

California Mental Health Services Authority (CalMHSA)

CalMHSA STRATEGIC PLANNING SESSION

Thursday, April 13, 2017

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Laura Li at (916) 859-4818 (telephone) or (916) 859-4805 (facsimile). Requests must be made as early as possible, and at least one full business day before the start of the meeting.

Materials relating to an item on this agenda submitted to this Board after distribution of the agenda packet are available for public inspection at 3043 Gold Canal Drive, Suite 200, Rancho Cordova, CA, 95670, during normal business hours.

| THURSDAY, APRIL 13, 2017 | |
|---------------------------------|---|
| 10:00 a.m. – 10:15 a.m. | Welcome (<i>Terence Rooney</i>) |
| 10:15 a.m. – 10:20 a.m. | Facilitator (<i>Lisa Yates</i>) <ul style="list-style-type: none">• Overview of the Day |
| 10:20 a.m. – 11:15 a.m. | Deliverables on Strategic Plan (<i>Wayne Clark</i>) <ul style="list-style-type: none">• Member Orientation• Short Video• Questions and Answers |
| 11:15 a.m. – 12:30 p.m. | Structure for Success <ul style="list-style-type: none">• Breakout Groups |
| 12:30 p.m. – 1:30 p.m. | Lunch – Board Meeting and EMM Presentation |
| 1:30 p.m. – 2:45 p.m. | Programs/Services for the Future <ul style="list-style-type: none">• Breakout Groups |
| 2:45 p.m. – 3:15 p.m. | Summary |
| 3:15 p.m. | Adjourn |

Board of Directors Meeting Agenda

Thursday, April 13, 2017

12:30 p.m. – 1:30 p.m. General Session



Meeting Location:

Courtyard by Marriott Sacramento Cal Expo
1782 Tribute Road
Sacramento, CA 95815

California Mental Health Service Authority
(CalMHSA)
Board of Directors Meeting
Agenda

Thursday, April 13, 2017

12:30 p.m. – 1:30 p.m. General Session

Courtyard by Marriott Sacramento Cal Expo
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Sacramento, CA 95815

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A. BOARD OF DIRECTORS REGULAR MEETING

- 1. CALL TO ORDER**
- 2. ROLL CALL AND INTRODUCTIONS**
- 3. INSTRUCTIONS FOR PUBLIC COMMENT AND STAKEHOLDER INPUT**

The Board welcomes and encourages public participation in its meetings. This time is reserved for members of the public (including stakeholders) to address the Board concerning matters on the agenda. Items not on the agenda are reserved for the end of the meeting. Comments will be limited to three minutes per person and 20 minutes total.

For agenda items, public comment will be invited at the time those items are addressed. Each interested party is to complete the Public Comment Card and provide it to CalMHSA staff prior to start of item. When it appears there are several members of the public wishing to address the Board on a specific item, at the outset of the item, the Board President may announce the maximum amount of time that will be allowed for presentation of testimony on that item. Comment cards will be retained as a matter of public record.

| | |
|--|----|
| 4. CONSENT CALENDAR | 5 |
| A. Routine Matters | |
| 1. Minutes from the February 9, 2017 Board of Directors Meeting..... | 6 |
| B. Reports / Correspondence | |
| 1. Cash Balance as of March 31, 2017..... | 11 |
| 2. Projected Cash Flow as of March 31, 2017..... | 12 |
| 3. CalMHSA Financial Audit Engagement..... | 13 |
| Recommendation: Approval of the Consent Calendar. | |
| 5. PROGRAM MATTERS | |
| A. Sustainability Taskforce Report – Alfredo Aguirre..... | 21 |
| • Phase III Statewide PEI Project – Establishing a Funding Threshold for Augmented Services, and FY 17-18 Contract Considerations | |
| Recommendation: | |
| 1) Direct staff to establish a funding contribution threshold for counties to receive augmented services through the Phase III Statewide PEI Project. Recommended funding contribution threshold is at least 5% or \$300,000 in contributions to the Phase III Statewide PEI Project. | |
| 2) Authorize staff to extend and amend current Phase II contracts for the first year of the Phase III Statewide PEI Project Implementation Plan, based on available funding. | |
| 3) Authorize staff to enter into sole source contracts with two, Phase II subcontractors for FY 17-18, based on the CalMHSA Sole Source Procurement Policy, and available funding. | |
| B. Each Mind Matters Presentation..... | 49 |
| Recommendation: Information only. | |
| 6. FINANCIAL MATTERS | |
| A. Finance Committee - Complexities Related to Non Paying Counties..... | 63 |
| • CalMHSA Funding & Participation Flowchart | |
| • Annual Estimate Program Funding Commitment Sample | |
| • CalMHSA Bylaws with Draft Changes | |
| Recommendation: Discuss and approve a solution for addressing the issue of member counties benefitting from programs, for which they do not financially contribute. | |
| B. George Hills Company Contract with CalMHSA..... | 91 |
| Recommendation: Finance Committee recommends Board approval of the Fourth Amendment to the George Hills Company contract, which would be effective July 1, 2017 through June 30, 2020. | |
| 7. GENERAL DISCUSSION | |
| A. Report from CalMHSA President – Terence M. Rooney..... | 85 |

- Elections and Nominations
- General

Recommendation: Discussion and/or action as deemed appropriate.

8. PUBLIC COMMENTS

A. Public Comments Non-Agenda Items

This time is reserved for members of the public to address the Board relative to matters of CalMHSA not on the agenda. No action may be taken on non-agenda items unless authorized by law. Comments will be limited to three minutes per person and 20 minutes in total. The Board may also limit public comment time regarding agenda items, if necessary, in the case of a lengthy agenda.

9. NEW BUSINESS

General discussion regarding any new business topics for future meetings.

10. CLOSING COMMENTS

This time is reserved for comments by Board members and staff to identify matters for future Board business.

11. ADJOURNMENT

CONSENT CALENDAR
Agenda Item 4

SUBJECT: Consent Calendar

ACTION FOR CONSIDERATION:

Approval of the Consent Calendar.

BACKGROUND AND STATUS:

The Consent Calendar consists of items that require approval or acceptance but are self-explanatory and require no discussion. If the Board would like to discuss any item listed, it may be pulled from the Consent Calendar.

A. Routine Matters:

1. Minutes from the February 9, 2017 Board of Directors Meeting

B. Reports / Correspondence

1. Cash Balance as of March 31, 2017
2. Projected Cash Flow as of March 31, 2017
3. CalMHSA Financial Audit Engagement

FISCAL IMPACT:

See staff reports for fiscal impact.

RECOMMENDATION:

Approval of the Consent Calendar.

TYPE OF VOTE REQUIRED:

Majority vote.

REFERENCE MATERIAL(S) ATTACHED:

- February 9, 2017 Board of Directors Meeting Minutes
- Cash Balance as March 31, 2016
- Projected Cash Flow as of March 31, 2017
- CalMHSA Audit Engagement



"A George Hills Company Administered JPA"

**CalMHSA Board of Directors
Meeting Minutes from February 9, 2017**

BOARD MEMBERS PRESENT

Butte County – **Dorian Kittrell**
Colusa County – **Terence M. Rooney**
Contra Costa – **Warren Hayes** (*Alternate*)
El Dorado County – **Patricia Charles-Heathers**
Fresno County – **Dawan Utecht**
Glenn County – **Amy Lindsey**
Kern County – **Bill Walker**
Kings County – **Ahmad Bahrami** (*Alternate*)
Los Angeles County – **William Arroyo** (*Alternate*)
Madera County – **Dennis P. Koch**
Marin County – **Suzanne Tavano**
Merced County – **Yvonnia Brown**
Modoc County – **Karen Stockton**
Monterey County – **Aime Miller**
Napa County – **Bill Carter**
Orange County – **Mary Hale**
Placer County – **Maureen Bauman**
Plumas County – **Bob Brunson**
Riverside County – **Steve Steinberg**
Sacramento County – **Uma Zykofsky**
San Bernardino County – **Veronica Kelley**
San Diego County – **Alfredo Aguirre**
San Joaquin County – **Jim Garrett**
Shasta County – **Dean True** (*Alternate*)
Sonoma County – **Michael Kennedy**
Stanislaus County – **Cherie Dockery**
Sutter/Yuba County – **Tony Hobson**
Tri-City Mental Health Center – **Rimmi Hundal** (*Alternate*)
Trinity County – **Noel O'Neill**
Tuolumne County – **Rita Austin**
Yolo County – **Joan Beesley** (*Alternate*)

BOARD MEMBERS ABSENT

Alameda County
Berkeley, City of
Del Norte County
Humboldt County
Imperial County
Inyo County

Lake County
Lassen County
Mariposa County
Mendocino County
Mono County
Nevada County
San Benito County
San Francisco City/County
San Luis Obispo County
San Mateo County
Santa Barbara County
Santa Clara County
Santa Cruz County
Siskiyou County
Solano County
Tulare County
Ventura County

MEMBERS OF THE PUBLIC

Scott Rose, RSE

Kirsten Barlow, CBHDA

Jana Sczersputowski, Your Social Marketer

STAFF PRESENT

Wayne Clark, CalMHSA Executive Director
John Chaquica, CalMHSA Chief Operations Officer
Ann Collentine, CalMHSA Program Director
Kim Santin, CalMHSA Finance Director
Laura Li, CalMHSA JPA Administrative Manager
Douglas Alliston, CalMHSA Legal Counsel
Theresa Ly, Program Manager
Aubrey Lara, Assistant Program Manager
Armando Bastida, CalMHSA Executive Assistant

A. CLOSED SESSION

a) CALL TO ORDER

CalMHSA President Terence M. Rooney, Colusa County, called the Board of Directors meeting of the California Mental Health Services Authority (CalMHSA) to order at 10:03 A.M. on February 9, 2017, at the Courtyard by Marriott Sacramento Cal Expo, California. President Rooney welcomed those in attendance as well as those listening in on the phone, and asked all present to introduce themselves.

President Rooney asked CalMHSA JPA Administrative Manager Laura Li to call roll, in order to confirm a quorum of the Board.

b) ROLL CALL AND INTRODUCTIONS

Ms. Li called roll and informed President Rooney a quorum was reached.

c) CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION – Government Code section 54956.9(d)(1) – In the matter of Mental Health America of California, Case No. MH17-1214-361-RD before the DHCS Office of Administration Hearings and Appeals.

Approval was given to legal counsel to defend CalMHSA in an administrative proceeding arising out of DHCS's audit of Mental Health America of California, a subcontractor of CalMHSA in the original PEI statewide programs.

B. Board of Directors Regular Meeting

1. CALL TO ORDER

CalMHSA President Terence M. Rooney, Colusa County, called the Board of Directors meeting of the California Mental Health Services Authority (CalMHSA) to order at 10:48 A.M. on February 9, 2017, at the Courtyard by Marriott Sacramento Cal Expo, California. President Rooney welcomed those in attendance as well as those listening in on the phone, and asked all present to introduce themselves.

President Rooney asked CalMHSA JPA Administrative Manager Laura Li to call roll, in order to confirm a quorum of the Board.

2. ROLL CALL AND INTRODUCTIONS

Ms. Li called roll and informed President Rooney a quorum was reached.

3. INSTRUCTIONS FOR PUBLIC COMMENT AND STAKEHOLDER INPUT

CalMHSA Legal Counsel, Douglas Alliston reviewed the instructions for public comment, and noted items not on the agenda would be reserved for public comment at the end of the agenda. Public comment cards to be submitted to Laura Li and individuals on the phone were instructed to email Laura Li with their comments.

4. CONSENT CALENDAR

President Rooney acknowledged the consent calendar and asked for comment from Board members. President Rooney entertained a motion for approval of the Consent Calendar.

Action: *Approval of the consent calendar.*

Motion: *Dr. William Arroyo, Los Angeles County*

Second: *Noel O'Neill, Trinity County*

Motion passed unanimously.

Public comment was heard from the following individual(s):

None

5. PROGRAM MATTERS

A. Sustainability Taskforce Report – Alfredo Aguirre

Alfredo did a detailed review of the Phase III PEI sustainability plan at the \$5 million level given current contributions. It was also made clear that should additional funding be reached, the work and evaluation will be expanded. However, work would not be augmented for under contributing counties.

Action: *Discussion and/or action as deemed appropriate.*

Public comment was heard from the following individual(s):

None

B. Directing Change 2016 Outcomes

Ann Collentine provided an introduction to the Directing Change Outcomes and explained the Know the Signs memo which was sent to members regarding new release of the materials in May. Ann Collentine introduced Alyssa Ghirardelli, NORC, who provided an overview of the study. Members expressed their excitement for findings re: the study and requested the presentation be sent to all bodies i.e., legislature, schools, counties, partners, etc.

Action: *Information only.*

Public comment was heard from the following individual(s):

None.

6. FINANCIAL MATTERS

A. Report from the CalMHSA Finance Committee – Bill Walker

Treasurer, Bill Walker, provided an overview of the Finance Committee actions and discussions previously held. Bill Walker noted an important discussion topic which will be presented at the next Board of Directors meeting.

Action: *Information only.*

Public comment was heard from the following individual(s):

None.

7. GENERAL DISCUSSION

A. Report from CalMHSA President – Terence M. Rooney

President Rooney gave thank you to Directors for participating.

B. Report from CalMHSA Executive Director

Executive Director, Dr. Clark, did a brief overview of current program activities.

Action: ***Discussion and/or action on items above, as deemed appropriate.***

Public comment was heard from the following individual(s):

None.

8. PUBLIC COMMENTS

President Rooney invited members of the public to make comments on non-agenda items.

Public comment was heard from the following individual(s):

None

9. NEW BUSINESS

General discussion regarding any new business topics for future meetings.

10. CLOSING COMMENTS

11. ADJOURNMENT

Hearing no further comments, the meeting was adjourned at 12:07 p.m.

