

**California Mental Health Services Authority**  
**BOARD OF DIRECTORS TELECONFERENCE**  
**AGENDA**

June 17, 2020

2:45 p.m. – 4:30 p.m.

Dial-in Number: 916-352-7876

Access Code: 277853

[Zoom Link](#)



All portions of this meeting will be conducted by teleconference in accordance with the State of California Executive Orders N-29-20 and N-35-20. Members of the public may observe and address the meeting telephonically. No physical location will be available from which members of the public may observe the meeting and offer public comment.

*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) 352-8380 (facsimile). Requests must be made as early as possible, and at least one full business day before the start of the meeting.*

*If you would like to review materials relating to an item on this agenda submitted to the Board after distribution of the agenda packet, please contact Laura Li at (916) 859- 4818 (telephone) or (916) 352-8380 (facsimile) or [info@calmhsa.org](mailto:info@calmhsa.org).*

**By joining this meeting, you are giving your consent to be recorded**

California Mental Health Service Authority  
(CalMHSA)  
Board of Directors Teleconference Meeting Agenda  
Wednesday, June 17, 2020  
2:45 p.m. – 4:30 p.m.

- 1. **CALL TO ORDER**
- 2. **ROLL CALL AND INTRODUCTIONS**
- 3. **CLOSED SESSION: ANNOUNCEMENT OF CLOSED SESSION ITEMS (Gov. Code § 54957.7(a))**

*The CalMHSA Board of Directors will meet in closed session as permitted by Government Code Section 54957(b).*

A. Public Employee Appointment (Section 54957(b))

- 1. Title: Executive Director

4. **OPEN SESSION**

A. Disclosure of Action Taken in the Closed Session (Gov. Code § 54957.7(b))

5. **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. Because the meeting will be held by teleconference, each interested party is invited to inform CalMHSA staff prior to discussion of the item by sending an email to [laura.li@calmhsa.org](mailto:laura.li@calmhsa.org) indicating the item to be addressed. When it appears that 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.

6. **CONSENT CALENDAR** ..... 5

A. Routine Matters

- 1. Minutes from February 20, 2020 Board of Directors Meeting \* ..... 6

B. Reports / Correspondence

- 1. Treasurer’s Report as of December 31, 2019 \* ..... 11

- 2. Treasurer’s Report as of March 31, 2020 \* ..... 24

***Recommendation: Approval of Consent Calendar.***

7. **ADMINISTRATIVE MATTERS**

- A. Officers / Executive Committee / Finance Committee Elections \* ..... 37

**Recommendation: Approve a six-month extension of the current Executive and Finance Committees and approve the appointment of a Nominating Committee, by the president, to assist with developing proposed slates for approval in December.**

## 8. FINANCIAL MATTERS

- A. CalMHSA Financial Statement for the Quarters Ending December 31, 2019 and March 31, 2020 \* .....40

**Recommendation: Approval of the CalMHSA Financial Statement for the Quarters ended December 31, 2019 and March 31, 2020.**

- B. CalMHSA Proposed Annual Budget and Revenue and Expenditure Report Effective June 30, 2021 \* .....49

**Recommendation: Accept CalMHSA Finance Committee's recommendation to approve the CalMHSA Proposed Annual Budget and Revenue and Expenditure Report Effective June 30, 2021.**

## 9. PROGRAM MATTERS

- A. PEI Contractors FY 2020-2023 \* .....56

**Recommendation: Approve CalMHSA to negotiate and execute contracts for the Prevention and Early Intervention (PEI) Program Fiscal Years (FY) 2020/2021 – 2022-2023 for the following organizations:**

- **Civilian**
- **Your Social Marketer**
- **The Social Changery**
- **Bring Change to Mind**
- **Active Minds**
- **Directing Change Program & Film Contest**
- **RAND Corporation**
- **Each Mind Matters (EMM)**

- B. Directing Change Program Update .....65

**Recommendation: None, information only.**

- C. Alternative to State Hospitals \* .....70

**Recommendation: Approval of Wellpath Recovery Solutions (Wellpath) as the provider for Alternative to State Hospitals (ASH), as selected and recommended by the ASH Committee and approval of CalMHSA entering into a Memorandum of Understanding with Wellpath for planning, development, management, and operations of an ASH facility.**

## 10. GOVERNANCE

- A. Annual Review and Acceptance of the CalMHSA Board of Directors Investment Policy \*.....83

**Recommendation: Accept CalMHSA Finance Committee's recommendation to approve the CalMHSA Board of Directors Investment Policy.**

\* Indicates an Action Item

- B. Bi-annual Review and Acceptance of the CalMHSA Conflict of Interest Code \* .....93  
***Recommendation: Review and adopt Resolution No. 20-10, Conflict of Interest Code to replace CalMHSA Resolution 09-01.***

**11. GENERAL DISCUSSION**

- A. Report from CalMHSA President – Dawan Utecht ..... 102  
***Recommendation: None, information only.***
- B. Report from CalMHSA Interim Executive Director – John Chaquica ..... 103  
***Recommendation: None, information only.***

**12. PUBLIC COMMENT**

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.

**13. CLOSING COMMENTS**

**14. ADJOURNMENT**

\* Indicates an Action Item



**CONSENT CALENDAR**  
**Agenda Item 6.A-B**

**SUBJECT: CONSENT CALENDAR**

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**RECOMMENDATION:**

Approval of Consent Calendar.

**CURRENT STATUS AND BACKGROUND:**

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

- A. Routine Matters
  - 1. Minutes from February 20, 2020 Board of Directors Meeting
- B. Reports / Correspondence
  - 1. Treasurer's Report of December 31, 2019
  - 2. Treasurer's Report as of March 31, 2020

**REFERENCE MATERIAL(S) ATTACHED:**

- Minutes from February 20, 2020 Board of Directors Meeting
- Treasurer's Report as of December 31, 2019
- Treasurer's Report as of March 31, 2020



