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County of Santa Cruz

HEALTH SERVICES AGENCY

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AGENCY ADMINISTRATIVE DIVISION

January 15, 2002

AGENDA: February 5, 2002

Board of Supervisors
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

SUBJECT: Report Back on Implementation of Proposition 36

Dear Members of the Board:

The Health Services Agency (HSA) requests that your Board approve and file this report on the status of Proposition 36 implementation; authorize the HSA Administrator to negotiate and return for your Board's approval amendments to agreements for Proposition 36 drug treatment services; and adopt a resolution to accept and appropriate \$26,222 of Proposition 36 revenue.

Background

On May 22, 2001, your Board approved the County's plan to implement Proposition 36, created new positions in HSA and the Probation Department, accepted and appropriated Proposition 36 revenues, and authorized HSA to negotiate contracts for Proposition 36 drug treatment services. In addition, your Board directed the HSA Administrator to return in February 2002 with a report on the status of Proposition 36 implementation and any needed contract amendments to ensure the continued availability of Proposition 36 drug treatment services.

Status of Proposition 36 Implementation

Since Proposition 36 became effective on July 1, 2001, the following implementation actions have been taken and related issues have arisen:

Steering Committee. The Proposition 36 Steering Committee, comprised of staff from HSA, the courts, Probation, District Attorney, Public Defender, Sheriff, Criminal Justice Council, County Administrative Office, and State Parole has met regularly and developed a cooperative working relationship to promote defendants' recovery while protecting public safety. All Proposition 36 cases have been consolidated into a single court to increase efficiency and ensure consistent handling of cases. Contrary to the experience of many other counties, no Proposition 36 cases have gone to a jury trial.

Staffing. HSA has filled both of the Case Manager positions authorized by your Board. Probation has filled the Deputy Probation Officer (DPO) III position, and is recruiting for the DPO II and Probation Aide positions.

Contracts for Drug Treatment. HSA has developed contracts with eight local non-profit drug treatment agencies for provision of Proposition 36 services.

Client Services. From July 1, 2001 to October 31, 2001, there were 164 persons accepted into the Proposition 36 program. Client outcome data is not yet available, but an early positive indicator is that nearly two-thirds of the clients have been admitted to a treatment program and remain in treatment for at least one month after sentencing.

For most clients, resources are sufficient to ensure timely availability of the treatment services recommended by the Proposition 36 Case Manager. However, shortages of treatment capacity have been noted for short-term residential treatment; detoxification services for clients who have a relapse after entering a treatment program; and dual diagnosis services for drug abusers whose mental illness is not sufficiently severe to qualify for Community Mental Health services.

To meet the need for short-term residential services, HSA and the Proposition 36 Steering Committee have been working with Sunflower House to redesign its long-term residential program to shorten the length of stay and improve client retention. In addition, your Board recently approved a contract amendment with Sobriety Works for day treatment services that, when coupled with clean and sober housing, will also meet the need for a more intensive level of service than outpatient.

With the shortage of detoxification beds and Proposition 36 restrictions on incarcerating clients who relapse, there are limited options for clients who relapse and lose their clean and sober housing or residential treatment bed. The Steering Committee recognizes this as a significant problem, and is continuing to work on detoxification options for clients who relapse.

The Steering Committee is also working on treatment options for dual diagnosis clients, including working with the Santa Cruz Community Counseling Center to obtain State Department of Alcohol and Drug Programs (ADP) certification of the Pioneer House dual diagnosis day treatment program. Proposition 36 treatment funds can only be spent on programs that are licensed or certified by ADP.

Drug Testing. The Steering Committee has developed a protocol for drug testing of all Proposition 36 clients, and treatment providers are contracted to provide drug testing services. On January 8, 2002, your Board approved the County's plan for expenditure of \$71,414 of State funds for drug testing of Proposition 36 clients. The \$71,414 of State funds will not be sufficient to cover the projected costs of drug testing, and it is intended that client fees will support the balance of drug testing expenses. Proposition 36 funds cannot be used to pay for drug testing. HSA is tracking drug testing expenditures and offsetting client fees, but trends are not yet sufficiently clear to allow determination of whether there will be sufficient revenue to cover budgeted expenditures. If revenues are not sufficient, HSA will work with the Steering Committee to revise the drug testing protocol and/or obtain additional revenues.