Respectfully submitted,

Michael Kennedy, MFT
Secretary, CalMHSA

Date

CalMHSA
Cash Balance
As of March 31, 2017

| | |
|-----------------------------------|----------------------------|
| Cash Balance, 6/30/2016 | 7,709,093.70 |
| Cash Received 07/01 to 03/31/2017 | 6,773,916.88 |
| Cash Payments 07/01 to 31/31/2017 | (6,219,044.37) |
| Cash Balance, 03/31/2017 | <u><u>8,263,966.21</u></u> |

| Cash Balance by Institution | |
|------------------------------------|---------------------|
| California Bank & Trust | 4,023.81 |
| Morgan Stanley Smith Barney | 1,471.07 |
| Local Agency Investment Fund | 8,258,471.33 |
| Cash Total 3/31/2017 | 8,263,966.21 |

California Mental Health Services Authority
 Projected Cash Flow
 2016/2017

As of Mar 31, 2017

| | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Totals |
|--|------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Beginning Cash Balance | 7,709,094 | 9,648,712 | 11,342,521 | 11,095,582 | 10,609,287 | 10,094,743 | 9,582,663 | 8,951,200 | 8,519,210 | 8,263,966 | 6,865,640 | 5,450,912 | 7,709,094 |
| Cash Receipts: | | | | | | | | | | | | | |
| Phase II -1- Sustainability 15-16 | 409,471 | 8,198 | | 27,028 | 35,000 | | | | | | | | 479,697 |
| Phase II-2 - Sustainability 16-17 | 2,131,811 | 2,324,063 | 63,115 | 18,625 | 138,722 | 7,591 | | 177,376 | | | | | 4,861,302 |
| Suicide Prevention Hotline 16-17 | 15,063 | 30,451 | 109,235 | | | | | | | | | | 154,749 |
| State Hospital Beds 15-16 | 168,941 | 16,824 | 73,605 | | | | | | 269,000 | 1,402 | | | 529,772 |
| State Hospital Beds 16-17 | 86,924 | 44,864 | 89,728 | 4,206 | 5,608 | | | | | 161,138 | 161,138 | | 553,606 |
| Fiscal Modernization Project | | | | | | | | | | 4,427 | 4,427 | 4,427 | 13,281 |
| Other Strategic Programs | 18,500 | | 3,000 | | 8,000 | | | | | | | | 29,500 |
| Private Fund Develop - Member Fee | | | | | 5,671 | 99,923 | 5,087 | 70,160 | 816 | 170,694 | 170,694 | | 523,045 |
| Other (LAIF Interest, etc.) | 11,978 | 12,989 | | 14,264 | | 600 | 267,481 | | | 15,000 | | | 322,312 |
| Total Cash Receipts | 2,842,687 | 2,437,389 | 338,683 | 64,123 | 193,001 | 108,114 | 272,568 | 247,536 | 269,816 | 352,661 | 336,259 | 4,427 | 7,467,264 |
| Cash Expenses: | | | | | | | | | | | | | |
| PEI/Phase I Obligations 2014/15 | 63,769 | - | - | - | - | - | - | - | - | 297,906 | 297,906 | - | 659,581 |
| Phase II Obligations 2015/16 & 2016/17 | 559,871 | 344,159 | 318,925 | 189,327 | 514,061 | 374,679 | 652,557 | 454,257 | 276,640 | 962,510 | 962,510 | 962,510 | 6,572,005 |
| Suicide Prevention Hotline | 45,022 | 47,383 | 51,094 | 49,393 | 41,243 | 45,271 | 37,527 | 50,135 | | 63,437 | 63,437 | 63,437 | 557,381 |
| Plumas Wellness Center | | 116,061 | 43,116 | 92,305 | 436 | 47,286 | 69,147 | 6 | 49,438 | 20,379 | 20,379 | 20,379 | 478,930 |
| Community Response Plan | 3,848 | 2,250 | 8,923 | 90 | 3,441 | | | | | | | | 18,552 |
| TTACB Contract | | | | | | | | | | 49,514 | 49,514 | 49,514 | 148,541 |
| State Hospital Beds | 52,414 | 309 | 887 | 51,190 | 330 | 5,618 | 634 | | 523 | 148,320 | 148,320 | 148,320 | 556,865 |
| Fiscal Modernization Project | 922 | 30,270 | 1,866 | 1,134 | 1,338 | | 1,936 | 486 | 4,494 | 25,328 | 25,328 | 25,328 | 117,091 |
| Drug Medi-Cal | 1,604 | 1,554 | | 388 | 1,359 | 1 | | 18 | | 8,628 | 8,628 | 8,628 | 30,808 |
| PNWE | 257 | 338 | | | | | | | | | | | 595 |
| EDC | 675 | 4,378 | 496 | | 1,395 | | | | | | | | 6,944 |
| Orange County | | | | | | | | | | | | | - |
| Sutter | | | | | | | | | 6,659 | 20,584 | 20,584 | 20,584 | 68,411 |
| WET Program Expenditures | | | | | | | | | | 37,118 | 37,118 | 37,118 | 111,353 |
| Research & Development | | | | | | | | | | | | | - |
| Private Fund Develop - Consulting | | | | | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 120,000 |
| Total Administrative Expenses | 174,687 | 196,878 | 162,182 | 165,859 | 129,147 | 132,338 | 127,230 | 159,623 | 172,306 | 122,848 | 122,848 | 122,848 | 1,788,795 |
| Total Cash Expenses | 903,069 | 743,580 | 585,622 | 550,417 | 707,546 | 620,193 | 904,031 | 679,526 | 525,060 | 1,750,987 | 1,750,987 | 1,453,081 | 11,167,440 |
| Ending Cash Balance | 9,648,712 | 11,342,521 | 11,095,582 | 10,609,287 | 10,094,743 | 9,582,663 | 8,951,200 | 8,519,210 | 8,263,966 | 6,865,640 | 5,450,912 | 4,002,259 | 4,008,918 |

CONSENT CALENDAR
Agenda Item 4.B.3

SUBJECT: CALMHSA FINANCIAL AUDIT ENGAGEMENT

ACTION FOR CONSIDERATION:

None, information only.

BACKGROUND AND STATUS:

In late 2010 at board direction, staff engaged James Marta & Company to carry-out a biennial audit for the two-year period ending June 30, 2011 in accordance with Article 7, Section 7.1 of the Bylaws, which states “the Board shall cause to be made, by a qualified, independent individual or firm, an annual audit of the financial accounts and records of the Authority.” On February 10, 2012, the CalMHSA Board of Directors, upon the Finance Ad Hoc Committee’s in-depth review and subsequent recommendation, received and filed the CalMHSA Financial Audit for the Fiscal Years Ended June 30, 2011 and 2010. Upon close of the fiscal year ending June 30, 2012, the Board approved James Marta & Company to carry-out audits for the years ending June 30, 2012, 2013 and June 30, 2014.

At the March 2015 Finance Committee meeting, a recommendation was made to extend the agreement for one year, audit of the year ended June 30, 2015, which was approved. The committee decided to continue discussions, at a future date, to determine if there is a desired to continue with James Marta and Company for the audit for the year ended June 30, 2016.

We are now in the position of having to make the determination of continuing with James Marta and Company and/or other option.

FISCAL IMPACT

None.

RECOMMENDATION:

Discussion and consideration to continue audit contract with James Marta & Company.

REFERENCE MATERIALS ATTACHED:

- CalMHSA Financial Audit Engagement Letter



James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

January 9, 2015

Kim Santin, Finance and Administration Director
George Hills Company, Inc.

Re: California Mental Health Services Authority

Dear Board of Directors

We are pleased to confirm our understanding of the services we are to provide for California Mental Health Services Authority for June 30, 2015, 2016 and 2017.

I. SCOPE OF WORK

The following represents our understanding of the services we will provide California Mental Health Services Authority (Authority).

You have requested that we audit the Statement of Net Position of California Mental Health Services Authority as of June 30, 2015, 2016 and 2017, and for the years then ended and the related notes to the financial statements, which collectively comprise Authority's basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audit will be conducted with the objective of our expressing an opinion on each opinion unit.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP) and Actual, General Fund – Current Year and Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP) and Actual, General Fund – Prior Year be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- *Management's Discussion and Analysis*
- *Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP) and Actual, General Fund – Current Year*
- *Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP) and Actual, General Fund – Prior Year*

Supplementary information other than RSI will accompany Authority's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole.

The Objective of an Audit

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

General Audit Procedures

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) *and in accordance with Government Auditing Standards*, and the State Controller's *Minimum Audit Requirements for California Special Districts*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting

estimates made by management, as well as evaluating the overall presentation of the financial statements.

Internal Control Audit Procedures

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS *and in accordance with Government Auditing Standards, and the State Controller's Minimum Audit Requirements for California Special Districts.*

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

Compliance with Laws and Regulations

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of California Mental Health Services Authority's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Management Responsibilities

Our audit will be conducted on the basis that *management* acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America
- b. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
- c. To provide us with:
 - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
 - ii. Additional information that we may request from management for the purpose of the audit; and
 - iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

- d. For including the auditor's report in any document containing financial statements that indicates that such financial statements have been audited by the entity's auditor;
- e. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities; and
- f. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.¹

As part of our audit process, we will request from *management and, when appropriate, those charged with governance*, written confirmation concerning representations made to us in connection with the audit.

Reporting

We will issue a written report upon completion of our audit of Authority's basic financial statements. Our report will be addressed to the governing body of Authority. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

We also will issue a written report on Internal Control over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standard upon completion of our audit.

Other

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Provisions of Engagement Administration, Timing and Fees

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

James P. Marta is the engagement partner for the audit services specified in this letter. *His* responsibilities include supervising James Marta & Company's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Fees

Our fee for the audits will be \$10,710 for 2015, \$10,925 for 2016, and \$11,145 for 2017. We will bill you on a monthly basis for our services and invoices are payable upon presentation. Unpaid fee balances 30 days overdue will bear interest at 18 percent per annum. This fee is based upon the assumption that the closing journal entries will be made and accounting will be finalized and closed before the year end audit fieldwork. Additional time and billing charges will incur if accounting service is provided for closing or reconciling accounting records.

Whenever possible, we will attempt to use your personnel to assist in the preparation of schedules and analyses of accounts. We understand that your employees will prepare all cash or other confirmations we request and will locate any invoices selected by us for testing. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit.

Our initial fee estimate assumes we will receive the aforementioned assistance from your personnel and unexpected circumstances will not be encountered. In the event that the GASB, FASB, AICPA, GAO, OMB, or the State of California issues additional standards or audit procedures that require additional work during the audit period, we will discuss these requirements with you before proceeding further. Before starting the additional work, we will prepare an estimate of the time necessary, as well as the fee for performing the additional work. Our fee for addressing the additional requirements will be at our standard hourly rates for each person involved in the additional work.

In the event we are required to respond to discovery requests, subpoenas, and outside inquiries, we will first obtain your permission unless otherwise required to comply under the law. Our time and expense to comply with such requests will be charged at our standard hour rates in addition to the stated contract.

We agree to retain our audit documentation or work papers for a period of at least seven years from the date of our report.

At the conclusion of our audit engagement, we will communicate to the board of directors the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of James Marta & Company, LLC and constitutes confidential information. However, we may be requested to make certain audit documentation available pursuant to authority given to any regulator by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of James Marta & Company, LLC's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to any regulator. They may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

Mediation Provision

Disputes arising under this agreement (including scope, nature, and quality of services to be performed by us, our fees and other terms of the engagement) shall be submitted to mediation. A competent and impartial third party, acceptable to both parties shall be appointed to mediate, and each disputing party shall pay an equal percentage of the mediator's fees and expenses. No suit or arbitration proceedings shall be commenced under this agreement until at least 60 days after the mediator's first meeting with the involved parties. If the dispute requires litigation, the court shall be authorized to impose all defense costs against any non-prevailing party found not to have participated in the mediation process in good faith.

Several technical accounting and auditing words and phrases have been used herein. We presume you to understand their meaning or that you will notify us otherwise so that we can furnish appropriate explanations.

We have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.¹²

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

Sincerely,



James P. Marta CPA ARM

Principal
James Marta & Company LLP
Certified Public Accountants

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of

California Mental Health Services Authority

Approved by: _____

Title: _____

Date: _____

PROGRAM MATTERS
Agenda Item 5.A

SUBJECT: Phase III Statewide PEI Project – Establishing a funding threshold for *augmented services*, and FY 17/18 contract considerations

ACTIONS FOR CONSIDERATION

Adopt Sustainability Taskforce (Taskforce) recommendation on the following items:

- 1) Direct staff to establish a funding contribution threshold for counties to receive *augmented services* through the Phase III Statewide PEI Project. Recommended funding contribution threshold is at least 5% or \$300,000 in contributions to the Phase III Statewide PEI Project.
- 2) Authorize staff to extend and amend current Phase II contracts for the first year of the Phase III Statewide PEI Project Implementation Plan, based on available funding.
- 3) Authorize staff to enter into direct contracts with two Phase II subcontractors for FY 17/18 based upon the CalMHSA sole source procurement policy and available funding.

BACKGROUND AND STATUS

Funding threshold for augmented services

In December 2016, CalMHSA Board Members approved a funding minimum of 4% of local PEI funds from each member county to support the Statewide PEI Project (with a goal of raising a total of \$12.6 million per year for 3 years). Subsequent to that decision, CalMHSA Board Members have broadly discussed the issue of equity between counties that fund CalMHSA projects. At the February 9th, 2017 Board of Directors meeting, the Sustainability Taskforce presented refinements to the Phase III Statewide PEI Project Implementation Plan, including considerations regarding augmented provision of services. At the meeting, the Sustainability Taskforce recommended that counties contributing annually above a specified threshold receive *augmented services* through the Phase III Statewide PEI Project, with the exact threshold being presented at a future Board meeting after further consideration. Fundamentally, the issue becomes a matter of preserving the Statewide PEI Project's ability to have statewide impact while augmenting activities for counties that contribute at a greater level than the 4% level.

The Sustainability Taskforce recommends establishing the funding contribution threshold for *augmented services* to be: **at least 5% or \$300,000 in local PEI contributions to the Phase III Statewide PEI Project.**

Counties that meet or exceed this funding threshold will be able to negotiate *augmented services* from activities that are already funded and implemented as part of the Phase III Statewide PEI Project. Ultimately, specific augmentation for each of these counties will be determined by an individual conversation between the county and CalMHSA program staff. See Attachment 1 for examples of how Phase III Statewide PEI Project activities could be augmented.

Rationale for recommended percent funding threshold (5%) and for total contribution threshold (\$300,000) for augmented services.

The 5% contribution threshold for *augmented services* is established to exceed the Board-approved minimum contribution of 4% of local PEI funds. This recommendation aligns with the Board discussion of contributing vs. non-contributing counties and that program funding should try to equitably address allocating resources to counties based upon funding support levels. Counties that contribute funding for the CalMHSA Statewide PEI Project will all receive benefit from statewide project but at varied levels. Staff understands and values that each county is unique and is attempting to balance the uniqueness of very small counties that will never contribute at a level above \$300,000 but do contribute at or above 4% with very large counties that have disproportionately funded statewide projects.

Furthermore, CalMHSA staff calculated that if all FY 16/17 participating counties contributed 4%, the average contribution would be approximately \$240,000. At 5%, the average contribution would be approximately \$260,000. Based on reasonableness and fairness for efficiency and equity between counties that fund the Statewide PEI Project, CalMHSA staff established a total funding threshold of at least \$300,000 in order to receive *augmented services*.

Please note this staff report does not reflect any discussion, Board actions, and/or impact of considerations of non-paying counties.

Extending and amending contracts and sole-source contracts for FY 17/18

As discussed in the Sustainability Taskforce Program Report at the February 2017 Board of Directors meeting, CalMHSA expects to collectively receive approximately \$5-6 million annually in county contributions to implement the Phase III Statewide PEI Project, with actual funding becoming more clear in FY 17/18. Therefore, in order to ensure that programs are executed with efficiency at the beginning of FY 17/18, The Taskforce recommends **executing 1 year contract extensions with the current following Phase II contractors, and executing sole source contracts with two agencies that currently serve in critical subcontractor roles beginning July 1, 2017. Current contractors were selected from a competitive proposal process in 2015 and since that time, each has been successfully meeting contract deliverables. The Phase III Plan priorities adopted by the**

Board in February in large part are a continuation and refinement of activities begun under the Phase II Plan.

The current Phase II Contractors are:

- RSE
- Each Mind Matters
Outreach & Engagement
- NAMI California
- Foundation for California
Community Colleges
- Active Minds
- RAND
- Dallas Pugh
Foundation/Directing
Change

The current Phase II Subcontractors to be considered for direct sole-source contracts with CalMHSA include:

- Your Social Marketer
- The Social Changery

The Taskforce recommends sole sourcing with these two agencies that currently serve in subcontractor roles for two reasons: 1) to allow for more direct oversight and management of critical services; and 2) to increase cost efficiencies by reducing administrative costs. These organizations have a long history of working with CalMHSA's Statewide PEI Project and providing effective services. Attachments 2 and 3 provide justification for sole-sourcing with these two organizations¹ based on CalMHSA's procurement policy, specifically with regards to the following items:

1. The prior experience of the proposed vendor is vital to the goods or services
2. The facilities, staff or equipment the proposed vendor has are specialized and vital to the services required
3. Whether the contractors have a substantial investment that would have to be duplicated at the expense of CalMHSA if another vendor provided services
4. The vendor's ability to provide goods or services in the required time frame
5. Retaining professional services, such as but not limited to, an attorney, manager, or administrator, to maintain expertise, continuity, consistency and knowledge of CalMHSA.

CalMHSA would work with these proposed Phase III contractors to ensure their work is amended to align with the Phase III Statewide PEI Project Implementation Plan priorities. Final selection of Phase III contractors and corresponding contract budgets would be dependent on Board approval of the final Phase III budget.

¹ Sole source justifications have been reviewed by CalMHSA's counsel, and in the counsel's opinion, the justification offered complies with Section 7 of CalMHSA's procurement policy.

Depending on incoming county contributions and direction of the Board in FY 17/18, staff recommend releasing RFPs in Spring 2018 to potentially launch new contracts with new program partners beginning in FY 18/19, the second year of the Phase III Statewide PEI Project Implementation Plan.

See Attachment 4 for description of proposed activities for each proposed Phase III contractor.