*"A George Hills Company Administered JPA"*

**CalMHSA Board of Directors  
Meeting Minutes from February 20, 2020**

***BOARD MEMBERS PRESENT***

Karyn Tribble – **Alameda County**  
Gail St. James – **Alpine County**  
Terence Rooney – **Colusa County**  
Warren Hayes – **Contra Costa County** (Alternate)  
Amy Lindsey – **Glenn County**  
Emi Botzler-Rodgers – **Humboldt County**  
Lisa Lewis – **Kings County**  
Tiffany Armstrong – **Lassen County**  
Dennis Koch – **Madera County**  
Jei Africa – **Marin County**  
Christine Doss – **Mariposa County** (Alternate)  
Sarah O'Malley – **Napa County**  
Phebe Bell – **Nevada County**  
Jeff Nagel – **Orange County**  
Amy Ellis – **Placer County**  
Tony Hobson – **Plumas County**  
Ryan Quist – **Sacramento County**  
Donnell Ewert – **Shasta County**  
Camy Rightmier – **Siskiyou County** (Alternate)  
Sandra Sinz – **Solano County**  
Bill Carter – **Sonoma County**  
Ruben Imperial – **Stanislaus County**  
Toni Navarro – **Tri City Mental Health Center**  
Connie Smith – **Trinity County**  
Michele Cruz – **Tulare County** (Alternate)  
Michael Wilson – **Tuolumne County**  
Kiran Sahota – **Ventura County** (Alternate)  
Mila Green – **Yolo County** (Alternate)

***BOARD MEMBERS ABSENT***

Berkeley, City of  
Butte County  
Del Norte County  
El Dorado County  
Fresno County  
Imperial County  
Inyo County  
Kern County

Lake County  
Los Angeles County  
Mendocino County  
Merced County  
Modoc County  
Mono County  
Monterey County  
Riverside County  
San Benito County  
San Bernardino County  
San Diego County  
San Francisco City and County  
San Joaquin County  
San Luis Obispo County  
San Mateo County  
Santa Barbara County  
Santa Clara County  
Santa Cruz County  
Sutter/Yuba County  
Tehama County

***MEMBERS OF THE PUBLIC***

None

***CALMHSA STAFF PRESENT***

John Chaquica, Chief Operating Officer & Interim Executive Director  
Laura Li, JPA Administrative Director  
Kim Santin, Finance Director  
Jeremy Wilson, Program Director & PIO  
Michael Helmick, Program Manager  
Doug Alliston, Legal Counsel  
Armando Bastida, Business Systems Analyst

**A. OPEN SESSION**

**1. CALL TO ORDER**

CalMHSA Past President, Terence Rooney, called the Board of Directors meeting to order at 2:15 P.M. on Thursday, February 20, 2020 at CBHDA's office in Sacramento, California. Mr. Rooney welcomed those in attendance.

## 2. ROLL CALL AND INSTRUCTIONS

Ms. Li asked that everyone in attendance log in to the OnBoard software to view the agenda as well as for voting purposes. Ms. Li verbally called roll and established that a quorum of the Board had been reached.

## 3. INSTRUCTIONS FOR PUBLIC COMMENT AND STAKEHOLDER INPUT

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

## 4. CONSENT CALENDAR

### A. Reports/Correspondence

Mr. Rooney acknowledged the consent calendar, consisting of the 2020 CalMHSA Board of Directors, Executive, and Finance Committee Meeting Dates. Mr. Rooney asked for comment from Board members.

***Action: Approval of the Consent Calendar***

***The Consent Calendar was approved unanimously.***

## 5. PRESIDENTS REPORT

### A. Approval of Contract for Administrator

Mr. Rooney provided a brief history of the RFI process for the contract for administrator of the CalMHSA JPA. He stated that George Hills Company was the only respondent to the RFI. Mr. Alliston stated that at the last meeting the Board recommended that a similar contract be drafted. The new contract is essentially the same. The termination clause has been extended from 90 days to six (6) months.

Mr. Rooney asked for any comment from the Board members.

***Action: Approve and authorize President to execute proposed contract with George Hills Company (GH) for administration of CalMHSA for an additional five (5) years.***

***Motion: Dennis Koch, Madera County***

***Second: Jei Africa, Marin County***

## **6. PROGRAM MATTERS**

### **A. Presumptive Transfer (AB 1299)**

Laura Li, JPA Administrator, provided an update on the Presumptive Transfer portal. She stated that some issues have arisen out of county requirements for reporting. She stated that CalMHSA staff will work with the counties to create a standardized list of requirements in order to process invoices for the counties.

Ms. Li reported that many counties do not have experience in performing transfers and there is a need for training. As a result, CalMHSA staff will host a weekly call occurring every Monday at noon to provide training to the counties. She also stated that one-on-one trainings can be arranged for the counties.

Ms. Li reminded the Board that if the counties do not have a Participation Agreement (PA) with CalMHSA for the Presumptive Transfer Program, CalMHSA cannot legally expend the counties' funds. Additionally, if a county does have a PA but has not funded the program, requests cannot be fulfilled.

### **B. PUBLIC COMMENTS**

Mr. Alliston invited members of the public to make comments on non-agenda items.

Public comments from the following individual(s):

*None*

### **C. NEW BUSINESS**

Mr. Rooney opened the floor for suggestions for topics for future meetings.

A request was made to discuss Northern Region Suicide Prevention Hotline.

A request was also made to discuss CalMHSA's administration fees as presented by Bill Walker's email from the previous day.

### **D. CLOSING COMMENTS**

*None*

### **E. ADJOURNMENT**

Mr. Rooney made a motion to adjourn the meeting. The motion was approved unanimously.

Hearing no further comments, the meeting was adjourned at 2:45 P.M.

Respectfully Submitted,

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Dawan Utecht  
President, CalMHSJ

---

Date

DRAFT



"A George Hills Company Administered JPA"

## Treasurer's Report

As of December 31, 2019

	Book Balance	Market Value	Effective Yield
Cash with California Bank & Trust	\$87,305	\$87,305	0.00%
Local Agency Investment Fund	\$25,481,691	\$25,526,801	2.04%
Zions Bank - Cash Account	\$8,454,530	\$8,465,530	1.52%
Zions Bank - Custody Account	\$11,357,610	\$11,385,774	1.47%
<b>Total Cash and Investments</b>	<b>\$45,381,136</b>	<b>\$45,465,410</b>	<b>1.01%</b>

The Local Agency Investment Fund (LAIF) market value was derived by applying the December 2019 fair value factor of 0.0000625008577897 to the book value.

Attached are Zions Bank and LAIF reports detailing all investment transactions. The transfer of investments from Morgan Stanley to Zions Bank was completed in August 2019. Morgan Stanley balance as of December 31, 2019 was \$0.00.

I certify that this report reflects all cash and investments and is in conformance with the Authority's Investment Policy. The investment program herein shown provides sufficient cash flow liquidity to meet the Authority's expenditures for the next six (6) months.

