agrees with the finding.

Due to contracting processes that are required to be followed by public agencies, as well as the complexity of developing and implementing new public service programs, it can take several months to conduct a competitive procurement process and at times additional months are needed to negotiate and execute final contracts. Once contracts are in place, additional start-up time is necessary for contractors to build and implement programs for MHSA.

RECOMMENDATIONS

R1. The County should contact Counties who have been successful in spending MHSA funds in a timely manner to determine if there are best practices that might be used to better utilize MHSA funds.

This recommendation has not been implemented, but will be implemented within the next two months.

Behavioral Health will contact Santa Cruz, Sonoma and Tuolumne Counties to inquire about their lessons learned and what practices could be implemented in El Dorado County to better expend all funds.

R2. The Chief Administrative Officer, the Director of Health and Human Services the County Auditor-Controller and the Director of Human Resources should review County budgeting and personnel philosophies, strategies, and procedures to ensure that these administrative functions fully support the timely expenditure of MHSA funds.

This recommendation has not been implemented, but will be implemented within the next three months.

The Director of Health and Human Services and the Director of Human Resources are looking into the factors impacting Clinician recruitment and retention and will be developing recommendations to improve those processes.

The departments identified by the Grand Jury are consistently working to improve efficiency and effectiveness of County processes and procedures, and the departments will make a separate effort to review those processes and procedures relative to the unique challenges facing the Mental Health Services Act program and funding.

R3. The Chief Administrative Officer, the Director of Health and Human Services, the County Auditor-Controller, and the Procurement and Contracts Division Purchasing Agent should review County contracting strategies and procedures to ensure that these administrative functions fully support the timely expenditure of MHSA funds.

This recommendation has not been implemented, but will be implemented within the next three months.

As stated in Recommendation 2, above, the departments identified by the Grand Jury are consistently working to improve efficiency and effectiveness of County processes and procedures, and the departments will make a separate effort to review those processes and procedures relative to the unique challenges facing the Mental Health Services Act program and funding.