RECOMMENDATIONS:

1) Direct staff to establish a funding contribution threshold for counties to receive *augmented services* through the Phase III Statewide PEI Project. Recommended funding contribution threshold is at least 5% or \$300,000 in contributions to the Phase III Statewide PEI Project.

2) Authorize staff to extend and amend current Phase II contracts for the first year of the Phase III statewide PEI Project Implementation Plan, based on available funding.

3) Authorize staff to enter into direct contracts with two Phase II subcontractors for FY 17/18 based upon the CalMHSA sole source procurement policy and available funding.

TYPE OF VOTE REQUIRED:

Majority vote.

REFERENCE MATERIAL(S) ATTACHED:

- Attachment 1: Examples of Phase III Statewide PEI Project activity augmentation for eligible counties
- Attachment 2: Sole Source justification for The Social Changery
- Attachment 3: Sole Source justification for Your Social Marketer
- Attachment 4: Proposed activities for each proposed Phase III contractor

Attachment 1: Examples of Phase III Statewide PEI Project activity augmentation for eligible counties

The Phase III Statewide PEI Project Implementation Plan, approved by the Board in December 2016, described the following activities that could be implemented as part of the Phase III Statewide PEI Project, pending available funding. Counties that contribute to the Statewide PEI Project will receive these activities. Counties that contribute at the funding threshold level for *augmented services* will be able to choose from implemented Phase III activities to identify areas of augmentation. The following list provides activities all contributing counties will receive and examples of how each of the identified potential Phase III activities could be augmented for eligible counties. Ultimately, specific augmentation for each of these counties will be determined by an individual conversation between the county and CalMHSA program staff.

| Proposed Phase III Activity (for all contributing counties) | Examples of augmentation (for counties contributing at augmentation threshold) |
|--|--|
| Update and refresh website content | Augmentation not applicable |
| Actively engage communities through social media | <ul style="list-style-type: none"> • Provide technical assistance to counties to enhance their local social media efforts • Highlight specific county efforts through Statewide social media efforts |
| Provide resource navigation | <ul style="list-style-type: none"> • Receive additional contact with resource navigators beyond the baseline provision of this service • Receive in person visits with resource navigators to support local strategic planning of resource usage |
| Provide subject matter expertise and technical assistance | <ul style="list-style-type: none"> • Receive additional contact with technical assistance providers beyond the baseline provision of this service • Receive in person visits with technical assistance providers to support specific implementation of local programs, such as assistance on strategic planning for local suicide prevention efforts; technical assistance on coalition-building etc.... |
| Provide local integration support to counties | <ul style="list-style-type: none"> • Receive access to marketing firm to create a local logo based on Phase III programs |

| | |
|--|--|
| Create new culturally adapted Spanish-language stigma reduction and/or suicide prevention outreach materials | <ul style="list-style-type: none"> Specifically conduct focus groups among eligible counties to ensure their local needs are reflected in the development of new materials Receive additional hardcopy materials |
| Provide mini-grants to local CBOs serving Latino communities | <ul style="list-style-type: none"> Partner specifically with eligible counties to ensure that all relevant CBOs within their county are provided with mini-grant funds. |
| Partner with Latino-focused regional or statewide agencies | Augmentation not applicable |
| Maintain partnerships with higher education school system partners & NAMI | Augmentation not applicable |
| Continue supporting Directing Change | <ul style="list-style-type: none"> Receive additional technical assistance and outreach support to engage schools in participating in Directing Change Host the Directing Change annual culmination ceremony |
| Disseminate all other existing resource materials | <ul style="list-style-type: none"> Receive additional hardcopy materials of resources |
| Provide mini-grants to CBOs serving diverse communities | <ul style="list-style-type: none"> Partner specifically with eligible counties to ensure that all relevant CBOs within their county are provided with mini-grant funds |
| Implement Walk in our Shoes statewide tour | <ul style="list-style-type: none"> Receive higher priority for receiving a Walk In Our Shoes performance, possibly multiple times within the county and within multiple schools |
| Statewide evaluation & surveillance | Augmentation not applicable |

Attachment 2: Sole Source justification for The Social Changery

SUBJECT: FY 2017/18 Sole Source Contract – The Social Changery

ACTION FOR CONSIDERATION:

Authorize staff to enter into direct contracts with two Phase II subcontractors for FY 17/18 based upon the CalMHSA sole source procurement policy and available funding.

Authorize the Board President and counsel to negotiate a sole source contract for outreach, technical assistance, and dissemination activities to local community based organizations of the Statewide PEI Project for fiscal year 2017/18 with The Social Changery. Budget for the contract will be determined upon Board approval of the budget of the Statewide PEI Project for fiscal year 2017/2018. The written justification below has been reviewed by CalMHSA's counsel, and in counsel's opinion the justification offered complies with Section 7 of the Procurement Policy.

BACKGROUND:

Over the past several years CalMHSA has worked with independent consultants Lisa Smusz and Nicole Jarred through direct and indirect contracts to provide numerous activities for the Statewide PEI Project. Primary activities include development of outreach tools and resources for Each Mind Matters and additional stigma and discrimination reduction efforts, stakeholder engagement, support and technical assistance to schools and community based organizations, and subject matter expertise to programs, community based organizations and partners.

Prior to this, Lisa Smusz was the Executive Director of PEERS, a member of the CalMHSA Statewide PEI Phase II Steering Committee, and a member of CalMHSA's SDR Consortium. Nicole Jarred was with RSE as Account Manager for the CalMHSA Project led the development of the Each Mind Matters campaign along with many of the SDR resources and programs. During fiscal year 2016/2017 Lisa Smusz and Nicole Jarred formed a partnership called The Social Changery to continue to provide services including program design, communications, social marketing, and outcome/evaluation planning.

STATUS:

In recent years, Lisa Smusz and Nicole Jarred have been subcontractors supporting outreach, integration and dissemination of Statewide PEI programs and resources. They provide program and subject matter expertise as well as substantial experience and investment in implementing the Statewide PEI Project. The following factors contribute to justification for a sole source contract:

Request for Sole Source Approval of the FY 2017/18 Sole Source Contract – The Social Changery

As a result of the past successful collaboration and implementation of the Statewide PEI Project, The Social Changery has become an integral partner. Rationale for sole source approval is below.

The *CalMHSA Purchasing and Procurement Policy, Section 7: Competitive Selection Process Exceptions* details several exceptions to the competitive selection process for services, of which the following apply to this particular project and provider:

c. The prior experience of the proposed vendor is vital to the goods or services.

Since 2012, both Lisa Smusz and Nicole Jarred have provided valuable support to the development and operational implementation of the Statewide PEI Project, including but not limited to working directly with local community based organizations across the state to integrate and disseminate the Each Mind Matters campaign and resources. They each provide historical experience, existing relationships and administrative capabilities to implement technical assistance, local community outreach and dissemination activities of the Statewide PEI Project. If CalMHSA were required to RFP for these services, the investment made to date to establish, build, and sustain this necessary knowledge, expertise and infrastructure may have to begin anew. This would greatly stall and delay the successful and wide reach, engagement, and participation of the Statewide PEI Project.

d. The facilities, staff or equipment the proposed vendor has are specialized and vital to the services required.

Through The Social Changery both Lisa Smusz and Nicole Jarred provide key specialized skills and experience that are vital to providing technical assistance, subject matter expertise and dissemination of the Statewide PEI Project. In addition, they contract directly with subject matter experts as needed to complement their skillset and capabilities to reach niche communities. Together these specialized staff provide knowledge and experiences in suicide prevention, community based outreach, education and dissemination, mental health prevention, and cross-sector collaborations. All staff have provided outreach, engagement, technical assistance and resource navigation to local community based organizations regarding the Statewide PEI Project, and bring valuable experience and knowledge to the Statewide PEI Project. The activities provided include engaging new and more community based organizations, collaborating with each unique partner to develop a true partnership with Each Mind Matters, coordination of efforts across geographies and targeted lifespans and cultural communities, and providing subject matter expertise in the development of new programs and resources through the Statewide PEI Project. Staff have extensive relationships with community based organizations that are vital to the continued outreach of the Statewide PEI Project.

e. Whether the contractor has a substantial investment that would have to be duplicated at the expense of CalMHSA if another vendor provided services.

Over the last several years Lisa Smusz and Nicole Jarred have been integral partners, collaborators and contractors in developing and implementing the Statewide PEI Project.

Substantial investment in time, funds and training would be required from CalMHSA in order to find and get another vendor up to speed in order to implement efforts at the same level. For example, a new vendor would have to learn the complex history of the Statewide PEI Project, including the hundreds of resources that have been developed in the last six years of the Statewide PEI Project, and the vast array of partners and networks that are affiliated with the Project. A new vendor would also have to have or establish relationships with a wide variety and array of community based partners across the state.

f. The vendor's ability to provide goods or services in the required time frame.

Fiscal year 2017/18 represents a shortened timeframe, one year of the three year Phase III Plan, to achieve results. The Plan also acknowledges that the most critical focus to our counties and their constituencies is to ensure that the initial and substantial statewide investment is realized. In order to best achieve this objective it is essential that we continue to use and expand upon the investment that has been made with existing partner organizations. Transferring developed infrastructure, relationships, and fundraising efforts to another contractor would risk their expedient execution putting in jeopardy the successful achievement of CalMHSA's goals in Phase III to broadly reach counties, schools, and community-based organizations with mental health and suicide prevention education and awareness tools and resources.

g. Retaining professional services, such as but not limited to, an attorney, auditor, manager or administrator, to maintain expertise, continuity, consistency and knowledge of CalMHSA.

Lisa Smusz and Nicole Jarred have been significantly involved in developing and implementing outreach and engagement of local community based organizations and dissemination activities for the Statewide PEI Project. The knowledge and experience they have built through the last several years has led to more successful implementation of efforts as well as important lessons that contribute to the further development of the Statewide PEI Project. This expertise, continuity, consistency and knowledge considerably contribute to the overall growth and impact of the statewide efforts. In addition Lisa Smusz has over 17 years of senior management level experience in developing, executing, and evaluating community mental health initiatives on local, statewide, national, and international projects. Ms. Smusz has extensive experience in stigma reduction, working with college-age young adults, and culturally responsive approaches to promoting mental health in diverse communities. For the past 14 years, Ms. Smusz has headed a highly successful consulting firm, providing content expertise and project management services to mental health and educational organizations. Ms. Smusz is also an Instructor at California State University, East Bay teaching mental health and social justice for the past 12 years, is a Licensed Professional Clinical Counselor, and holds a Masters of Science in Educational Psychology/Counseling. Nicole Jarred has over 10 years of expertise developing campaigns for social change in the nonprofit and public sectors. Ms. Jarred has managed projects for Sierra Health Foundation, UC Davis, the United Way, and the California Endowment. Ms. Jarred has overseen the development of more than 350 individual communications tools

and developed comprehensive campaign strategy to engage millions of Californians in social causes.

FISCAL IMPACT:

To be determined upon Board approval of the budget of the Statewide PEI Project for fiscal year 2017/2018.

RECOMMENDATION:

Authorize staff to enter into direct contracts with two Phase II subcontractors for FY 17/18 based upon the CalMHSA sole source procurement policy and available funding.

Authorize the Board President and counsel to negotiate a sole source contract for technical assistance, subject matter expertise, and dissemination activities of the Statewide PEI Project for fiscal year 2017/18 to The Social Changery.

Attachment 3: Sole Source justification for Your Social Marketer

SUBJECT: FY 2017/18 Sole Source Contract – Your Social Marketer

ACTION FOR CONSIDERATION:

Authorize staff to enter into direct contracts with two Phase II subcontractors for FY 17/18 based upon the CalMHSA sole source procurement policy and available funding.

Authorize the Board President and counsel to negotiate a sole source contract for technical assistance, subject matter expertise, and dissemination activities of the Statewide PEI Project for fiscal year 2017/18 with Your Social Marketer. Budget for the contract will be determined upon Board approval of the budget of the Statewide PEI Project for fiscal year 2017/2018. The written justification below has been reviewed by CalMHSA's counsel, and in counsel's opinion the justification offered complies with Section 7 of the Procurement policy.

BACKGROUND:

Over the past 5 years CalMHSA has worked with Your Social Marketer through direct and indirect contracts to provide numerous activities for the Statewide PEI Project. Primary activities include development of the Know The Signs campaign, Directing Change program development and implementation, stakeholder engagement, support and technical assistance to counties, schools and community based organizations, and subject matter expertise to programs, counties and partners.

STATUS:

In recent years, Your Social Marketer has been a subcontractor supporting outreach, integration and dissemination of Statewide PEI programs and resources. Your Social Marketer provides program and subject matter expertise as well as substantial experience and investment in implementing the Statewide PEI Project. The following factors contribute to justification for a sole source contract:

Request for Sole Source Approval of the FY 2017/18 Sole Source Contract – Your Social Marketer

As a result of the past successful collaboration and implementation of the Statewide PEI Project, Your Social Marketer has become an integral partner. Rationale for sole source approval is below.

The *CalMHSA Purchasing and Procurement Policy, Section 8: Competitive Selection Process Exceptions* details several exceptions to the competitive selection process for services, of which the following apply to this particular project and provider:

- c. The prior experience of the proposed vendor is vital to the goods or services.*

Since 2012, Your Social Marketer has provided valuable support to the operational implementation of the Statewide PEI Project, including but not limited to managing subcontracts of subject matters expertise to develop and implement the activities. Your Social Marketer provides historical experience, existing relationships and administrative capabilities to implement technical assistance, subject matter expertise and dissemination activities of the Statewide PEI Project. If CalMHSA were required to RFP for these services, the investment made to date to establish, build, and sustain this necessary knowledge and infrastructure may have to begin anew. This would greatly stall and delay the successful and wide reach, engagement, and participation of the Statewide PEI Project.

- d. The facilities, staff or equipment the proposed vendor has are specialized and vital to the services required.*

Your Social Marketer employs key specialized staff that are vital to providing technical assistance, subject matter expertise and dissemination of the Statewide PEI Project. These specialized staff provide knowledge and experiences in suicide prevention, community based outreach, education and dissemination, mental health prevention, and cross-sector collaborations. All staff have provided technical assistance and resource navigation to counties regarding the Statewide PEI Project since the inception of the project in 2011, and therefore their institutional knowledge of the Statewide PEI Project is invaluable. The technical assistance and resource navigation provided include attending county meetings, regular phone calls, email communications, and providing subject matter expertise in the development of new programs and resources through the Statewide PEI Project. Staff have developed relationships with county staff that are vital to the continuation of the Statewide PEI Project.

- e. Whether the contractor has a substantial investment that would have to be duplicated at the expense of CalMHSA if another vendor provided services.*

For the past 5 years Your Social Marketer has been an integral partner and contractor in developing and implementing the Statewide PEI Project. Substantial investment in time, funds and training would be required from CalMHSA in order to find and get another vendor up to speed in order to implement efforts at the same level. For example, a new vendor would have to learn the complex history of the Statewide PEI Project, including the hundreds of resources that have been developed in the last 6 years of the Statewide PEI Project, and the vast array of partners and networks that are affiliated with the Project. Secondly, a new vendor would have to establish new relationships with the county staff and understand each county's local needs.

- f. The vendor's ability to provide goods or services in the required time frame.*

Fiscal year 2017/18 represents a shortened timeframe, one year of the three year Phase III plan, to achieve results. The Plan also acknowledges that the most critical focus to our counties and their constituencies is to ensure that the initial and substantial statewide investment is realized. In order to best achieve this objective it is essential that we continue

to use and expand upon the investment that has been made with existing partner organizations. Transferring developed infrastructure, relationships, and fundraising efforts to another contractor would risk their expedient execution putting in jeopardy the successful achievement of CalMHSA's goals in Phase III to broadly reach counties, schools, and community-based organizations with mental health and suicide prevention education and awareness tools and resources.