Respectfully submitted,

Accepted,

  
\_\_\_\_\_  
Kim Santin, Finance Director

\_\_\_\_\_  
Luke Bergmann, Treasurer

8:28 AM  
01/02/20

California Mental Health Services Authority  
**Reconciliation Summary**  
CB&T Checking, Period Ending 12/31/2019

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	<u>Dec 31, 19</u>
Beginning Balance	9,150,494.07
Cleared Transactions	
Checks and Payments - 45 items	-8,761,790.28
Deposits and Credits - 6 items	1,425,184.32
Total Cleared Transactions	<u>-7,336,605.96</u>
Cleared Balance	<u>1,813,888.11</u>
Uncleared Transactions	
Checks and Payments - 29 items	<u>-1,726,683.11</u>
Total Uncleared Transactions	<u>-1,726,683.11</u>
Register Balance as of 12/31/2019	<u>87,205.00</u>
Ending Balance	87,205.00





Account [REDACTED]

**DIRECT INQUIRIES TO:**

Customer Service 1 (800) 400-6080

0045499

4001-06-0000-CBT-PC0030-00049

CA MENTAL HEALTH SERVICES AUTHORITY  
3043 GOLD CANAL DR FL 2  
RANCHO CORDOVA CA 95670-6393

Sacramento Main  
520 Capitol Mall Suite 100  
Sacramento, CA 95814-4714  
(916) 341-4800

With limited-time fee waivers on Positive Pay\*, you can help protect your business and detect unauthorized payments and transactions. Get details at [calbt.com/pospay-offer](http://calbt.com/pospay-offer) and control which items post to your accounts. \*Terms and conditions apply.

**SUMMARY OF ACCOUNT BALANCE**

Account Type	Account Number	Checking/Savings Ending Balance	Outstanding Balances Owed
PF Business Analyzed Account	[REDACTED]	\$1,813,888.11	

**PF BUSINESS ANALYZED ACCOUNT** [REDACTED]

129 49

Previous Balance	Deposits/Credits	Charges/Debits	Checks Processed	Ending Balance
9,150,494.07	1,425,184.32	7,015,002.96	1,746,787.32	1,813,888.11

**6 DEPOSITS/CREDITS**

Date	Amount	Description
12/03	234,592.22	REMOTE DEPOSIT 5353019110
12/10	250,000.00	SANTA CLARA COUN VENDOR REF # 019343006187474 1107918497
12/11	107,442.00	REMOTE DEPOSIT 5353023829
12/17	325,665.60	REMOTE DEPOSIT 5353019095
12/24	60,000.00	REMOTE DEPOSIT 5353016772
12/30	447,484.50	REMOTE DEPOSIT 5353028876

**2 CHARGES/DEBITS**

Date	Amount	Description
12/03	7,000,000.00	DEBIT MEMO 5353069868
12/20	15,002.96	AMEX EPAYMENT ACH PMT W8026 REF # 019353003410904 1108523706

**43 CHECKS PROCESSED**

Number	Date	Amount	Number	Date	Amount	Number	Date	Amount
2020490	12/02	5,000.00	2020520	12/24	120,458.12	2020530	12/17	25,000.00
2020493*	12/05	600.00	2020521	12/12	12,708.08	2020531	12/17	98,492.92
2020494	12/05	24,748.60	2020522	12/13	36,066.24	2020532	12/13	8,881.50
2020495	12/02	543.68	2020523	12/03	488,055.90	2020533	12/12	70,611.27
2020499*	12/10	1,250.00	2020524	12/16	50,000.00	2020534	12/20	1,379.63
2020506*	12/02	41.00	2020525	12/11	157,568.03	2020535	12/12	173,230.61
2020516*	12/02	218.28	2020526	12/12	7,042.79	2020536	12/12	16,417.83
2020517	12/11	4,342.50	2020527	12/12	134.00	2020538*	12/12	49,970.39
2020518	12/16	260.64	2020528	12/17	3,033.93	2020539	12/11	4,166.67
2020519	12/13	124,696.62	2020529	12/13	13,574.53	2020540	12/12	4,800.00

8:15 AM

01/13/20

**California Mental Health Services Authority**

**Reconciliation Summary**

**CB&T AB1299, Period Ending 12/31/2019**

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	<u>Dec 31, 19</u>
Beginning Balance	100.00
Cleared Balance	100.00
Register Balance as of 12/31/2019	100.00
Ending Balance	100.00



CALIFORNIA BANK TRUST

P.O. Box 489, Lawndale, CA 90260-0489

Statement of Accounts
Page 1 of 2
This Statement: December 31, 2019
Last Statement: November 29, 2019

Account [REDACTED]

0032396 01 AB 0.409 \*\*AUTO T8 0 4001 95670-639399

CA MENTAL HEALTH SERVICES AUTHORITY
3043 GOLD CANAL DR FL 2
RANCHO CORDOVA CA 95670-6393



DIRECT INQUIRIES TO:
Customer Service 1 (800) 400-6080



Sacramento Main
520 Capitol Mall Suite 100
Sacramento, CA 95814-4714
(916) 341-4800

With limited-time fee waivers on Positive Pay\*, you can help protect your business and detect unauthorized payments and transactions. Get details at calbt.com/pospay-offer and control which items post to your accounts. \*Terms and conditions apply.

SUMMARY OF ACCOUNT BALANCE

Table with 4 columns: Account Type, Account Number, Checking/Savings Ending Balance, Outstanding Balances Owed. Row 1: PF Business Analyzed Account, [REDACTED], \$100.00, [REDACTED]

PF BUSINESS ANALYZED ACCOUNT 5795359271

Summary table with 5 columns: Previous Balance, Deposits/Credits, Charges/Debits, Checks Processed, Ending Balance. Values: 100.00, 0.00, 0.00, 0.00, 100.00

0 DEPOSITS/CREDITS
There were no transactions this period.

0 CHARGES/DEBITS
There were no transactions this period.

0 CHECKS PROCESSED
There were no transactions this period.

AGGREGATE OVERDRAFT AND RETURNED ITEM FEES

Table with 3 columns: Fee Type, Total for This Period, Total Year-to-Date. Rows: Total Overdraft Fees (\$0.00), Total Returned Item Fees (\$0.00)

To learn more about our other products and services that may lower the cost of managing account overdrafts or to discuss removing overdraft coverage from your account, please contact Customer Service or visit your local branch.