Service Utilization and Expenditures. From July 1 to November 30, 2001, Proposition 36 drug treatment expenditures totaled \$200,847. Monthly expenditures were relatively low in July and August, but escalated rapidly as the program ramped up. The expenditure growth trend appears

to be leveling off as clients begin to graduate from services. The Proposition 36 trust fund balance currently includes unexpended 2000-01 funds. Consequently, there will be sufficient funds to cover 2001-02 expenditures. However, the question of whether there will be sufficient Proposition 36 funds to cover the cost of services in the long term cannot yet be answered. As discussed in HSA's May 22, 2001 letter to your Board, HSA will track Proposition 36 expenditures and, if necessary, seek additional revenues or more closely control costs. If no other alternatives can be found, Proposition 36 clients can be referred to existing County-funded drug treatment services with resultant increases in waiting lists for these services.

Contract Augmentations

In its May 22, 2001 letter to your Board, HSA indicated that it would develop agreements with Proposition 36 service providers based on estimates of the amount of funds needed to provide services for the first two quarters of 2001-02, and return mid-year to adjust providers' contracts to ensure that contract amounts will be sufficient to cover the remainder of the fiscal year. Based on service utilization from July 1 to November 30, 2001 and year-end projections, **HSA** is proposing to negotiate amendments with the following service providers in the amounts shown below:

<u>Agency</u>	<u>Type of Service</u>	<u>Augmentation</u>
The Camp	Outpatient	\$15,000
Janus	Outpatient, residential, detox, sober living	75,000
New Life Center	Outpatient	20,000
Sobriety Works	Outpatient	35,000
Youth Resource Bank	Ancillary Services (literacy and job training, etc.)	<u>10,000</u>
	Total	\$155,000

Augmentations will be negotiated at the same unit of service rates and according to the same terms as the existing agreements with these agencies. HSA will return to your Board for approval of the amendments once they are negotiated.

Funding

Current appropriations of Proposition 36 trust funds into the HSA Alcohol and Drug Program budget are sufficient to cover most of the recommended contract augmentations. However, an additional \$26,222 of Proposition 36 trust funds must be appropriated to fully offset the \$155,000 of contract augmentations. The contract augmentations will not result in any increase in net County cost.

It is, therefore, **RECOMMENDED** that your Board:

1. Accept and file this report on the status of Proposition 36 implementation; and
2. Authorize the Health Services Agency to negotiate amendments to agreements with Proposition 36 service providers and return for approval of the agreements; and

3. Adopt the attached resolution accepting and appropriating \$26,222 of unanticipated Proposition 36 revenues into the HSA Alcohol and Drug Program budget.

Sincerely,



Rama Khalsa, Ph.D.
Health Services Administrator

RECOMMENDED:



Susan A. Mauriello
County Administrative Officer

cc: County Administrative Officer
Auditor Controller
County Counsel
HSA Administration
Alcohol and Drug Program
Proposition 36 Steering Committee

**BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA**

RESOLUTION NO. _____

0057

On the motion of Supervisor _____
duly seconded by Supervisor _____
the following resolution is adopted.

RESOLUTION ACCEPTING UNANTICIPATED REVENUE

WHEREAS, the County of Santa Cruz is a recipient of funds from _____ the State Dept. of
Alcohol and Drug Programs for the Proposition 36 _____ program(s); and

WHEREAS, the County is a recipient of funds in the amount of \$ 26,222
which are either in excess of those anticipated or are not specifically set in the current
fiscal year budget of the County; and

WHEREAS, pursuant to Government Code Section 29130(c)/29064(b), such funds
may be made available for specific appropriation by a four-fifths vote of the
Board of Supervisors;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Santa Cruz County
Auditor-Controller accept funds in the amount \$ 26,222 into
Department HSA Alcohol and Drug Program


T/C	Index Number	Revenue Subobject Number	Account Name	Amount
001	364032	0691	State - Prop 36 Sub Abuse Trmnt.	\$ 26,222

and that such funds be and are hereby appropriated as follows:

T/C	Index Number	Expenditure Subobject Number	PRJ/UCD	Account Name	Amount
021	364042	3638		Medical Svcs - Other	26,222

Total \$26,222

DEPARTMENT HEAD I hereby certify that the fiscal provisions have been researched
and that the Revenue(s) (has been) (will be) received within the current fiscal year

By  Date 1/16/2
Department Head

COUNTY ADMINISTRATIVE OFFICER

WGB

Recommended to Board

0058

Not Recommended to Board

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this _____ day of _____ by the following vote (requires three-fifths vote for approval):

AYES : SUPERVISORS

NOES : SUPERVISORS

ABSENT: SUPERVISORS

CHAIR OF THE BOARD

ATTEST :

Clerk of the Board

APPROVED AS TO FORM:

Ralu Garcia
County Counsel

APPROVED AS TO ACCOUNTING DETAIL:

Renee Lemson 1-27-02
Auditor-Controller

Distribution:

- Auditor-Controller
- County Council
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