- g. Retaining professional services, such as but not limited to, an attorney, auditor, manager or administrator, to maintain expertise, continuity, consistency and knowledge of CalMHSA.*

Your Social Marketer has been significantly involved in developing and implementing technical assistance, subject matter expertise and dissemination activities for the Statewide PEI Project. The knowledge and experience they have built through the last five years has led to more successful implementation of efforts as well as important lessons that contribute to the further development of the Statewide PEI Project. This expertise, continuity, consistency and knowledge considerably contribute to the overall growth and impact of the statewide efforts. In addition Jana Sczersputowski, President of Your Social Marketer, holds a Master's degree in Public Health and has over 10 years of experience in community-based social marketing, technical assistance, behavior change messaging. Your Social Marketer brings additional highly qualified and expert individuals to projects as needed.

FISCAL IMPACT:

To be determined upon Board approval of the budget of the Statewide PEI Project for fiscal year 2017/2018.

RECOMMENDATION:

Authorize staff to enter into direct contracts with two Phase II subcontractors for FY 17/18 based upon the CalMHSA sole source procurement policy and available funding.

Authorize the Board President and counsel to negotiate a sole source contract for technical assistance, subject matter expertise, and dissemination activities of the Statewide PEI Project for fiscal year 2017/18 to Your Social Marketer.

Attachment 4: Proposed activities for each proposed Phase III contractor

Runyon Saltzman, Inc.

Phase III Contract Type: Extended & amended contract

Activity Concentrations: social media, social marketing, new outreach materials

1. Maintain primary initiative websites including Each Mind Matters, Know the Signs, Walk In Our Shoes, and related websites
2. Disseminate existing resource materials to counties including those targeting diverse communities created during Phase II of the Statewide PEI Project
3. Create and disseminate new culturally-adapted Spanish-language stigma reduction and/or suicide prevention outreach materials
4. Provide local integration support to the counties and program partners in order to incorporate statewide social marketing campaigns, brands and resources
5. Update & refresh initiative website content
6. Implement Walk In Our Shoes statewide tour

NAMI California

Phase III Contract Type: Extended & amended contract

Activity Concentrations: dissemination, networks/collaborations

1. Disseminate and integrate existing resource materials through NAMI affiliates including those targeting diverse communities created during Phase II of the Statewide PEI Project
2. Disseminate new resource materials including those targeting Spanish-speaking communities
3. Support local NAMI Affiliates to promote and disseminate Statewide PEI resources and materials
4. Support local NAMI Affiliates to implement local SDR outreach and education activities

Active Minds

Phase III Contract Type: Extended & amended contract

Activity Concentrations: dissemination, networks/collaborations

1. Disseminate existing resource materials through Active Minds chapters reaching higher education students including those targeting diverse communities created during Phase II of the Statewide PEI Project
2. Disseminate new resource materials including those targeting Spanish-speaking communities

3. Support Active Minds Chapters to promote and disseminate Statewide PEI resources and materials to college students statewide
4. Support Active Minds Chapters to implement local SDR outreach and education activities targeting to college students statewide

Foundation for California Community Colleges

Phase III Contract Type: Extended & amended contract

Activity Concentrations: dissemination, networks/collaborations

1. Disseminate existing resource materials to Community College students including those targeting diverse communities created during Phase II of the Statewide PEI Project
2. Disseminate new resource materials including those targeting Spanish-speaking communities
3. Support local community colleges to promote and disseminate Statewide PEI resources and materials to community college students, faculty and staff statewide
4. Support community colleges to implement local SDR outreach and education activities targeting community college students, faculty and staff statewide

Directing Change (formerly Dallas Pugh Foundation – Directing Change became independent non-profit organization in FY 16/17)

Phase III Contract Type: Extended & amended contract

Activity Concentration: Directing Change program

1. Implement Directing Change Program and Film Contest statewide
2. Maintain Directing Change website
3. Collaborate and partner with Each Mind Matters

Each Mind Matters Outreach and Engagement

Phase III Contract Type: Extended & amended contract

Activity Concentrations: dissemination, networks/collaborations

1. Disseminate existing resource materials to community organizations including those targeting diverse communities created during Phase II of the Statewide PEI Project
2. Disseminate new resource materials including those targeting Spanish-speaking communities
3. Collaborate with CalMHSA Program Partners in dissemination and outreach

4. Build Each Mind Matters network and partners statewide to support SDR and SP outreach and education statewide

RAND

Phase III Contract Type: Extended & amended contract

Activity Concentration: evaluation and surveillance

1. Carry out activities to improve understanding of suicide risk factors and population-level attitude change to verify stigma is being reduced and effective prevention and early intervention strategies across institutions and communities
2. Develop metrics for and collect data to evaluate the performance and outcomes of PEI programs
3. Measure results including both process and outcomes of all contracted activities

The Social Changery (currently a subcontractor to Each Mind Matters Outreach and Engagement and RSE contracts)

Phase III Contract Type: New sole-source contract

Activity Concentrations: CBO outreach and engagement, technical assistance, subject matter expertise, dissemination

Who is The Social Changery: The Social Changery is a partnership of career-long advocates providing services related to social justice issues. Based in Sacramento and Alameda, The Social Changery strives to ensure that all people, regardless of circumstance or background, have equitable opportunities for educational, health and economic success.

1. Disseminate existing resource materials including those targeting diverse communities created during Phase II of the Statewide PEI Project
2. Disseminate new resource materials including those targeting Spanish-speaking communities
3. Collaborate with CalMHSA Program Partners in dissemination and outreach
4. Provide subject matter expertise and technical assistance to CBOs to support local suicide prevention and stigma reduction programs
5. Provide resource navigation and education to support CBOs in accessing and utilizing existing resources associated with those programs
6. Provide mini-grants to local CBOs serving Latino communities
7. Provide mini-grants to CBOs serving other diverse communities

Your Social Marketer (currently a subcontractor to RSE contract)

Phase III Contract Type: New sole-source contract

Activity Concentrations: technical assistance, subject matter expertise, dissemination

Who is Your Social Marketer: Your Social Marketer, Inc is a woman-owned, small business with one office located in San Diego and a second office in Gilroy, California. The focus of the company is exclusively on marketing, outreach, and communication solutions within public health and social service sectors.

1. Provide subject matter expertise and technical assistance to counties to support local suicide prevention and stigma reduction programs
2. Provide resource navigation to each county through a designated Each Mind Matters contact person to support counties in accessing and utilizing existing resources associated with those programs
3. Disseminate existing resource materials including those targeting diverse communities created during Phase II of the Statewide PEI Project
4. Disseminate new resource materials including those targeting Spanish-speaking communities

CaIMHSA Statewide PEI Project Program Presentation

April 13, 2017
Board of Directors Meeting



WELLNESS • RECOVERY • RESILIENCE



Page 39 of 96





Actions for Consideration

Adopt Sustainability Taskforce recommendation on the following items:

- 1) Direct staff to establish a county funding threshold for counties to receive *augmented services* through the Phase III Statewide PEI Project. Recommended funding threshold contribution is at least 5% or \$300,000.**
- 2) Authorize staff to extend and amend current Phase II contracts for the first year of the Phase III Statewide PEI Project Implementation Plan, based on available funding.**
- 3) Authorize staff to enter into direct contracts with two Phase II subcontractors for FY 17/18 based upon the CalMHSA sole source procurement policy and available funding.**



Funding Threshold for Phase III *Augmented Services*

- At the February 9th, 2017 Board of Directors meeting, the Sustainability Taskforce presented refinements to the Phase III Statewide PEI Project Implementation Plan, including considerations regarding augmented provision of services.
- Fundamentally, the issue becomes a matter of preserving the Statewide PEI Project's ability to have statewide impact while *augmenting services* for counties that contribute above the 4% level.
- The Sustainability Taskforce recommends establishing the funding threshold for *augmented services* to be: **at least 5% of local PEI funds or \$300,000 in total contributions to the Phase III Statewide PEI Project.**
- Counties that meet or exceed this funding threshold will be able to negotiate *augmented services* from activities that are already funded and implemented as part of the Phase III Statewide PEI Project. (Specific augmentation for each of these counties will be determined by an individual conversation between the county and CalMHSA program staff.)



Funding Threshold for Phase III *Augmented Services*

| Proposed Phase III Activity (for all contributing counties) | Examples of <i>Augmented Services</i> (for counties contributing at threshold) |
|--|---|
| Provide resource navigation, subject matter expertise and technical assistance | Provide in person visits to support local strategic planning, implementation and/or technical assistance (e.g. SDR resources, SP efforts, local coalition building, etc.) |
| Create new culturally adapted Spanish-language SDR and/or SP materials | Provide additional hardcopy materials |
| Directing Change program implementation | Provide additional assistance and outreach support to engage local schools (e.g. in person training presentations) |
| Provide mini-grants to CBOs serving diverse communities | Work with county to ensure relevant local CBOs receive mini-grants |
| Walk In Our Shoes program implementation | Provide higher priority for receiving Walk In Our Shoes performance at local schools, which may include adding performances |



Extend and Amend Existing Contracts for First Year of Phase III Statewide PEI Project

- The Taskforce recommends **executing one year contract extensions with the current Phase II contractors beginning July 1, 2017.**
- Contract extensions would be for the first year of the Phase III Statewide PEI Project Implementation Plan, based upon available funding.
- Current contractors were selected from a competitive proposal process in 2015 and since that time, each has been successfully meeting contract deliverables. Staff anticipate RFP's in Spring 2018 for programs in FY 18/19 and 19/20.
- The Phase III Plan priorities adopted by the Board in February in large part are a continuation and refinement of activities begun under the Phase II Plan.



Extend and Amend Existing Contracts for First Year of Phase III Statewide PEI Project

| Current Contractors | Proposed Phase III Activities |
|---|--|
| RSE, Inc. | Social media Social marketing New outreach materials |
| NAMI California | Dissemination Networks/Collaborations |
| Active Minds | Dissemination Networks/Collaborations |
| Foundation for California Community Colleges | Dissemination Networks/Collaborations |
| Directing Change (formerly Dallas Pugh Foundation) | Directing Change Program |
| Each Mind Matters Outreach and Engagement | Dissemination Networks/Collaborations |
| RAND Corporation | Evaluation and Surveillance |



Sole Source Contracts for First Year of Phase III Statewide PEI Project

- The Taskforce recommends **executing one year sole source contracts with two agencies that currently serve in critical subcontractor roles beginning July 1, 2017.**
- Contracts would be for the first year of the Phase III Statewide PEI Project Implementation Plan, based upon available funding.
- The Taskforce recommends sole sourcing with two agencies that currently serve in subcontractor roles: Your Social Marketer and The Social Changery
- Sole source contracts are recommended to:
 - Allow for more direct oversight and management of critical services
 - To increase cost efficiencies by reducing administrative costs



Extend and Amend Existing Contracts for First Year of Phase III Statewide PEI Project

- These organizations have a long history of working with CalMHSA’s Statewide PEI Project and providing effective services. Justification for sole-sourcing with these two organizations based on CalMHSA’s procurement policy is provided in the Board Packet. Sole source justifications have been reviewed by CalMHSA’s counsel, and in the counsel’s opinion, complies with Section 7 of CalMHSA’s procurement policy.

| Sole Source Contractors | Proposed Phase III Activities |
|--|--|
| Your Social Marketer <i>(currently a subcontractor to RSE contract)</i> | Technical assistance Subject matter expertise Dissemination |
| The Social Changery <i>(currently a subcontractor to Each Mind Matters Outreach and Engagement and RSE contracts)</i> | CBO outreach and engagement Technical assistance Subject matter expertise Dissemination |



Contracts for First Year of Phase III Statewide PEI Project

- CalMHSA would work with proposed Phase III contractors to ensure work is aligned with the Phase III Statewide PEI Project Implementation Plan priorities.
- Final selection of Phase III contractors and corresponding contract budgets is dependent upon Board approval of the final Phase III budget in June.
- Depending on incoming county contributions and direction of the Board in FY 17/18, staff recommends releasing RFPs in Spring 2018 to provide a competitive selection process for program implementation in FY 18/19, the second year of the Phase III Statewide PEI Project Implementation Plan.



Actions for Consideration

Adopt Sustainability Taskforce recommendation on the following items:

- 1) Direct staff to establish a county funding threshold for counties to receive *augmented services* through the Phase III Statewide PEI Project. Recommended funding threshold contribution is at least 5% or \$300,000.**
- 2) Authorize staff to extend and amend current Phase II contracts for the first year of the Phase III Statewide PEI Project Implementation Plan, based on available funding.**
- 3) Authorize staff to enter into direct contracts with two Phase II subcontractors for FY 17/18 based upon the CalMHSA sole source procurement policy and available funding.**



PROGRAM MATTERS
Agenda Item 5.B.

SUBJECT: Each Mind Matters Presentation

ACTION FOR CONSIDERATION:

None, information only.

BACKGROUND AND STATUS:

Through the Statewide PEI Project, CalMHSA implements *Each Mind Matters Outreach and Engagement*. This program provides:

- *Statewide community outreach and engagement* through ensuring statewide voice and reach on the critical impact of stigma, resulting discrimination, and disparities experienced by individuals, families and communities.
- *Dissemination and local use of Each Mind Matters resources and materials* by fulfilling the networking, coordination and collaboration role of Each Mind Matters by supporting the statewide dissemination and local use of Each Mind Matters and CalMHSA educational tools and resources.
- Support and maintenance of *online Each Mind Matters presence*.
- *Each Mind Matters movement* through fulfilling the networking, coordination and collaboration role of Each Mind Matters by coordinating a network of individuals and organizations that support and participate in Each Mind Matters.

The early investment in Each Mind Matters has yielded resources and messaging to build community engagement and investment in preventing suicide and eliminating stigma and discrimination related to mental health.

This Each Mind Matters presentation highlights three examples of how the Outreach and Engagement team has collaborated with a primary care system, a cultural/faith-based organization, and a statewide organization to adapt and infuse Each Mind Matters materials and messaging into these unique communities.

The presentation can be viewed online at <http://bit.ly/2nLn0DL>.

FISCAL IMPACT:

None

RECOMMENDATION:

None, information only.

TYPE OF VOTE REQUIRED:

None

REFERENCE MATERIAL(S) ATTACHED:

- Each Mind Matters Presentation slide deck

Each Mind Matters: California's Mental Health Movement

DRAFT



WELLNESS • RECOVERY • RESILIENCE





The work of the
Each Mind Matters
Outreach and
E} * æ ^{ ^} cTeam

Educational Materials

- Toolkits and guides for event planning, social media and more
- Print ads (*English, Spanish*)
- TV and radio spots (*English, Hmong, Spanish*)
- Outdoor ads (*English*)
- Online ads (*English, Spanish*)
- Videos (*Chinese, English, Khmer, Korean, Lao, Spanish and captioned for hearing impaired*)
- Fact sheets and training materials (*Arabic, Armenian, Cambodian, Chinese, English, Hmong, Lu Mien, Khmer, Korean, Lao, Russian, Spanish, Vietnamese*)
- Outreach materials: posters, take-ones, fliers, brochures and resource cards (*English and Spanish*)
- Wearable outreach materials: t-shirts, ribbons,
- Evaluation and campaign reports



🎗️ Community Partnerships

- Supporting the Experts: Community Members
- Mini-grant and Sponsorship Program
 - Funds more than 60 schools and CBOs, (not including additional minigrants available through the Sutter Health.)
 - Reaches 20 distinct audiences
 - More than money, awardees receive technical assistance and customized materials.