DAILY BALANCES

Table with 2 columns: Date, Balance. Row 1: 12/31, 100.00



11:14 AM

01/29/20

**California Mental Health Services Authority**  
**Reconciliation Summary**  
LAIF(Local Agency Investment ), Period Ending 12/31/2019

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	Dec 31, 19
Beginning Balance	25,481,690.62
Cleared Balance	25,481,690.62
Register Balance as of 12/31/2019	25,481,690.62
New Transactions	
Deposits and Credits - 1 item	2,000,000.00
Total New Transactions	2,000,000.00
Ending Balance	<u>27,481,690.62</u>

California State Treasurer  
**Fiona Ma, CPA**



Local Agency Investment Fund  
 P.O. Box 942809  
 Sacramento, CA 94209-0001  
 (916) 653-3001

January 13, 2020

[LAIF Home](#)  
[PMIA Average](#)  
[Monthly Yields](#)

CALIFORNIA MENTAL HEALTH SERVICES  
 AUTHORITY  
 STAFF  
 3043 GOLD CANAL DRIVE, SUITE 200  
 RANCHO CORDOVA, CA 95670

[Tran Type](#)  
[Definitions](#)

Account Number: [REDACTED]

December 2019 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
12/3/2019	12/2/2019	RD	[REDACTED]	KIM SANTIN	7,000,000.00

**Account Summary**

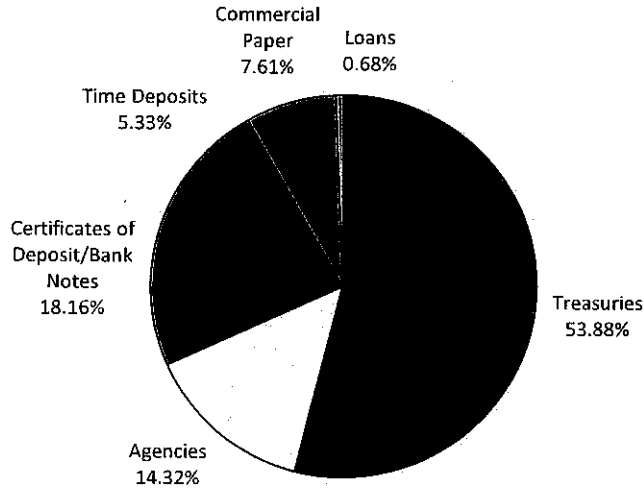
Total Deposit:	7,000,000.00	Beginning Balance:	18,481,690.62
Total Withdrawal:	0.00	Ending Balance:	25,481,690.62



## PMIA/LAIF Performance Report as of 01/15/2020



### Pooled Money Investment Account Portfolio Composition <sup>(1)</sup> 12/31/19 \$88.9 billion



Percentages may not total 100% due to rounding

### PMIA Average Monthly Effective Yields <sup>(1)</sup>

Dec 2019	2.043
Nov 2019	2.103
Oct 2019	2.190

### LAIF Quarterly Performance Quarter Ended 12/31/19

Apportionment Rate <sup>(2)</sup> :	2.29
Earnings Ratio <sup>(2)</sup> :	0.0000625008577897
Fair Value Factor <sup>(1)</sup> :	1.001770298
Daily <sup>(1)</sup> :	2.02%
Quarter to Date <sup>(1)</sup> :	2.11%
Average Life <sup>(1)</sup> :	226

### PMIA Daily Rates <sup>(1)</sup>

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
12/16/19	2.04	2.13	226
12/17/19	2.04	2.13	226
12/18/19	2.04	2.13	227
12/19/19	2.04	2.13	226
12/20/19	2.03	2.12	224
12/21/19	2.03	2.12	224
12/22/19	2.03	2.12	224
12/23/19	2.03	2.12	222
12/24/19	2.03	2.12	225
12/25/19	2.03	2.12	225
12/26/19	2.03	2.12	224
12/27/19	2.03	2.12	227
12/28/19	2.03	2.12	227
12/29/19	2.03	2.12	227
12/30/19	2.03	2.11	224
12/31/19	2.02	2.11	226
01/01/20	2.03	2.03	224
01/02/20	2.00	2.02	231
01/03/20	2.00	2.01	229
01/04/20	2.00	2.01	229
01/05/20	2.00	2.01	229
01/06/20	2.00	2.00	226
01/07/20	1.99	2.00	224
01/08/20	1.99	2.00	224
01/09/20	1.99	2.00	224
01/10/20	1.98	2.00	223
01/11/20	1.98	2.00	223
01/12/20	1.98	2.00	223
01/13/20	1.98	1.99	220
01/14/20	1.97	1.99	221
01/15/20	1.96	1.99	228

\*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

Source:

(1) State of California, Office of the Treasurer

(2) State of California, Office of the Controller



BETTY T. YEE

California State Controller

LOCAL AGENCY INVESTMENT FUND  
REMITTANCE ADVICE

Agency Name CA MENTAL HEALTH SVCS AUTH

Account Number [REDACTED]

As of 01/15/2020, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 12/31/2019.

Earnings Ratio		.00006250085778970
Interest Rate		2.29%
Dollar Day Total	\$	1,949,814,816.48
Quarter End Principal Balance	\$	25,481,690.62
Quarterly Interest Earned	\$	121,865.10

^

**ZIONS BANK**

**Statement of Account**

**December 1, 2019 Through December 31, 2019**

**California Mental Health SA -Cash Account**

**Account Number : [REDACTED]**

**California Mental Health Services Authority  
3043 Gold Canal Drive, Suite 200  
Attn: Kim Santin  
Rancho Codova, CA 95670**

Please contact your administrator - Kheang (TK) Tan  
with any questions concerning your account.

***Confidential And Privileged Information***



December 01, 2019 through December 31, 2019

Account Name : California Mental Health SA -Cash Accoun

Account No : XXXXXXXXXX

## Portfolio Summary

December 31, 2019	Portfolio %	Market Value	Projected Income	Current Yield
Cash & Equivalents	100.00%	8,454,529.76	128,508.85	1.52%
<i>Total Portfolio</i>	100.00 %	8,454,529.76	128,508.85	1.52%
<i>Accrued Income</i>		11,000.71		
<i>Total Market Value</i>		8,465,530.47		

**ZIONS BANK**

**Statement of Account**

December 1, 2019 Through December 31, 2019

**California Mental Health SA -Custody Acc**

Account Number : XXXXXXXXXX

**California Mental Health Services Authority  
3043 Gold Canal Drive, Suite 200  
Attn: Kim Santin  
Rancho Cordova, CA 95670**

Please contact your administrator - Kheang (TK) Tan  
with any questions concerning your account.

