



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

April 24, 2009

TO: LOCAL MENTAL HEALTH DIRECTORS
LOCAL MENTAL HEALTH PROGRAM CHIEFS
LOCAL MENTAL HEALTH ADMINISTRATORS
COUNTY ADMINISTRATIVE FISCAL OFFICERS
COUNTY HOMELESS COORDINATORS

SUBJECT: FEDERAL MCKINNEY PROJECTS FOR ASSISTANCE IN
TRANSITION FROM HOMELESSNESS (PATH) GRANT
APPLICATION FOR STATE FISCAL YEAR (SFY) 2009-2010

EXPIRES: June 30, 2010

This letter describes the application process for the State Fiscal Year (SFY) 2009-2010 PATH Formula Grant Program. The PATH grant is authorized under the Stewart B. McKinney Homeless Assistance Amendments Act of 1990 (Public Law 101-645, Title V, Subtitle B). These instructions are consistent with federal and state laws and regulations. The grant provides funds to states for the provision of services to individuals who have a severe mental illness, or who have co-occurring severe mental illness and substance abuse disorders, and who are homeless or at imminent risk of becoming homeless. California's PATH allotment from the Center for Mental Health Services for SFY 2009-2010 is \$8,261,000. This amount reflects an increase of \$984,000 statewide.

DMH plans to utilize two percent of the grant to administer the statewide program.

APPLICATION SUBMISSION AND DEADLINE

The 'PATH Application Instructions' are enclosed.

Each County's PATH application package should include:

(Enclosures I through VI of the PATH application) which is due no later than **May 15, 2009**. These enclosures must be forwarded to the federal government; therefore, it is urgent that this deadline be observed. Please review these enclosures carefully to ensure that the description of PATH-funded services and programs accurately respond to the questions on the Intended Use Plan and are in the same format.

Also included is the Federal Grant Expenditure Report (Enclosure VII and VII-A), the Grant Financial Status Report (Enclosure VIII), and the Grant Cash Transaction report form (Enclosure IX). Enclosures VIII and IX must be submitted quarterly within 20 calendar days of the end of the quarter. Service Definitions for PATH-Funded Services (Enclosure X) are provided for clarification of definitions. Please note, this document is currently in draft form. Guidelines for Assessing Cultural Competence (Enclosure XI) and Guidelines for Consumer and Family Participation (Enclosure XII) are also provided.

MATCH REQUIREMENT

Counties are required to make available (directly or indirectly) nonfederal contributions toward the cost of services in the amount of one dollar (\$1) for each three dollars (\$3) of federal funds provided. Nonfederal contributions may be in cash or in-kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the federal government, including services assisted or subsidized by the federal government, shall not be included in determining the amount of such nonfederal contributions (OMB Circular A-110).

SPECIAL REQUIREMENTS

In funding programs from the PATH grant, counties are obligated to follow these special requirements:

1. Grant funds may be used only to provide services to individuals who are suffering from serious mental illness (Public Law 102-321) or from a co-occurring serious mental illness and substance abuse disorder and who are homeless or at imminent risk of becoming homeless.
2. Grant funds cannot be used by any entity that has a policy of excluding individuals due to the existence of substance abuse or that has a policy of excluding individuals from substance abuse services due to the existence or suspicion of mental illness.
3. In selecting contract providers, counties are to give special consideration to entities with a demonstrated effectiveness in serving homeless veterans.
4. Not more than 20 percent of the county allocation can be expended on the housing services permitted in item 10 of the Specification of Services section of the PATH Application Instructions.

5. Grant payments may not be expended:

- To support emergency shelters or construct housing facilities.
- For inpatient psychiatric treatment costs or inpatient substance abuse treatment costs.
- To make cash payments to intended recipients of mental health or substance abuse services.

6. Administrative Expenses:

The federal government allows four percent of the entire state grant for purposes of administrative expenses (OMB Circular A-87). County programs will be allowed to claim up to two percent of their allocation for selected administrative costs. The state will utilize two percent of the PATH grant for state incurred administrative costs.

PROGRAM CONSIDERATIONS

The following factors should be considered in formulating PATH programs:

1. According to the federal legislation, the use of PATH funds for shelter operations and for shelter beds is not permitted. Funds expended directly to house clients are to be related only to security deposits or one-time payments to prevent eviction.
2. Funds expended must clearly be appropriate and necessary to meet the purpose of PATH programs. The federal government places emphasis on the PATH funds being directly related to services received by the target population.
3. Counties are requested, to the extent possible, to expend PATH funds in coordination with other funds available, both federal and state, for persons who are homeless and have a serious mental illness.

REPORTING REQUIREMENTS

The reporting requirements, including budget forms, cost report forms, and end-of-year program forms, are included in the instructions.

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If you have any questions regarding PATH program requirements, please contact Peter Best, at (916) 657-3487, or via e-mail at peter.best@dmh.ca.gov. Questions regarding fiscal reporting requirements should be directed to Kimberly Wimberly, at (916) 653-7968, or via e-mail at kimberly.wimberly@dmh.ca.gov.

Sincerely,

Original signed by

DENISE M. AREND
Deputy Director
Community Services

Enclosures

cc: Administrative Services
California Mental Health Planning Council
Program Compliance