Technical Assistance

DRAFT

🎗️ Technical Assistance



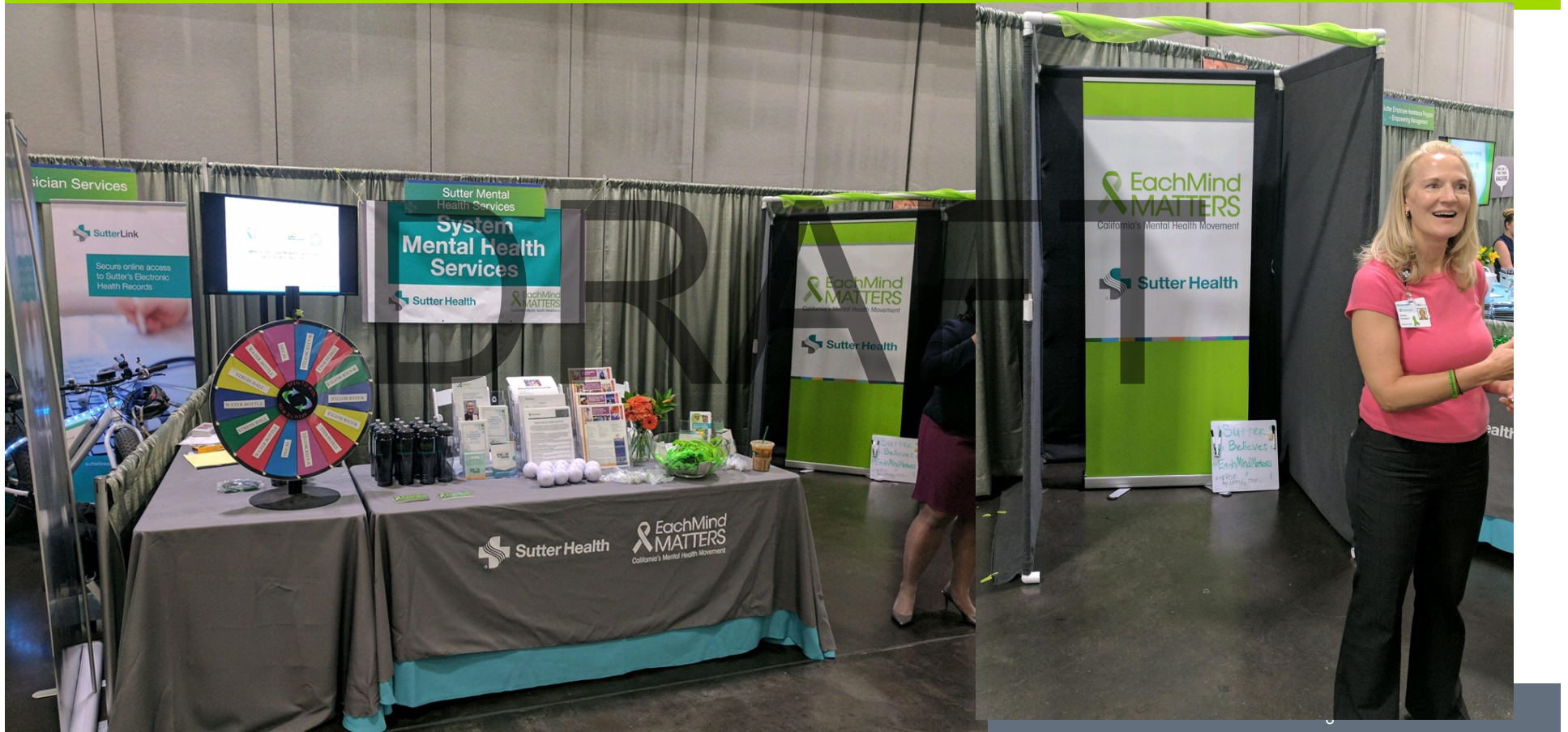
- Webinars
- The Insider
- One-on-one assistance
- Customized materials

🎗️ Case Studies



- 1) Health Care Partnership
- 2) Cultural Community Partners
- 3) Statewide Organization Collaboration

Healthcare Partner Case Study

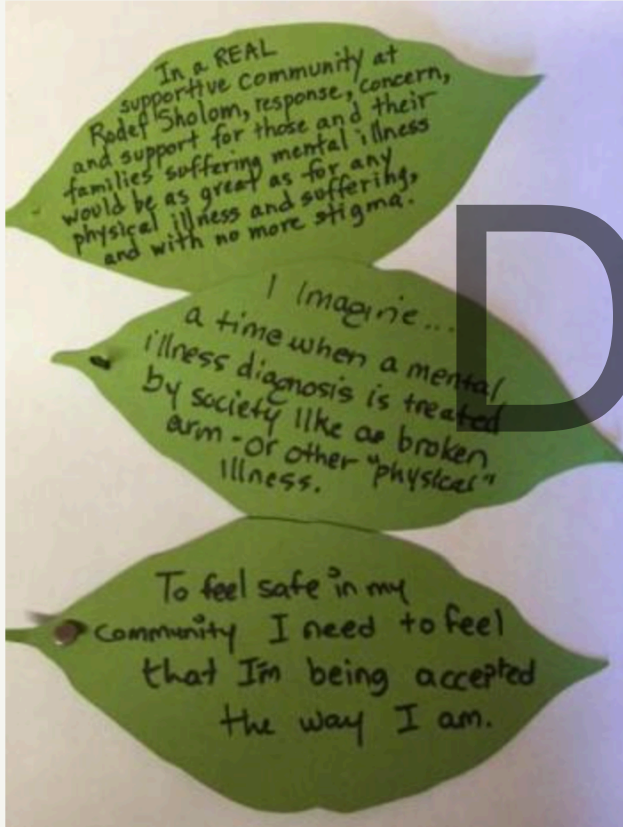


Cultural Community Case Study

REAL LIFE. PEOPLE. CONNECTIONS.

The Mental Health Initiative at Rodef Shalom

IMAGINE: SHARE YOUR HOPE, DREAM OR PRAYER FOR WHAT A REAL SUPPORTIVE COMMUNITY WOULD BE LIKE.



🎗️ Statewide Partner Case Study




Join the Movement!

Get Involved

We all have mental health, and our voices are amplified when we speak up together. California's Mental Health Movement grows stronger every day as millions of people and thousands of organizations are working to advance mental health. There are many ways to add your voice and strengthen the movement.






Speak Up

Share how you're part of the movement by taking a pledge to advance mental health in your own way.


[Take a pledge](#)



Spread the Word

Learn more about the movement and get tools to help inform others.

[More](#)



Share Your Story

We all have mental health, and we're inspired by each other's stories. Tell us why mental health matters to you by sharing your "lime green story".

[Share](#)

Stories

California's Mental Health Movement is made of up millions of people who believe that everyone experiencing a mental health challenge deserves the opportunity to live a healthy, happy and meaningful life. See what people are saying and sharing – and add your voice to the movement with your own commitment to advancing mental health.





DRAFT Each Mind
MATTERS
California's Mental Health Movement

FINANCIAL MATTERS
Agenda Item 6.A.

SUBJECT: Finance Committee - Complexities Related to Non-Paying Counties

ACTION FOR CONSIDERATION:

Discuss and approve a solution for addressing the issue of member counties benefitting from programs, for which they do not financially contribute.

BACKGROUND AND STATUS:

CalMHSA was established for Members to jointly develop, fund and administer mental health services and education Programs as determined by the Members. Membership is governed by CalMHSA JPA Agreement, by-laws, and Board Resolutions. All CalMHSA Board and Committees of the Board meetings are conducted in accordance with the Brown Act. Formation of CalMHSA Programs is governed by Article 12 of the by-laws (<http://calmhsa.org/wp-content/uploads/2011/11/CalMHSA-Bylaws-revision-10-11-12-FINAL1.pdf>) and all programs are formed per Board authorization.

Membership in CalMHSA is via a JPA Agreement which was signed by each member. To date, 55 counties, the City of Berkeley and Tri-City are members of CalMHSA. Programs of CalMHSA are adopted per Board action and funding of programs is determined by Board action, but must be in compliance with the JPA Agreement. When CalMHSA was being formed the concept of a JPA, what it meant to be a JPA member, the fiscal responsibilities, and more were simply new and unfamiliar. As a result, the following CalMHSA specific provision addressing the issue of Programs and fiscal responsibility were developed and approved, the Article 1 of the JPA agreement states the following:

"It shall be the intent of the Authority that all such Programs are fiscally self-contained requiring no additional funding from Members. Accordingly, no Member shall be obligated to fund the Authority or any Program in an amount greater than the amount to which the Member has previously agreed. The indirect costs to operate the Authority shall be allocated to each of the Programs operated by the Authority as directed by its Members."

Since its formation, CalMHSA has established several statewide Programs which are funded entirely by county contributions and for which all counties receive benefits locally, whether paid for or not. These benefits are either direct benefits to the county and/or indirect benefits to the county. Direct benefits are county specific and usually based on a level of funding received from the county to support the program. An example of a direct benefit is counties that fund CalMHSA receive hardcopies of the CalMHSA resources and county staff are provided TA on ways to integrate local activities with statewide activities. Indirect benefits are not county specific and are derived by the mere existence of the Program without attribution to the level of funding from an individual county. An example is the same CalMHSA resources mentioned above will be available electronically to the noncontributing county. The relevance of direct and indirect benefits is critical in addressing the

inequity of county funding to support Programs which are statewide. The inequity of counties deriving indirect benefits while not funding a Program at a minimum level has been a chronic issue which challenges CalMHSA existence. Without an equitable resolution to the issue, CalMHSA may cease to exist. CalMHSA, in keeping with the literal interpretation of the above JPA Agreement provision has enabled this inequity, but not recognizing this important issue of direct and indirect. However, in the creation of CalMHSA there was never the intent that services would be provided by CalMHSA and received by members for free.

The existence of CalMHSA working on behalf of counties requires a flexible infrastructure which can increase or decrease readily with the adoption of Programs. However, within this flexible infrastructure there are core staff and administrative costs which exist regardless of the number of programs. The funding required to meet this core administrative structure have been built into statewide programs. During the course of the implementation of the CalMHSA PEI Statewide Program, all CalMHSA core administrative costs were assumed under the PEI Statewide Program umbrella. The addition of the statewide State Hospital Bed Program and the Short-Doyle MediCal Program allowed the core administrative costs to be shared between all of these programs.

Since its formation, every Strategic Planning Session of the CalMHSA Board has considered the inequity of the some counties bearing the burden of core administrative costs and other counties getting a “free ride.” CalMHSA continues to struggle with finding a solution which addresses the need to fund core administrative costs. During the course of the years the following have been considered and rejected:

Dues or Membership fees - Members have indicated these are unfeasible since the county already participates in other statewide organizations which have dues or fees and while CalMHSA is different, the local supervisors would not support a CalMHSA statewide dues or a fee.

One Percent (or other percentage) contribution by all—this has been discussed several times and has received mixed support; however, this solution would most easily and fairly address the above issues. Most recently CSAC has opposed this and CalMHSA has backed away from this option.

Indirect Costs within each Program (for all members)—this has been CalMHSA recent suggestion to include and recognize the indirect costs of the program and JPA operations within each Statewide program.

Member Administrative Fee—this would be similar to the dues except it would have levels of membership fees based on participation. This concept has not been explored with much depth due to its similarities to the Dues option.

Interest and Penalties for Non-paying County Members - CalMHSA’s bylaws of December 12, 2013, includes a provision for assessing a penalty to Members with delinquent amounts due and CalMHSA could exercise its authority to apply the appropriate late fee(s).

Section 13.3 – Late Fees

Members with delinquent amounts due shall be assessed a penalty which shall be one percent of the unpaid amount due and payable to the Authority 30 days after the initial invoice due date. A penalty of another one percent shall accrue after an additional 45 days. Interest shall accrue on all delinquent amounts due and payable to the Authority at the applicable rate of 5% per annum from the due date of the billing until the date finally posted by the designated financial institution. Each Member shall indemnify the Authority from any expense resulting from its failure to pay the sum due on or before the due date. The Board may elect to temporarily suspend service or other deliverables, as deemed appropriate if a Member fails to pay its contribution. For the purpose of assessing penalties and interest, the fee calculation shall be based on each calendar day the delinquent amount is late and notwithstanding the foregoing no late fee or other charge shall exceed the maximum authorized by law.

Statutory changes to the MHSA Act which would allow MHSA funds to flow directly to CalMHSA from DOF - Collectively, members have opposed any redirection of local funds to a statewide entity and CalMHSA has ceased any activities related to statutory changes.

In the evolution of the discussion from past experiences, the CalMHSA staff recommends the following option which is further described in the attachment. This option will require several changes to CalMHSA by-laws. CalMHSA staff acknowledges that participation in CalMHSA programs is voluntary. CalMHSA recognizes that it is a local decision to fund a CalMHSA statewide program. Acknowledging this, CalMHSA adheres to the belief that members determine how to enjoin all members to fund statewide programs adopted by the CalMHSA board.

Suggested Recommendation(s):

- 1) Each statewide CalMHSA Program shall establish a direct annual minimum dollar level of funding for implementation of the program. This annual minimum cost will be assigned to all members (suggested draft by-law changes are shown in the attached reference material).
 - a. Each statewide CalMHSA Program will be implemented only if the majority of CalMHSA members have acknowledged willingness to fund at this minimum level.
 - b. Any program that doesn't reach this minimum level of funding will be subject to severe reduction or closure upon Board action.
 - c. CalMHSA will prepare an individualized Annual County Invoice to be submitted to each county and to be paid within 30 days of county receipt of invoice.
 - d. CalMHSA will prepare an Annual County Impact Statement for each statewide program.
 - e. Benefits of statewide programs will be directed at members that fund the programs, and nonfunding members will not vote on program-specific matters.
- 2) Set an indirect annual CalMHSA program administration fee which is charged to all members. This option is similar to the 1% across the board which had been previously approved by the CalMHSA Board but has received mixed support and as a result has never been implemented. However, if implemented, the amount would be less than the 1% adoption previously approved.

For additional background information please see attached documents.

FISCAL IMPACT:

Increase in member contributions.

RECOMMENDATION:

Discuss and approve a solution for addressing the issue of member counties benefitting from programs, for which they do not financially contribute.

TYPE OF VOTE REQUIRED:

Majority vote of the Board.

REFERENCE MATERIAL(S) ATTACHED:

- CalMHSA Funding & Participation Flowchart
- Annual Estimate Program Funding Commitment Sample
- CalMHSA Bylaws with Draft Changes

CalMHSAs Funding & Participation Flowchart – March 30, 2017

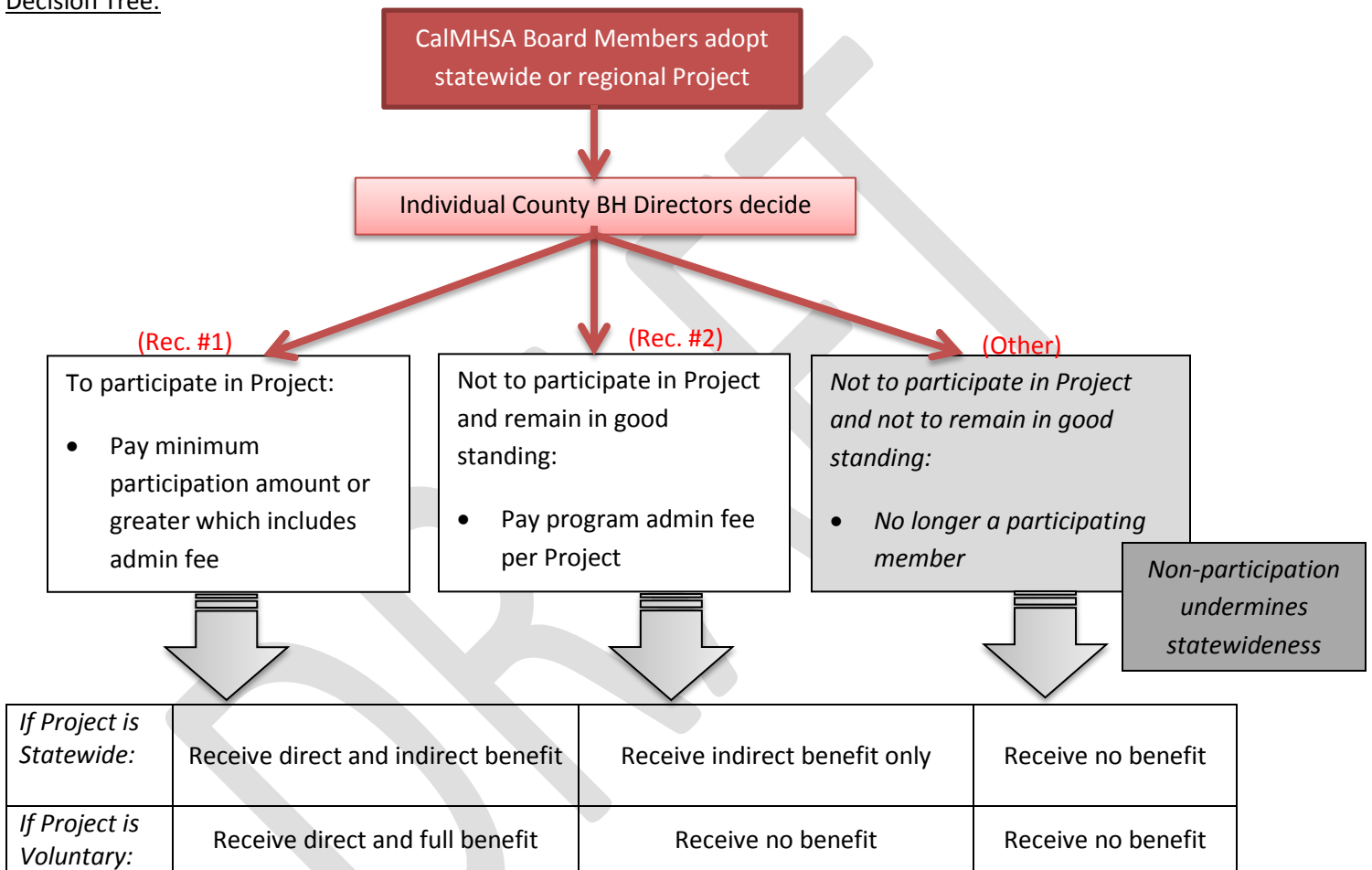
Draft Reviewed By Finance Committee

Policy Recommendations to be further developed:

CalMHSAs Board shall adopt Projects, and when a Project is adopted will designate the Project as:

1. Statewide with a required minimum contribution per county
2. Voluntary with a set contribution for each county member that elects to participate

Decision Tree:



Member Benefit Definitions:

- Direct Benefit:** firsthand and timely receipt of Project elements/activities/resources and personal and local contact with Project elements/activities and staff
- Indirect Benefit:** access to all publically available Project elements/resources through individual initiative (searching out)

Member Standing Definitions:

- Good Standing:** voting member
- Not in Good Standing:** non-voting member

2017 Annual Estimate Program Funding Commitment

CalMHSA Member: _____ County/City
 Address _____
 City, State, Zip _____

| | DESCRIPTION | Direct Program Amount | Indirect | Member/County Approved Amount | Total |
|---|--|-----------------------|----------|-------------------------------|------------|
| 1 | *Phase III Sustainability Funding FY 17-18 | \$0,000.00 | \$000.00 | | \$0,000.00 |
| 2 | Private Fund Development – Special Member Fee FY 16-17 | \$0,000.00 | \$000.00 | Not Applicable | \$0,000.00 |
| 3 | State Hospital Bed Program FY 17-18 | \$0,000.00 | \$000.00 | | \$0,000.00 |
| 4 | Central Valley Suicide Prevention Hotlines -CVSPH Regional Program | \$0,000.00 | \$000.00 | | \$0,000.00 |
| 5 | Technical Assistance and Capacity Building (TTACB) | \$0,000.00 | \$000.00 | | \$0,000.00 |
| 6 | Workforce Education Training (WET) | \$0,000.00 | \$000.00 | | \$0,000.00 |
| | | | | | |

| | |
|--------------------------------|---------------------|
| TOTAL COMMITMENT AMOUNT | \$000,000.00 |
|--------------------------------|---------------------|

*NOTE: Please identify the amount approved by your County/City for Phase III Sustainability Funding for FY 17-18, if different from CalMHSA Board Action for target funding of 4% from your local PEI funds.

DETAIL

These documents reflect actions taken by the CalMHSA Board on behalf of its member.

Supporting documents:

1. December 2016 Board Staff Report RE: Phase III Sustainability Funding
2. Private Fund Development – Special Member Fee
 - August 11, 2016 Lester Consulting Feasibility Study for Private Funding Board Report
 - October 13, 2016 Lester Consulting Group – Private Fund Development & Creation of a Leadership Council Board Report
 - Fee Allocation Chart
3. Board Staff Report RE State Hospitals Program
4. Central Valley Suicide Prevention Hotlines – CVSPH Regional Program
5. Technical Assistance and Capacity Building (TTACB)
6. Workforce Education Training (WET)

Name: _____

Title: _____

Signature: _____

Phone: _____

Date: _____

Email Address: _____

**CALIFORNIA MENTAL HEALTH
SERVICES AUTHORITY**

BYLAWS

**BYLAWS
of the
CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY**

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**BYLAWS
of the
CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY**

ARTICLE 1

Section 1.1 - Purpose

The CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY (Authority) is established for the purpose of the Members to jointly develop, fund and administer mental health services and education Programs as determined on a regional, statewide, or other basis.

ARTICLE 2 - GOVERNING DOCUMENTS

Section 2.1 - Governing Documents

The governing documents of the Authority shall be the Joint Exercise of Powers Agreement of the Authority (Agreement), these Bylaws, and the Participation Agreements for Programs administered by the Authority. In the event of a conflict between the Agreement and these Bylaws, the Agreement controls.

ARTICLE 3 - MEMBER ENTITIES

Section 3.1 - Membership

Each party to the Agreement is a Member. Only those agencies defined in the Joint Powers Agreement are eligible to become a Member of the Authority by agreeing to be bound by the governing documents and by complying with all of the following requirements:

- 3.1.1 Submit a completed application for membership and indicate method for payment of Application Fee.
- 3.1.2 Submit copy of resolution providing authorization to join CalMHSA;
- 3.1.3 Execute the Joint Powers Agreement;
- 3.1.4 Be accepted for membership as provided in Section 3.2;
- 3.1.5 Identify in writing a director to represent the Member on the Board. The director will designate an alternate to the Board as provided in Article 4;
- 3.1.6 Ensure all representatives (director and alternate) file with the Executive Director the required Fair Political Practices Commission ("FPPC") forms upon assuming office, during office, and upon termination of office.

Section 3.2 - Approval of Membership

The Executive Director shall review each applicant's submittal and may schedule a meeting with the applicant to discuss. The Executive Director shall report the results which shall be the basis for the recommendation to the Board. The Board shall either approve, as provided in Section 4.1.3.1, or disapprove the application based upon the Executive Director's recommendation, the application, and any inspections, reports, or other material which would be pertinent to the decision.

Section 3.3 - Good Standing

Members may remain in good standing by payment of the annual Program administration fee assessed proportionally to Members for the operation of statewide Programs. CalMHSA will direct its efforts to benefiting Members in good standing. Representatives of Members not in good standing will be deemed not to be participating in statewide Programs, and their representatives will have no vote as to any Program-specific matters, as provided in Section 4.3.3.

ARTICLE 4 - BOARD

Section 4.1 – Board Composition

- 4.1.1 The Board of the Authority shall be comprised of one representative from each Member. In addition to the director appointed to represent the Member, an alternate is designated by the director, who may vote in the absence of the director.
 - 4.1.1.1 Each representative, when voting on Authority business, shall have the authority to bind his or her Member to the action taken by the Board.
 - 4.1.1.2 The Member may change any of its representatives (director or alternate) to the Board by providing written notice to Authority.
 - 4.1.1.3 At a Board meeting only one representative, if more than one representative is present, may vote on behalf of the member.
- 4.1.2 The Board shall provide policy direction for the Executive Committee, and the Executive Director, and other appointed committees. The Board may delegate any of its responsibilities except those requiring a vote by the Board as specified in the Agreement or the Governing Documents.
- 4.1.3 The Board reserves unto itself the authority to do the following (except where specifically otherwise noted, the majority of the Board members present at a meeting may take action):
 - 4.1.3.1 Accept a new member into the Authority;
 - 4.1.3.2 Approve indebtedness (two-thirds vote of the entire Board);
 - 4.1.3.3 Adopt a budget;
 - 4.1.3.4 Amend these Bylaws;
 - 4.1.3.5 Approve contracts for Authority administrative services and legal counsel;

- 4.1.3.6 Establish a Program if the Program involves more than one member and funding by members;
- 4.1.3.7 Approve dividends and assessments to members of a Program year;
- 4.1.3.8 Expel a member from the Authority (two-thirds vote of the entire Board);
- 4.1.3.9 Terminate or suspend the rights of a member in default (two-thirds vote of the entire Board); and
- 4.1.3.10 Approve dissolution of Authority (two-thirds vote of entire Board.)

Section 4.2 - Meetings of the Board

- 4.2.1 The Board shall hold at least two regular meetings each year to review all operations of the Authority. The Board will establish a time and place to hold such regular meetings and notice shall be sent to each director and alternate.
- 4.2.2 Every Member is expected to have its director or alternate attend Board meetings.
- 4.2.3 All meetings of the Board shall be conducted in accordance with the Ralph M. Brown Act (Government Code §54950 et seq.)
- 4.2.4 A special meeting may be called by the President or Vice President in the absence of the President, or a majority of the Board, by notifying the Executive Director of the purpose of the meeting. The Executive Director shall provide 24 hours written notice to each director and alternate representative stating the purpose, date, time, and place of the meeting.

Section 4.3 - Voting

- 4.3.1 The presence of a majority of the membership of the Board shall constitute a quorum for the transaction of business. Following the establishment of a quorum, measures may be passed by a simple majority of Members present and voting, except as stated below.
- 4.3.2 A super majority of the Board is required as to those matters which are so specified in Section 4.1.3
- 4.3.3 As to votes on Program-specific matters (including but not limited to motions to approve Program Participation Agreements, to terminate a Program, or to expel a participant from a Program), only those members participating in the Program will be counted in determining whether there is a quorum and whether there is approval by a majority of those present and voting. Voting by Program participants regarding Program matters may be by roll call of the members participating. Program-specific votes shall be designated as such in the agenda for the meeting.
- 4.3.4 Upon the motion of any Board Member, seconded by another, passage of a measure by the Board will require approval through a weighted voting procedure rather than by majority or super majority vote. For weighted voting purposes there shall be a total of 75 votes. Each Member shall have one vote. The remaining votes shall be allocated among the Members based on the most recent census. "Census," as used in the Agreement and these Bylaws, shall mean the most recent E-1 Population Estimates of county population prepared by the

California Department of Finance Demographic Research Unit, This calculation shall be performed and reviewed annually in June, prior to the next fiscal year. Any weighted vote will be a roll call vote. Weighted votes must be cast in whole by the voting county and may not be split. As to an action affecting only one of the Authority's established Programs, the number of votes a member has shall be determined by the formula stated in this paragraph, but only the weighted votes of the participants in the Program would be counted in determining whether there is a quorum and whether there is approval by a majority of those present and voting.

- 4.3.5 Voting by proxy shall not be permitted.
- 4.3.6 If a quorum of the Board is not present at a regular meeting of the Board, the Executive Committee may act in the Board's stead if a quorum of the Executive Committee is present, except as to those actions listed in Section 4.1.3.
- 4.3.7 Representatives of Member Counties or Cities that have not financially participated in any Program of the Authority may attend and participate in Board meetings and vote on agenda items not specific to a particular Program, but may not be a member of the Executive Committee until such time as their County or City takes all steps necessary to assign Statewide PEI funds or to participate financially in some other Program of the Authority resulting in funds being received by the Authority for or on behalf of the member.

ARTICLE 5 – OFFICERS OF THE BOARD

Section 5.1 - Officers

The Officers of the Authority shall consist of President, Vice President, Treasurer, and a Secretary to the Board.

Section 5.2 - Eligibility for President, Vice President, Treasurer and Secretary

Eligibility for election and continuation in office as President, Vice President, Treasurer and Secretary of the Board shall be limited to one representative of a Member.

Section 5.3 - Terms of Office

- 5.3.1 The terms of office for the President, Vice President, Treasurer, and Secretary shall be for two years, commencing with the start of the fiscal years in each of the odd calendar years or until their successors are elected.
- 5.3.2 In accordance with Government Code § 53607 and CalMHSa Investment Policy, the Treasurer (an elected position) shall be appointed every year as the investment delegate by the President of the Board.

Section 5.4 - Elections

- 5.4.1 Election of officers shall be performed biennially.

- 5.4.2 As referenced in Section 6.2, after receiving nominations from directors the Nominating Committee shall be responsible for developing a slate of nominees for regular elections.
- 5.4.3 Elections shall occur at the last regular Board meeting of the fiscal year in which the applicable officer term concludes. Those candidates receiving a majority of votes in each office will succeed to those offices. If no nominee receives a majority vote, the nominee with the least votes shall be deleted as a nominee and a new vote taken. This elimination process will continue until one nominee receives a majority vote. Each director to the Board or in the absence of any director, his/her alternate shall be eligible to vote.
- 5.4.4 The officers will serve for their elected terms with the Authority or until termination of office or employment with their Member, or until removal from office by a majority vote of the Board, whichever is earliest.
- 5.4.5 Vacancies in any office shall be appointed by the President, with the approval of the Board, at the next regularly scheduled Board meeting held after the vacancy occurs. A vacancy in the position of President shall be filled by election at the next regularly scheduled Board meeting held after the vacancy occurs.

Section 5.5 - Duties

- 5.5.1 President - The President shall preside at all meetings of the Authority. The President shall appoint the members of all ad hoc committees, which may be formed as necessary or appropriate for carrying on the activities of the Authority. The President shall execute documents, or delegate to the Executive Director on behalf of the Authority as authorized by the Board, and shall serve as the primary liaison between this and any other organization. The President shall serve as ex-officio member of all committees.
- 5.5.2 Vice President - The Vice President shall also serve as ex-officio member of all committees, when the President is unable to attend. In the absence of or temporary incapacity of the President, the Vice President shall exercise the functions covered in Section 5.5.1 above.
- 5.5.3 Secretary - The Secretary will be responsible for the oversight of staff's preparation and distribution of all minutes and agendas of the Board, and any other committee meetings, preparing necessary correspondence, and maintaining files and records.
- 5.5.4 Treasurer - The Treasurer shall serve under the authority of and comply with Government Code section 6505.6, and shall be responsible for: 1) ensuring the custody of and disbursement of Authority funds, accounts, and property, in accordance with the California Government Code; 2) supervising the maintenance of such records to assure that financial accounts, records, funds, and property are maintained in accordance with accepted accounting practices and procedures prescribed by the Government Accounting Standards Board; 3) providing for inspection of all financial records; 4) overseeing, monitoring, and reporting on investment action; and, 5) overseeing and monitoring the financial audit.

ARTICLE 6 - COMMITTEES

Section 6.1 – Executive Committee

- 6.1.1 Members - To facilitate the expeditious handling of transactions relating to the Authority's operations, an Executive Committee is established. The members shall be: 1) the offices of President, Vice President, Treasurer, Secretary; and 2) one director from each of the five regions utilized by CMHDA: Bay Area, Central, Los Angeles, Southern, and Superior, 3) a member-at-large, and 4) the immediate past President, if available. The Board Members elected to represent a region on the Executive Committee may be either a County's (or City's) mental health director or the designated alternate for such mental health director. Only the individual elected to represent the region can vote on the Executive Committee, regardless of whether that individual is a mental health director or a designated alternate, except that alternate regional representatives may vote in the absence of the regional representative.
- 6.1.2 Elections - At the last regularly scheduled meeting of a fiscal year ending during an even numbered year, the Bay Area, Los Angeles and Southern regions shall each elect a representative and an alternate for a two-year term to commence on July 1 of the subsequent fiscal year to serve on the Executive Committee. At the last regularly scheduled meeting of a fiscal year ending during an odd-numbered year, the Superior and Central regions shall each elect a representative and an alternate for a two-year term to commence on July 1 of the subsequent fiscal year to serve on the Executive Committee. Only the directors for those counties within a region shall be eligible to vote for the representative of that region. At the first regularly scheduled meeting following CMHDA's annual elections, the Board shall elect a member-at-large who shall serve a term beginning the first day of the next month and concluding upon the first day of the month following the election of a successor member-at-large. If possible the member-at-large shall be an officer of CMHDA.
- 6.1.3 Meetings - The Executive Committee will meet as required by business. A majority of the members of the Executive Committee is a quorum for the transaction of business. Such meetings will be duly noticed to all Board directors and alternate representatives. The Secretary of the Board shall be responsible for minutes of the meetings and within 30 days of the Executive Committee's meeting shall send copies of such minutes to all Board directors, alternate representatives, and members of the public who have requested notice of such meetings. All meetings of the Executive Committee shall be conducted in accordance with the Ralph M. Brown Act (Government Code § 54950, et seq.).
- 6.1.4 Authority - The Executive Committee shall have the same authority as that of the Board except for those items specifically reserved unto the Board in Section 4.1.3, and as to those items (except those requiring a two-thirds vote of the Board) the Executive Committee can act in the absence of a quorum of the Board at a regularly scheduled meeting, subject to the Appeal Process stated in Section 6.1.7. The Executive Committee may also exercise the authority delegated by a vote of the majority of the participants in a Program.