***Confidential And Privileged Information***

December 01, 2019 through December 31, 2019

Account Name : California Mental Health SA -Custody Acc

Account No : [REDACTED]

## Portfolio Summary

December 31, 2019	Portfolio %	Market Value	Projected Income	Current Yield
Cash & Equivalents	13.26%	1,505,740.89	162.45	0.01%
Fixed Income	86.74%	9,851,869.07	166,882.96	1.69%
<i>Total Portfolio</i>	<b>100.00 %</b>	<b>11,357,609.96</b>	<b>167,045.41</b>	<b>1.47%</b>
<i>Accrued Income</i>		28,164.53		
<i>Total Market Value</i>		11,385,774.49		



"A George Hills Company Administered JPA"

## Treasurer's Report

As of March 31, 2020

	Book Balance	Market Value	Effective Yield
Cash with California Bank & Trust	\$664,329	\$664,329	0.00%
Local Agency Investment Fund	\$25,603,555	\$25,648,881	2.03%
Zions Bank - Cash Account	\$13,963,698	\$5,960,976	2.08%
Zions Bank - Custody Account	\$5,920,875	\$13,971,755	0.22%
<b>Total Cash and Investments</b>	<b>\$46,152,458</b>	<b>\$46,245,941</b>	

The Local Agency Investment Fund (LAIF) market value was derived by applying the March 2020 fair value factor of 0.00005535460693046 to the book value.

Attached are Zions Bank (custodian) and LAIF reports detailing all investment transactions.

I certify that this report reflects all cash and investments and is in conformance with the Authority's Investment Policy. The investment program herein shown provides sufficient cash flow liquidity to meet the Authority's expenditures for the next six (6) months.

Respectfully submitted,

Accepted,

  
\_\_\_\_\_  
Kim Santin, Finance Director

\_\_\_\_\_  
Luke Bergmann, Treasurer

**California Mental Health Services Authority**  
**Reconciliation Summary**  
**CB&T Checking, Period Ending 03/28/2020**

04/01/20

	<u>Mar 28, 20</u>
<b>Beginning Balance</b>	1,252,205.13
<b>Cleared Transactions</b>	
Checks and Payments - 41 items	-1,472,502.50
Deposits and Credits - 7 items	1,547,390.25
<b>Total Cleared Transactions</b>	<u>74,887.75</u>
<b>Cleared Balance</b>	<u>1,327,092.88</u>
<b>Uncleared Transactions</b>	
Checks and Payments - 7 items	-792,188.74
<b>Total Uncleared Transactions</b>	<u>-792,188.74</u>
<b>Register Balance as of 03/28/2020</b>	<u>534,904.14</u>
<b>Ending Balance</b>	534,904.14
<b>11/15/19 check to Cambria Solutions voided in May 2020 for reissue Chk# 2020497</b>	+\$129,325
<b>Revised bank reconciled balance</b>	<u><u>\$664,229.14</u></u>

Account [REDACTED]

**DIRECT INQUIRIES TO:**

Customer Service 1 (800) 400-6080

0044554

4092-06-0000-CBT-PG0030-00044

CA MENTAL HEALTH SERVICES AUTHORITY  
3043 GOLD CANAL DR FL 2  
RANCHO CORDOVA CA 95670-6393

Sacramento Main  
520 Capitol Mall Suite 100  
Sacramento, CA 95814-4714  
(916) 341-4800

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**SUMMARY OF ACCOUNT BALANCE**

Account Type	Account Number	Checking/Savings Ending Balance	Outstanding Balances Owed
PF Business Analyzed Account	[REDACTED]	\$1,327,092.88	

**PF BUSINESS ANALYZED ACCOUNT 1030206381**

129 44

Previous Balance	Deposits/Credits	Charges/Debits	Checks Processed	Ending Balance
1,252,205.13	1,547,390.25	29,309.76	1,443,192.74	1,327,092.88

**6 DEPOSITS/CREDITS**

Date	Amount	Description
03/03	41,881.00	REMOTE DEPOSIT 5353014363
03/09	10,173.70	REMOTE DEPOSIT 5353042959
03/11	69,224.80	REMOTE DEPOSIT 5353011493
03/16	182,413.75	REMOTE DEPOSIT 5353061842
03/17	943,697.00	REMOTE DEPOSIT 5353017193
03/17	300,000.00	WIRE/IN-2020031700005679;ORG STATE OF CALIFORNIA - LAIF;REF 1305401478

**2 CHARGES/DEBITS**

Date	Amount	Description
03/17	29,247.12	AMEX EPAYMENT ACH PMT W7218 REF # 020076003296812 1108117194
03/23	62.64	ANALYSIS SERVICE FEE

**39 CHECKS PROCESSED**

Number	Date	Amount	Number	Date	Amount	Number	Date	Amount
2020631	03/03	594.00	2020642	03/02	4,166.67	2020652	03/02	3,515.00
2020634*	03/02	17,300.00	2020643	03/04	159.87	2020653	03/26	37,506.03
2020635	03/03	1,058.04	2020644	03/06	69,015.02	2020654	03/25	1,012.46
2020636	03/03	19,360.00	2020645	03/05	4,675.00	2020655	03/19	320.27
2020637	03/18	50,000.00	2020646	03/02	11,250.00	2020656	03/30	6,255.08
2020638	03/05	5,000.00	2020647	03/18	134,769.57	2020657	03/24	150.00
2020639	03/02	44,718.09	2020649*	03/10	8,739.00	2020658	03/24	182,175.00
2020640	03/04	19,506.86	2020650	03/12	80,586.72	2020659	03/20	141,844.51
2020641	03/03	454,086.07	2020651	03/02	44,493.72	2020660	03/24	5,000.00





Continued ...

Number.....	Date.....	Amount	Number.....	Date.....	Amount	Number.....	Date.....	Amount
2020661	03/19	2,507.75	2020667	03/19	171.00	2020672	03/30	3,165.56
2020662	03/23	12,500.00	2020669*	03/20	21,695.45	2020673	03/31	44,719.58
2020664*	03/20	472.77	2020670	03/19	5,350.76	2020674	03/23	1,906.50
2020666*	03/23	1,297.93	2020671	03/20	648.46	2020676*	03/19	1,500.00

\* Not in check sequence

**AGGREGATE OVERDRAFT AND RETURNED ITEM FEES**

	Total for This Period	Total Year-to-Date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00

To learn more about our other products and services that may lower the cost of managing account overdrafts or to discuss removing overdraft coverage from your account, please contact Customer Service or visit your local branch.

**DAILY BALANCES**

Date.....	Balance	Date.....	Balance	Date.....	Balance
03/02	1,126,761.65	03/11	665,847.29	03/23	1,607,076.59
03/03	693,544.54	03/12	585,260.57	03/24	1,419,751.59
03/04	673,877.81	03/16	767,674.32	03/25	1,418,739.13
03/05	664,202.81	03/17	1,982,124.20	03/26	1,381,233.10
03/06	595,187.79	03/18	1,797,354.63	03/30	1,371,812.46
03/09	605,361.49	03/19	1,787,504.85	03/31	1,327,092.88
03/10	596,622.49	03/20	1,622,843.66		



California Mental Health Services Authority

Reconciliation Summary

CB&T AB1299, Period Ending 03/31/2020

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	<u>Mar 31, 20</u>
Beginning Balance	100.00
Cleared Balance	100.00
Register Balance as of 03/31/2020	100.00
Ending Balance	100.00





Account [REDACTED]

**DIRECT INQUIRIES TO:**

Customer Service 1 (800) 400-6080

0067394

4092-06-0000-CBT-PC0030-00000

CA MENTAL HEALTH SERVICES AUTHORITY  
3043 GOLD CANAL DR FL 2  
RANCHO CORDOVA CA 95670-6393

Sacramento Main  
520 Capitol Mall Suite 100  
Sacramento, CA 95814-4714  
(916) 341-4800

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**SUMMARY OF ACCOUNT BALANCE**

<i>Account Type</i>	<i>Account Number</i>	<i>Checking/Savings Ending Balance</i>	<i>Outstanding Balances Owed</i>
PF Business Analyzed Account	[REDACTED]	\$100.00	

**PF BUSINESS ANALYZED ACCOUNT 5795359271**

129 0

<i>Previous Balance</i>	<i>Deposits/Credits</i>	<i>Charges/Debits</i>	<i>Checks Processed</i>	<i>Ending Balance</i>
100.00	0.00	0.00	0.00	100.00

**0 DEPOSITS/CREDITS**

There were no transactions this period.

**0 CHARGES/DEBITS**

There were no transactions this period.

**0 CHECKS PROCESSED**

There were no transactions this period.

**AGGREGATE OVERDRAFT AND RETURNED ITEM FEES**

	<i>Total for This Period</i>	<i>Total Year-to-Date</i>
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00

To learn more about our other products and services that may lower the cost of managing account overdrafts or to discuss removing overdraft coverage from your account, please contact Customer Service or visit your local branch.

**DAILY BALANCES**

<i>Date</i>	<i>Balance</i>
03/31	100.00



**California Mental Health Services Authority**  
**Reconciliation Summary**  
LAIF(Local Agency Investment ), Period Ending 03/31/2020

	<u>Mar 31, 20</u>
<b>Beginning Balance</b>	25,903,555.72
<b>Cleared Transactions</b>	
<b>Checks and Payments - 2 items</b>	<u>-300,000.34</u>
<b>Total Cleared Transactions</b>	<u>-300,000.34</u>
<b>Cleared Balance</b>	<u>25,603,555.38</u>
<b>Register Balance as of 03/31/2020</b>	25,603,555.38
<b>New Transactions</b>	
<b>Checks and Payments - 2 items</b>	<u>-1,100,000.00</u>
<b>Total New Transactions</b>	<u>-1,100,000.00</u>
<b>Ending Balance</b>	<u>24,503,555.38</u>

California State Treasurer  
**Fiona Ma, CPA**



Local Agency Investment Fund  
 P.O. Box 942809  
 Sacramento, CA 94209-0001  
 (916) 653-3001

April 29, 2020

[LAIF Home](#)  
[PMIA Average](#)  
[Monthly Yields](#)

CALIFORNIA MENTAL HEALTH SERVICES  
 AUTHORITY  
 STAFF  
 3043 GOLD CANAL DRIVE, SUITE 200  
 RANCHO CORDOVA, CA 95670

[Tran Type](#)  
[Definitions](#)

Account Number: [REDACTED]

March 2020 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
3/17/2020	3/16/2020	RW	[REDACTED]	N/A	KIM SANTIN	-300,000.00
3/25/2020	4/23/2020	QRDA	[REDACTED]	N/A	SYSTEM	-0.34

**Account Summary**

Total Deposit:	-0.34	Beginning Balance:	25,903,555.72
Total Withdrawal:	-300,000.00	Ending Balance:	25,603,555.38



# PMIA/LAIF Performance Report as of 04/15/20



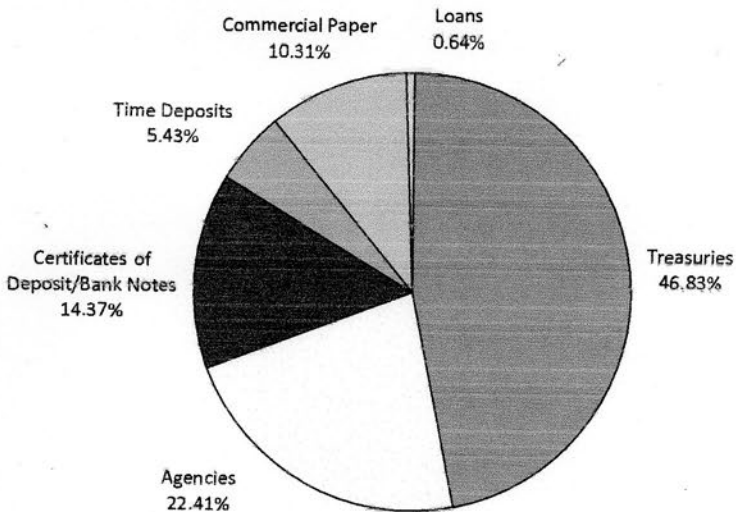
## PMIA Average Monthly Effective Yields<sup>(1)</sup>

<b>Mar</b>	<b>1.787</b>
Feb	1.912
Jan	1.967

## LAIF Quarterly Performance Quarter Ended 03/31/20

Apportionment Rate <sup>(2)</sup> :	2.03
Earnings Ratio <sup>(2)</sup> :	0.00005535460693046
Fair Value Factor <sup>(1)</sup> :	1.007481015
Daily <sup>(1)</sup> :	1.73%
Quarter to Date <sup>(1)</sup> :	1.89%
Average Life <sup>(1)</sup> :	208

## Pooled Money Investment Account Portfolio Composition <sup>(1)</sup> 03/31/20 \$98.1billion



Percentages may not total 100% due to rounding

**Daily rates are now available here.** [View PMIA Daily Rates](#)

*Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).*

Source:

<sup>(1)</sup> State of California, Office of the Treasurer

<sup>(2)</sup> State of California, Office of the Controller





BETTY T. YEE

California State Controller

LOCAL AGENCY INVESTMENT FUND  
REMITTANCE ADVICE

Agency Name CA MENTAL HEALTH SVCS AUTH

Account Number [REDACTED]

As of 04/15/2020, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 03/31/2020.