- 6.1.5 Attendance - Attendance of Executive Committee members is essential to conducting the business of the Authority. An Executive Committee member missing a maximum of two meetings in a fiscal year, shall be subject to review by the Board or Executive Committee concerning forfeiture of his/her membership on the Executive Committee.
- 6.1.6 Vacancies - The remaining term of any vacant representative position shall be appointed by the President, with the approval of the Board, at the next regularly scheduled Board meeting held after the vacancy occurs.
- 6.1.7 Appeal Process - Any action taken by the Executive Committee may be appealed by a minimum of five of the Members of the Authority to the Board by filing a written notice of appeal with the Executive Director within 21 days following the date the minutes are mailed as provided in Section 6.1.3. Such written appeal may be made by a single written notice of appeal signed by at least five of the Members, or by individual notices of appeal from at least five of the Members. To be effective, the notice of appeal need only state that the Member requests the action to be placed on the agenda of the next meeting of the Board for reconsideration. Upon receipt of such appeal, the Executive Director shall stay the action, and place the appeal on the agenda of the next regularly scheduled Board meeting. The Board may rescind, modify or ratify the challenged action of the Executive Committee, and the decision of the Board shall be final. If at the next regularly scheduled Board meeting a quorum of the Board does not appear but a quorum of the Executive Committee is present, the Executive Committee may rescind, modify or affirm its prior action and such action shall be treated as the final action of the Board.
- 6.1.8 Minutes – To avoid delay in the distribution of minutes of the meetings of the Executive Committee, the Secretary of the Board shall within 14 days of the meeting send a draft copy of the minutes to each Executive Committee member who attended the meeting, and shall request that any corrections be provided within 7 days. After the 7-day correction period, the Secretary shall make any necessary corrections and shall send the minutes of the meeting to each Board member and alternate as required in Section 6.1.3.

Section 6.2 - Nominating Committee

- 6.2.1. A nominating committee shall be appointed by the President with the consent of the Board for the purpose of annual elections of Executive Committee members and the biennial elections of officers. The Nominating Committee shall consist of a minimum of three and a maximum of five members, and shall not include more than two members of the Executive Committee.
- 6.2.2. The nomination of candidates for the officers and Executive Committee shall be made in writing to the Board no later than 30 days prior to the last regular Board meeting of the fiscal year. The slate of nominees will be mailed to each director at least seven days before the last regular Board meeting of the fiscal year. Additional candidate(s) may be nominated at the time of the meeting, provided the candidate(s) meet the requirements set forth in Sections 5.4 and 6.1.

Section 6.3 – Finance Committee

- 6.3.1 The Finance Committee is established as a standing committee to oversee, review, and provide direction to the Authority’s Board of Directors regarding the Authority’s financial matters and investment programs. This Section 6.3 shall amend and supersede the Charter of the Finance Committee adopted on October 13, 2011.
- 6.3.2 The Finance Committee shall be composed of six voting members consisting of the Authority’s Treasurer, who shall serve as Chair, and a representative from each of the five (5) CMHDA regions. At least three of the Committee members shall be Board Members, who shall be determined and appointed by the President and approved by the Board of Directors. Two of the Committee members may be Chief Financial Officers of a County member of the Authority. In addition, the committee shall include the President of the Board of Directors, who shall serve as a non-voting Ex Officio Member.
- 6.3.3 Each committee member shall serve a two-year term with a renewal option upon recommendation of the Committee Chair and approval by the Board of Directors. New members (to fill vacancies or at the expiration of an existing member’s term) shall be appointed by the Board President and approved by the Board of Directors.
- 6.3.4 The Treasurer’s term as Chair shall correspond to his or her term as Treasurer as provided in Article 5. Other members’ terms shall be two years, except that in order to create staggered terms, the initial terms of three regional members (Los Angeles, Central and Superior) shall be three years. All such terms will be deemed to begin on December 31, 2011.
- 6.3.5 The Finance Committee shall have the following duties:
- 6.3.5.1 Review the Authority’s financial policies and make recommendations for the Board’s approval.
 - 6.3.5.2 Review the proposed annual operating budget presented by the Executive Director. After any appropriate revisions, the committee will accept the budget. Then the committee chair will present the budget to the Board of Directors for approval.
 - 6.3.5.3 Interview and recommend selection of the external auditor when directed by the Board of Directors.
 - 6.3.5.4 Review audited financial statements and accept and file report.
 - 6.3.5.5 Recommend guidelines and goals for the investment of the Authority’s funds to the Board of Directors.
 - 6.3.5.6 Review the status of the Authority’s investments.
 - 6.3.5.7 Because action may need to be taken on short notice, more quickly than the Board of Directors could be convened, the Finance Committee is authorized to review bids of, select, contract with and/or discharge the investment consultant and/or

the investment manager, if the President concurs. When it so acts, the Finance Committee shall report such actions to the Board of Directors at its next meeting.

6.3.5.8 Other duties as authorized by the Board of Directors.

Section 6.4 – Advisory Committee

6.4.1 A standing Advisory Committee has been established to serve as a hub of communication and disseminate program information to stakeholders, partners, the Executive Committee and the Board of Directors.

6.4.2 The Advisory Committee shall consist of twelve members. Six of the members shall be current members of the Board of Directors, and of these six, one shall be a member of the Executive Committee and each of the other five shall represent a CMHDA region. There shall be six stakeholder members, five of which shall represent a CMHDA region. One Board member and one stakeholder shall act as co-Chairs of the Advisory Committee. Each stakeholder member shall occupy a position of influence and be empowered to speak for his/her organization, and shall contribute to diverse representation of consumers and families, cultural groups, and age spans and geographic regions. Stakeholder members are selected by application to CalMHSA. Vacancies will be filled by a selections committee. The Selection Committee shall attempt to fill any vacant position with a member who represents the same CMHDA region and fulfills the Committee need for representation from diverse constituencies.

6.4.3 Members serve personally, and cannot be represented on the Advisory Committee by alternates. Members serve a term of two years, except that half of the original roster of members shall serve an initial term of three years. Each of the co-chairs shall serve initial three-year terms. The stakeholder co-chair shall designate two other stakeholder members to serve initial three-year terms, and the Director co-chair shall designate two other Director members to serve initial three-year terms. Vacancies shall be filled by a selection committee (which includes stakeholder representation) appointed by the President.

6.4.4 The Advisory Committee shall advise the Executive Committee and/or the Board of Directors regarding the following subjects:

6.4.4.1 Regular reporting from Program Partners in key areas related to Core Principles adopted by the Authority

6.4.4.2 Development and administration of a system for compiling, analyzing and reporting stakeholder feedback on the statewide PEI and other programs

6.4.4.3 New programs or structures to be created, including program monitoring, compliance, and reporting of results

6.4.4.4 Member services and expansion of the Authority's services

6.4.5 The Advisory Committee will make recommendations to the Executive Committee and/or Board of Directors that have been adopted by consensus. When consensus is not reached, opposing positions will be reported to the Board of Directors.

6.4.6 Stakeholder members of the Advisory Committee will adhere to the Advisory Committee's Stakeholder Conflict of Interest Policy. Board Members that are members of the Advisory Committee are required to comply with the Authority's Conflict of Interest Code and Conflict of Interest Policy.

Section 6.5 - Other Committees

6.5.1. At any time the President may appoint an ad hoc committee.

6.5.2 The Board and the Executive Committee have the authority to add additional committee(s) as deemed necessary.

ARTICLE 7 – FINANCIAL AUDIT

Section 7.1 - Audit Required

The Board shall cause to be made, by a qualified, independent individual or firm, an annual audit of the financial accounts and records of the Authority. By unanimous request of the Board, the audit may be biennial as permitted by Government Code section 6505, subdivision (f). The minimum requirements of the audit shall be those prescribed by State law.

Section 7.2 - Filing an Audit

The financial audit report shall be filed with the State Controller's Office within 6 months of the end of the fiscal year(s) under examination. The Authority shall have a copy of the audit report filed as a public record with each Member.

Section 7.3 - Costs of Audit

The Authority shall bear all costs of the audit. Such costs shall be charged against the operating funds of the Authority.

ARTICLE 8 - FISCAL YEAR

Section 8.1 - Fiscal Year

The fiscal year of the Authority shall be the period from July 1st of each year through June 30th of the subsequent year.

ARTICLE 9 - BUDGET

Section 9.1 - Budget

The Board shall adopt an annual budget by July 1 of each year, with receipt of a draft budget forty-five days prior thereto.

ARTICLE 10 - ESTABLISHMENT AND ADMINISTRATION OF FUNDS

Section 10.1 - Administration of Funds

The Authority is responsible for the strict accountability of all funds and reports of all receipts and disbursements. It shall comply with every provision of law relating to the subject, particularly Section 6505 of the California Government Code, and any other regulations that become applicable based on the source or nature of funding received.

The funds received for each Program shall be accounted for separately on a full-accrual basis. The portion of each Program contribution allocated for payment of expenses, if any, shall be held by the Authority for the Program participants for each Program, and accounted for as prescribed by each Program Participation Agreement.

Section 10.2 - Deposit and Investment of Authority Funds

The Treasurer may deposit and invest Authority funds, subject to the same requirements and restrictions that apply to the deposit and investment of the general funds in accordance with California Government Code and in accordance with the Investment Policy annually.

Section 10.3 - Accounting Method for Programs

The accounting method for each Program will be in accordance with the provisions of the Participation Agreement governing that Program and the principles established by the Government Accounting Standards Board.

ARTICLE 11 - ADMINISTRATION

Section 11.1 - Executive Director

The Board shall appoint the Authority's Executive Director. The Executive Director shall be responsible for the daily administration, management, and operation of the Authority's Programs and shall be subject to the direction and control of the Board and the Executive Committee. The Executive Director may, but need not be, an employee of the Authority, a consultant, or a corporation. Such arrangement shall be governed by contract and approved by Board

Section 11.2 - Compensation and Employment of Executive Director

The Authority shall compensate the Executive Director for services rendered to the Authority in such amount and manner as may be approved by the Board. Details respecting compensation, termination, and other employment related matters pertaining to the Executive Director shall be governed by such terms and conditions as the Board shall establish.

Section 11.3 – Authority of the Executive Director to Execute Contracts

The Board or the Executive Committee may delegate authority to the Executive Director to execute certain contracts on behalf of the Authority, either as to particular contracts, or as to particular categories of contracts. As used in this section, "contracts" includes Participation Agreements.

Section 11.4 – Program Director

The Board, or the Executive Director if authorized by the Board, may retain a Program Director to assist CalMHSa in setting goals and priorities; developing and managing the Authority’s Programs and projects; interacting with the state, counties, stakeholders and consumers on behalf of the Authority; contracting with and monitoring contractors; keeping the Authority’s Board informed of CalMHSa activities; and reporting to the California Department of Mental Health and the Mental Health Services Oversight and Accountability Commission.

Section 11.5 – Compensation and Employment of Program Director

The Authority shall provide for compensation of the Program Director if retained directly by the Authority, or if the Program Director is retained by the Executive Director, the contract with the Executive Director may be adjusted on such terms and conditions as the Board may establish to take into account the Executive Director’s obligation to compensate the Program Director.

ARTICLE 12 - PROGRAMS

Section 12.1 - Formation of Programs

12.1.1 The Authority may establish Programs in such areas as the Board may determine.

12.1.2 The Authority may authorize and use administrative funds to study the development/feasibility of new Programs. In the event of such development, the estimated Member contributions shall be developed by the Executive Director and each Member will be given a stated time period to state in writing whether it intends to participate in the new Program. Unless written notice of intent to participate in a Program is provided to the Executive Director by the Member, it shall be presumed that the Member declines to participate. Upon conclusion of the notice period, Member contributions will be determined and billed to the Members committed to join. Receipt by the Authority of funds from third parties on behalf of, or as the assignee of, the Member will be deemed contributions on behalf of the Member. To the extent feasible, Member contributions to a Program shall be used reimburse the Authority’s administrative funds used to study and develop the Program. Each Member that elects to participate will be bound to the new Program for the period of time so required by the Participation Agreement for that Program.

12.1.3 Establishment of a Program that may involve more than one member and contributions made directly by such Members requires a vote of the full Board. Once a Program is established, addition of other Members as participants does not require additional Board action. Single-County Programs and Programs funded entirely by grants or other non-Member sources may be established by vote of either the Board or the Executive Committee. As to such Programs, the Board or Executive Committee may delegate authority to the Executive Director to establish and execute Participation Agreements for such Programs, subject to the limits imposed in the delegation of authority.

12.1.4 The Participants in a Program shall adopt and maintain a Participation Agreement to establish the operating guidelines of that Program, except as to the Statewide PEI Program. As to the Statewide PEI Program, the relevant Information Notices, assignment documents executed on behalf of Members, CalMHSA contract with the California Department of Mental Health and these Bylaws are deemed to constitute the Participation Agreement.

12.1.5 Participation Agreements shall, among other things, specify the conditions under which additional Members will be allowed to join in the Program after its inception.

12.1.6 To assure continued financial viability of CalMHSA, an annual minimum level of funding for indirect costs of implementation for each statewide Program will be established.

12.1.6.1. The annual minimum funding amount will be apportioned among the Members.

12.1.6.2. Each statewide CalMHSA Program will be implemented or continued only if the majority of CalMHSA Members have committed in writing to fund at this minimum level.

12.1.6.3. Any statewide Program for which the majority of Members do not commit to a minimum level of funding will be subject to severe reduction or termination upon Board action.

12.1.6.4. CalMHSA will prepare an individualized Annual County Invoice to be submitted to each Member that has committed to funding. Such invoice will be payable within 30 days of receipt. Failure of a Member to timely pay may subject the Member to late fees under Section 13.3 and/or loss of Good Standing status under Section 3.3.

12.1.6.5. CalMHSA will prepare an Annual County Impact Statement for each statewide program.

Section 12.2 – Program Withdrawal or Expulsion

12.2.1 Withdrawal or expulsion by a member from any Program shall be in accordance with the provisions of the Participation Agreement governing that Program. In the absence of a Participation Agreement for a Program, withdrawal or expulsion shall be governed by the Agreement and these Bylaws.

12.2.2 The withdrawal or expulsion of any participating member of any Program after the effective date of such Program shall not terminate its responsibility to contribute its share of contributions to any fund or Program created by the Authority. All current and past participating members shall be responsible for their respective share of the expenses, as determined by the Executive Director, until all unpaid liabilities, covering the period of the member's participation in the Program, have been finally resolved and a determination of the final amount of payments due by, or credit to, the participating member for the period of its participation has been made. The withdrawal or expulsion of any member from any Program shall not require the repayment or return to that member of all or any part of any contributions, payments, advances, or distributions except in conformance with the provisions set forth herein and in the Program's Participation Agreement.

12.2.3 Any participating member seeking to withdraw without proper and effective notice shall be responsible for the full cost of the subsequent year's contribution, and the notice will be deemed effective for the following year. The notice required to withdrawal from a Program shall be stated in each Program's Participation Agreement, but in the absence of such provision shall be 6 months.

12.2.4 No member can be expelled from a Program except as provided by Article 14 of these Bylaws.

ARTICLE 13 – RESPONSIBILITIES OF THE MEMBER ENTITIES

Section 13.1 – Governing Documents

Each Member shall comply with the provisions of the governing documents.