Earnings Ratio		.00005535460693046
Interest Rate		2.03%
Dollar Day Total	\$	2,405,317,456.74
Quarter End Principal Balance	\$	25,603,555.38
Quarterly Interest Earned	\$	133,145.40



Statement of Account

March 1, 2020 Through March 31, 2020

California Mental Health SA -Custody Acc

Account Number : [REDACTED]

California Mental Health Services Authority  
3043 Gold Canal Drive, Suite 200  
Attn: Kim Santin  
Rancho Codova, CA 95670

Please contact your administrator - Kheang (TK) Tan  
with any questions concerning your account.

Confidential And Privileged Information

March 01, 2020 through March 31, 2020

Account Name : California Mental Health SA -Custody Acc

Account No : XXXXXXXXXX

## Portfolio Summary

March 31, 2020	Portfolio %	Market Value	Projected Income	Current Yield
Cash & Equivalents	8.44%	500,000.00	1,100.00	0.22%
Fixed Income	91.56%	5,420,875.34	122,049.88	2.25%
<b>Total Portfolio</b>	<b>100.00 %</b>	<b>5,920,875.34</b>	<b>123,149.88</b>	<b>2.08%</b>
Accrued Income		40,101.03		
Total Market Value		5,960,976.37		

March 01, 2020 through March 31, 2020

Account Name : California Mental Health SA -Cash Accoun

Account No : XXXXXXXXXX

## Portfolio Summary

March 31, 2020	Portfolio %	Market Value	Projected Income	Current Yield
Cash & Equivalents	100.00%	13,963,698.45	30,720.14	0.22%
Total Portfolio	100.00 %	13,963,698.45	30,720.14	0.22%
Accrued Income		8,056.09		
Total Market Value		13,971,754.54		



**ADMINISTRATIVE MATTERS**

**Agenda Item 7.A**

**SUBJECT: OFFICERS / EXECUTIVE COMMITTEE / FINANCE COMMITTEE ELECTIONS**

**RECOMMENDATION:**

Approve a six-month extension of the current Executive and Finance Committees and approve the appointment of a Nominating Committee, by the President, to assist with developing proposed slates for approval in December

**CURRENT STATUS AND BACKGROUND:**

**Officers and Executive Committee Election Slate:**

At this time, a six-month extension is being recommended to the current Officer Slate to allow for the open Executive Director position be filed and for that individual to assume their position.

Discussion has taken place to align the CalMHSA Executive Committee with that of CBHDA, using like size counties rather than regions. This change would require an amendment to the current CalMHSA Bylaws, which need to be brought forward to this Board for approval. The current Executive Committee is as follows:

The proposed Officers and Executive Committee members is as follows:

Executive Committee				
Role	Member	Term Length	Term Start Date	Term End Date
President	Dawan Utecht, Fresno County	2 years	07/01/2018	12/31/2020
Vice President	William Walker, Kern County	2 years	07/01/2018	12/31/2020
Secretary	<b>Vacant</b>	2 years	07/01/2018	12/31/2020
Treasurer	Luke Bergmann, San Diego County	annual	05/18/2019	12/31/2020
Past President	Terence Rooney, Colusa County	2 years	07/01/2018	12/31/2020
Bay Area Member	Sandra Sinz, Solano County	2 years	07/01/2019	06/30/2021
Bay Area Alternate	Jei Africa, Marin County	2 years	07/01/2019	06/30/2021
Central Member	Amy Ellis, Placer County	2 years	07/01/2019	06/30/2021
Central Alternate	Dennis Koch, Madera County	2 years	07/01/2019	06/30/2021
Los Angeles Member	Jonathan Sherin, Los Angeles County	2 years	07/01/2018	12/30/2020
Los Angeles Alternate	<b>Vacant</b>	2 years	07/01/2018	12/30/2020
Southern Member	Jeff Nagel, Orange County	2 years	07/01/2019	06/30/2021
Southern Alternate	Anne Robin, San Luis Obispo County	2 years	07/01/2018	12/30/2020
Superior Member	Phebe Bell, Nevada County	2 years	07/01/2019	06/30/2021
Superior Alternate	Sarah Collard, Siskiyou County	2 years	07/01/2019	06/30/2020
CBHDA At-Large Member	Toni Navarro, Tri-City Mental Health	1 year	07/01/2019	06/30/2020

**Finance Committee Election Slate:**

As the finance committee is appointed by the President, a new Finance Committee slate will be presented for approval once the new President assumes his/her position.

The current Finance Committee Slate is as follows:

Finance Committee				
Role	Member	Term Length	Term Start Date	Term End Date
Chair	Luke Bergmann, San Diego County	annual	05/18/2019	12/30/2020
Bay Area	Tracy Hazelton, Alameda County	2 years	07/01/2018	12/30/2020
Central	Dennis Koch, Madera County	2 years	07/01/2019	06/30/2021
Los Angeles	Greg Polk, Los Angeles County	2 years	07/01/2019	06/30/2021
Superior	Jenine Miller, Mendocino County	2 years	07/01/2019	06/30/2021
Southern	Veronica Kelley, San Bernardino County	2 years	07/01/2018	12/30/2020
Ex Officio – President	Dawan Utecht, Fresno County	2 years	07/01/2018	12/30/2020

**CalMHSAs Bylaws Election & Appointment Process:**

The CalMHSAs Bylaws outline the process of nomination and appointment for CalMHSAs Officers, Executive Committee, and Finance Committee as noted below:

**Officers - 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.

**Executive Committee Elections:**

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 CBHDA's annual meeting.

**Finance Committee Appointment:**

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) CBHDA 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.

**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.

**REFERENCE MATERIAL(S) ATTACHED:**

- None

## **FINANCIAL MATTERS**

### **Agenda Item 8.A**

**SUBJECT: CalMHSA FINANCIAL STATEMENT FOR THE QUARTERS ENDING DECEMBER 31, 2019 AND MARCH 31, 2020**

---

#### **RECOMMENDATION:**

Approval of the CalMHSA Financial Statement for the Quarters ended December 31, 2019 and March 31, 2020.

#### **CURRENT STATUS AND BACKGROUND:**

The Board will review and discuss the financial statement for the quarters ending December 31, 2019 and March 31, 2020.