Section 13.2 – Timely Payment

Each Member shall timely pay all premiums, fees, charges and assessments imposed or levied by the Authority.

Section 13.3 – Late Fees

Members with delinquent amounts due shall be assessed a penalty which shall be one percent of the unpaid amount due and payable to the Authority 30 days after the initial invoice due date. A penalty of another one percent shall accrue after an additional 45 days. Interest shall accrue on all delinquent amounts due and payable to the Authority at the applicable rate of 5% per annum from the due date of the billing until the date finally posted by the designated financial institution. Each Member shall indemnify the Authority from any expense resulting from its failure to pay the sum due on or before the due date. The Board may elect to temporarily suspend service or other deliverables, as deemed appropriate if a Member fails to pay its contribution. For the purpose of assessing penalties and interest, the fee calculation shall be based on each calendar day the delinquent amount is late and notwithstanding the foregoing no late fee or other charge shall exceed the maximum authorized by law.

Any late fee assessed in accordance with the provisions of this Section may be appealed. Such appeal shall be in accordance with the Authority's Dispute Resolution Policy.

Section 13.4 – Cooperation

13.4.1 Each Member shall provide the Authority with requested information and assistance in order to fulfill the Programs under this Agreement.

13.4.2 Each Member shall in all ways cooperate with and assist the Authority in all matters relating to this Agreement and comply with the policies, procedures and rules promulgated by the Authority.

13.4.3 If a Member is held liable upon any judgment for damages caused by a negligent or wrongful act or omission occurring in the performance of the Agreement and pays in excess of its pro rata share in satisfaction of such judgment, such public entity is entitled to

contribution from each of the other Members that are parties to the Agreement. The pro rata share of each Member will be determined by its population as compared to the total population of all Members, based on the most recent census. The right of contribution is limited to the amount paid in satisfaction of the judgment in excess of the pro rata share of the public entity so paying. No public entity may be compelled to make contribution beyond its own pro rata share of the entire judgment.

Section 13.5 – Confidential Records

Each Member shall maintain all confidential records in accordance with state regulations under the California Government Code § 6250, et seq., the California Public Records Act.

ARTICLE 14 - DEFAULTS AND EXPULSION FROM THE AUTHORITY

Section 14.1 - Events or Conditions of Default Defined

14.1.1 The following shall be "defaults" under the Agreement and these Bylaws:

- 14.1.1.1 Failure by a Member to observe and/or perform any covenant, condition, or agreement under the Governing Documents.
- 14.1.1.2 Consistent failure to: attend meetings, submit requested documents and cooperate in the fulfillment of the Program objectives;
- 14.1.1.3 Failure to pay any amounts, including penalties and interest, due to the Authority for more than 30 days;
- 14.1.1.4 The filing of a petition applicable to the Member in any proceedings instituted under the provisions of the Federal Bankruptcy Code or under any similar act which may hereafter be enacted; or
- 14.1.1.5 Any condition of the Member which the Board believes jeopardizes the financial viability of the Authority.

Section 14.2 - Remedies on Default

14.2.1 Whenever any event of default referred to in Section 14.1 of this article shall have occurred, it shall be lawful for the Authority to exercise any and all remedies available pursuant to law or granted pursuant to the Agreement and these Bylaws. However, no remedy shall be sought for defaults, until the Member has been given 30 days written notice of default from the Board, except defaults under Sections 14.1.1.4 and 14.1.1.5.

14.2.2 Expulsion of a Member from the Authority:

- 14.2.2.1 The Board, as provided in Section 4.1.3.1, may expel from the Authority any Member that is in default, as defined in Section 14.1.1 of this Article.
- 14.2.2.2 Such expulsion shall be effective on the date prescribed by the Board, but not earlier than 30 days after written notice of expulsion has been personally served on or sent certified mail to the Member.

14.2.2.3 The expulsion of any Member from any Program shall not terminate the Member's responsibility to contribute its share of contributions or funds to any fund or Program created by the Authority, nor its responsibility to provide requested data. All current and past participants shall be responsible for their respective share of the expenses, as determined by the Executive Director, until all unpaid liabilities, covering the period of the participant's participation in the program have been finally resolved and a determination of the final amount of payments due by, or credit to, the participant for the period of its participation has been made.

14.2.3 Expulsion from a Program:

14.2.3.1 Upon the occurrence of any default, the Board may temporarily terminate all rights of the defaulting Member in any program in which such Member is in default until such time as the condition causing default is corrected.

14.2.3.2 Upon the occurrence of any default, the Board, as provided in Section 4.1.3.10, may terminate permanently all rights of the defaulting Member in any program in which such Member is in default.

14.2.4 No remedy contained herein is intended to be exclusive. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or shall be construed to be a waiver thereof.

Section 14.3 - Agreement to Pay Attorney's Fees and Expenses

In the event either the Authority or a Member is in breach of the Agreement and the other party employs attorneys or incurs other expenses for the collection of moneys or the enforcement of performance or observance of any obligation under the Agreement on the part of the defaulting party, the defaulting party shall pay to the other party the reasonable fees of such attorneys and such other expenses so incurred by the other party.

Section 14.4 - No Additional Waiver Implied by One Waiver

In the event any condition contained in the governing documents is breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE 15 - LEGAL REPRESENTATION

Section 15.1 - Counsel Authorized

Legal counsel, to advise on matters relating to the operation of the Authority, may be recommended by the Executive Director and approved by the Board.

The Authority shall have the right to pay such legal counsel reasonable compensation for said services.

ARTICLE 16 - EXECUTION OF CONTRACTS

Section 16.1 - Authorization by Board

The Board or Executive Committee may authorize the Executive Director, any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of the Authority and such authorization may be general or confined to specific instances. Unless so authorized by the Board, no officer, agent, or employee shall have any power or authority to bind the Authority by any contract or to pledge its credit or to render it liable for any purpose or to any amount.

Section 16.2 – Representative and Officers Insurance

The Authority may purchase insurance indemnifying the Directors, Officers, and Administrative staff for personal liabilities arising out of wrongful acts in the discharge of their duties to the Authority or may elect to self-insure such risk.

ARTICLE 17 – WITHDRAWAL, EXPULSION AND TERMINATION

Section 17.1 – Termination and Distribution

The Agreement, these Bylaws, and the Authority continue to exist after termination for the purpose of disposing of all claims, distribution of assets, and all other functions necessary to conclude the obligations and affairs of the Authority.

Section 17.2 – Distribution Upon Termination of the Authority

Upon termination of the Authority, the assets of the Authority shall be distributed and apportioned among the Members that have been participants in its programs, including those Members which previously withdrew or were expelled pursuant to Articles 13 and 14 of these Bylaws, and as provided by the Program Participation Agreements. Any additional funds received after the above distributions are made shall be returned in proportion to the contributions made.

Section 17.3 – Distributions to a Member Withdrawn or Expelled from a Program

If a Member withdraws or is expelled from a program, the Authority shall return any program contributions by the member, but only to the extent that the Member's contribution to that program exceeds the program expenses fairly allocable to the Member based on its proportionate contribution and period of participation.

Section 17.4 - Distributions to a Member Withdrawn or Expelled from the Authority

If a Member withdraws or is expelled from the Authority, the Authority shall return any contributions by the Member, but only to the extent that the Member's contribution to the Authority exceeds the Authority's expenses fairly allocable to the Member based on its proportionate contribution and period of participation in the Authority.

ARTICLE 18 - NOTICES

Section 18.1 - Notices

Any notice to be given or to be served upon any party hereto in connection with these Bylaws must be in writing (which may include facsimile) and will be deemed to have been given and received when delivered to the address specified by the party to receive the notice. Any party may, at any time by giving five days prior written notice to the other parties, designate any other address in substitution of the foregoing address to which such notice will be given.

Section 18.2 - Claims Against the Authority

Claims against the Authority shall be presented to the mailing address of the Authority.

ARTICLE 19 - EFFECTIVE DATE

Section 19.1 - Effective Date and Supremacy

These Bylaws shall be effective immediately upon the date of approval and upon adoption shall supersede and cancel any prior Bylaws and/or amendments thereto.

The Bylaws are an agreement between the Members, and supplement the Joint Powers Agreement to the extent they are not inconsistent with it. Any clauses in these Bylaws that are inconsistent with the Agreement shall be superseded by those clauses in the Agreement but only to the extent of the inconsistency.

ARTICLE 20 - AMENDMENTS

Section 20.1 – Procedure to Amend

These Bylaws may be amended or repealed from time to time as provided in Section 4.1.3.4.

Approved: June 23, 2009
Amended: July 15, 2010
Amended: July 14, 2011
Amended: December 15, 2011
Amended: October 11, 2012
Amended: December 12, 2013

FINANCIAL MATTERS
Agenda Item 6.B.

SUBJECT: George Hills Company Contract with CalMHSA

ACTION FOR CONSIDERATION:

Finance Committee recommends Board approval of the Fourth Amendment to the George Hills Company contract, which would be effective July 1, 2017 to June 30, 2020.

BACKGROUND AND STATUS:

CalMHSA entered into a formal contract on October 28, 2009, with Optimum Risk Advisors, "ORA", a division of George Hills Company (GH), to be the Administrative Company to manage CalMHSA. That contract was later amended upon the execution of the CalMHSA contract with, then Department of Mental Health on April 15, 2010. Subsequently the CalMHSA Finance Committee was asked to continually review the performance of the contract and the financial terms with GH and report to the board. A Task Force of the Finance Committee was formed on October 13, 2011, to review and evaluate the GH contract for purposes of contract extension, since the amended contract was due to expire June 30, 2014.

At the June 13, 2013 Board of Directors Meeting, the CalMHSA Treasurer, gave an update on the Finance Committee Task Force's review of the GH contract due to expire on June 30, 2014. The Task Force made two recommendations for contract extension and, action to take place at a later date. The first would be based on CalMHSA administrative/indirect costs staying below 7.5% (they were 4.1% for FY 2013-2014). The second would be based on performance. As a result of this action, GH was asked to present a proposed extension of contract terms.

On December 13, 2013 Board of Directors Meeting, action was taken to approve the amended contract with GH, given the two conditions identified above were met, with a term of July 1, 2014 through June 30, 2017, and removal of column 5 within Attachment 1. The Board members confirmed the contract shall be renegotiated at a later date; When more information was available relative to Sustainability funding. Today's action is to determine whether to 1) continue GH thru Sole Source criteria or 2) send the contract out to bid thru an RFP process.

CalMHSA's Procurement Policy generally requires competitive selection processes but includes exceptions recognizing that noncompetitive contracting may better serve CalMHSA in some cases. The Procurement Policy lists factors that may justify sole source contracting, including the following: "Retaining professional services, such as but not limited to, an attorney, auditor, manager or administrator, to maintain expertise, continuity, consistency and knowledge of CalMHSA." In this case the extension of the GH contract will allow for:

1. Special knowledge and expertise of vendor, the staff provided by GH are specialized in managing CalMHSA's various and programs and JPA's in general, which are vital to the services required of CalMHSA.

2. Continuity - Continuation of programs without disruption. Any other administrator would have to furnish space, hire and train new staff. The current administrator keeps expenses low by, utilizing some staff on a part-time basis while their remaining time dedicated to GHC related matters. This includes the JPA Administrative Manager, Finance Director and Chief Operations Officer, as well as IT, reception, and HR staff. Additionally, the contract has been able to retain certain subject matter expert staff, at a reduced level (80%), which includes Program Manager and Program Director.
3. Comparability – The CalMHSA Finance Committee requested GH study comparable staffing and associated costs with two models; 1) another CSAC affiliated JPA (CSAC-EIA) and 2) comparable county. In both cases the cost per employee and associated costs exceed GH costs. Two sister BH County organizations that have structures to potentially to achieve a fraction of the outcomes are CBHDA and CIBHS, both with different purposes and IRS status. In the past we also looked at the JPA hiring, managing and housing their own staff, but due to economies mentioned below, it has not been cost effective.
4. Efficiency – CalMHSA is unique in that it is an entity that provides program, administrative and fiscal services in support of its members acting alone or in collaboration with other departments. CalMHSA includes an extensive list of program operations, including but not limited to, administration of PEI services, contract and negotiations with state and/or other providers, risk pools, group purchasing, contract management, research and development, data management and maintenance of a research depository.

GH's involvement in CalMHSA's creation and operation of these programs has been instrumental and its knowledge and experience could not easily be replaced. This includes retention of essential staff, relationships with stakeholders and program partners, and connections with key people at relevant state agencies. The contractual inability of a different administrator to provide employment to current staff could result in a significant loss to CalMHSA's institutional memory, effectiveness, and survival.¹

In addition, the Finance Committee has found the cost of GH's services as a percentage of program dollars has been well within standards.

Time is another factor that has been considered, it is estimated that an RFP could take 6-9 months to just decide whether to choose a new management company or keep the current. The cost for conducting such a RFP is unknown. The uncertainty during that process could lead to erosion of staff morale and the loss of key staff. Moreover, if a new vendor is selected, the start- up and transfer period could be another several months.

¹ Per the 2009 Agreement California Mental Health Services Authority (CalMHSA) and Optimum Risk Advisors (ORA), Section X. Employment Relationship of ORA, 2) During the term of this Agreement and for twelve (12) months following termination of this Agreement, CalMHSA agrees that it will not approach, solicit, attempt to hire, hire, or cause another entity or person to hire any ORA employee without the prior express written permission of ORA.

Should the JPA determine that releasing an RFP is the preferred next step, the following is a draft summary of tasks for the JPA:

1. Prepare a timeline for the Board
2. Follow Procurement Policy for Contract for services for RFP management
3. Form a Board Committee for developing an RFP
4. Recruit Review Committee/Panel
5. Release RFP
6. Collect and prepare responses to RFP questions
7. Conduct Proposer's Question and Answer conference/webinar
8. Collect letters of intent
9. Develop a scoring tool and interview protocols
10. Select a review panel
11. Conduct training for Review Committee/Panel
12. Collect Proposals
13. Convene a Committee/Panel to review proposals and score
14. Notification to the Board of final selections
15. Obtain Board approval for contracting with final selection

RECOMMENDATION:

Finance Committee recommends Board approval of the Fourth Amendment to the George Hills Company contract, which would be effective July 1, 2017 to June 30, 2020.

TYPE OF VOTE REQUIRED:

Majority vote of the Board of Directors.

REFERENCE MATERIALS ATTACHED:

- Handout at the meeting

GENERAL DISCUSSION
Agenda Item 7.A.

SUBJECT: Report from CalMHSA President – Terence M. Rooney

ACTION FOR CONSIDERATION:

Discussion and/or action as deemed appropriate.

BACKGROUND AND STATUS:

CalMHSA President, Terence Rooney, will provide general information and updates regarding the JPA.

- Annual Elections and Nominations
- General

Annual Elections and Nominations:

As you are aware, at the June 2017 Board meeting CalMHSA will have its annual elections for Executive Committee and Finance Committee for upcoming termed out positions and vacancies. In preparation for this meeting, we would appreciate member consideration of filling the following positions:

[Officer Position\(s\) Term Out as of June 30, 2017 \(Officers are subject to biennial elections\)](#)

President

Vice President

Secretary

CMHDA At-Large Member

Treasurer (*Serves a 2 year term, but re-approved each year*)

[Executive Member Position\(s\) Terming out as of June 30, 2017](#)

Bay Area Region Representative

Central Region Representative

Southern Region Representative

Superior Region Representative

**Designated alternate positions term out on June 30, 2018*

[Finance Committee Position\(s\) Terming out as of June 30, 2017](#)

Central Region Representative

Los Angeles Region

Superior Region

NOTE: The CalMHSA President will be appointing a nominating committee for the purpose of annual elections, with consent of the board, however we welcome any volunteer and/or nominations for the above positions.

FISCAL IMPACT:

None.

RECOMMENDATION:

Discussion and/or action as deemed appropriate.

TYPE OF VOTE REQUIRED:

Majority vote.

REFERENCE MATERIAL(S) ATTACHED:

- None.