#### **REFERENCE MATERIAL(S) ATTACHED:**

- CalMHSA Financial Statement Quarter Ending December 31, 2019
- CalMHSA Financial Statement Quarter Ending March 31, 2020

**SUMMARY OF SIGNIFICANT CHANGES IN FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED MARCH 31, 2020**

**BALANCE SHEET:**

**Cash and Cash Equivalents** – The total cash balance as of March 31, 2020 is \$40.2 million. This is an increase of \$11 million compared to the \$29 million in cash as of September 30, 2019. The increase in cash is due to new programs invoiced and received, Accounts Receivable collections efforts and increase in the Money Market account at Zions due to sale of assets. This has since been moved to the investment portfolio for maximum yield.

**Receivables** – The balance in accounts receivable as of March 31, 2020, is \$19.1 million. The categories with the most significant balances are as follows:

• Digital Resource Navigator	\$ 2,173,333
• Help@Hand Tech Suite	9,621,687
• Sacramento Awards Project	<u>6,000,000</u>
	\$17,795,020

Considering the approach of year-end, our accounts receivable effort has resulted in most counties paying or promising to pay their invoices before June 30, 2020. Some delays in payment have a direct effect due to COVID-19.

**Accounts Payable** – The balance in accounts payable as of March 31, 2020, is approximately \$1.7 million. The payables are primarily for payments to program partners and are recorded on accrual basis, received from vendors in arrears. The vendors with the most significant balances are as follows:

• Cambria (Help@Hand)	\$ 319,616
• Directing Change (PEI)	144,640
• Mindstrong (Help@Hand OC)	150,000
• Runyon Saltzman & Einhorn, Inc.	165,839
• UC Davis (Digital Resource Network)	171,120
• University of California, Irvine (Help@Hand)	<u>357,390</u>
	\$ 1,308,605

## STATEMENT OF REVENUE AND CHANGES IN NET ASSETS:

**Operating Revenue** – Total revenue for the nine months ended March 31, 2020 was \$47.5 million consisting primarily of revenue for Help@Hand Tech Suite (\$18.6 million), Digital Resource Navigator (\$2.2 million) and PEI Programs (including LA PEI and Media Campaign (\$19.5 million), as well as

other strategic programs such as Presumptive Transfer, Loan Forgiveness, Suicide Prevention Hotline and State Hospital Beds Program.

**Expenses** – Overall expenses for the nine months ended March 31, 2020 were \$20.0 million. Expenses consisted mainly of contract expenses for the various programs. The significant expenses were for Help@Hand (\$7.1 million) and LA PEI/Media Campaign (\$7.2 million)

# California Mental Health Services Authority

Financial Statements (Unaudited)

March 31, 2020

**California Mental Health Services Authority**  
**Balance Sheet (Unaudited)**  
As of March 31, 2020

	<b>June 30, 2019</b>	<b>March 31, 2020</b>
<b>ASSETS</b>	(Audited)	(Unaudited)
<b>Current Assets</b>		
Cash and Cash Equivalent	\$ 11,875,523	\$ 40,231,583
Accounts Receivable	\$ 10,219,215	\$ 19,107,178
Interest Receivable	\$ 72,510	\$ 181,303
Investment- Current Portion	\$ 13,036,400	\$ 5,920,875
Prepaid Expenses	\$ 622,521	\$ 32,441
<b>Total Current Assets</b>	<b>\$ 35,826,169</b>	<b>\$ 65,473,380</b>
<b>TOTAL ASSETS</b>	<b>\$ 35,826,169</b>	<b>\$ 65,473,380</b>
 <b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 3,782,361	\$ 4,194,802
AB1299 County Deposit Funds	\$ 1,833,085	\$ 2,766,789
Accrued Expenses	\$ 494,867	\$ 350,000
Deferred Revenue	\$ 270,000	\$ 1,075,000
<b>Total Current Liabilities</b>	<b>\$ 6,380,313</b>	<b>\$ 8,386,591</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 6,380,313</b>	<b>\$ 8,386,591</b>
<b>Equity</b>		
Obligated Funds Under Contract	\$ 29,128,066	\$ 56,757,087
Operations - Net Assets	\$ 317,790	\$ 329,702
<b>TOTAL EQUITY</b>	<b>\$ 29,445,856</b>	<b>\$ 57,086,789</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 35,826,169</b>	<b>\$ 65,473,380</b>



**California Mental Health Services Authority  
Budget vs Actual (Unaudited)  
9 Months (July 01, 2019 - March 31, 2020)**

Fiscal Year 2019/2020 Unaudited							FY18/19	
Actual Expenses July 2019-March 2020 (9 months)								
Approved Budget	Operations	Innovative Projects	Prevention & Early Intervention	Strategic Programs	TOTAL	Budget to Actual Variance	Actuals 06.30.19 (Audited)	
Ordinary Income/Expense								
Income								
Operating Revenues								
Program Funding Contributions	\$ 49,793,042	\$ 5,353	\$ 20,949,167	\$ 24,615,043	\$ 1,918,537	\$ 47,488,100	\$ 2,304,942	\$ 30,781,514
<b>Total Income</b>	<b>\$ 49,793,042</b>	<b>\$ 5,353</b>	<b>\$ 20,949,167</b>	<b>\$ 24,615,043</b>	<b>\$ 1,918,537</b>	<b>\$ 47,488,100</b>	<b>\$ 2,304,942</b>	<b>\$ 30,781,514</b>
Expense								
Direct Expenses								
Loan Repayment	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ (100,000)	\$ 50,000
Program Contract	\$ 39,679,434	\$ -	\$ 5,784,342	\$ 8,625,710	\$ 933,374	\$ 15,343,426	\$ 24,336,008	\$ 28,694,959
Program Legal Services	\$ 191,401	\$ -	\$ 157,567	\$ 30,035	\$ 2,650	\$ 190,252	\$ 1,149	\$ 65,586
Program Management & Oversight	\$ 3,872,128	\$ 246,727	\$ 1,530,516	\$ 947,212	\$ 488,508	\$ 3,212,963	\$ 659,165	\$ 3,353,198
Program Travel and Meeting	\$ 85,000	\$ -	\$ 48,202	\$ 184,941	\$ -	\$ 233,143	\$ (148,143)	\$ 205,443
Program Website,IT,Portal, Marketing	\$ 7,500	\$ 5,710	\$ 2,914	\$ 102,172	\$ -	\$ 110,796	\$ (103,296)	\$ 15,592
<b>Total Direct Expenses</b>	<b>\$ 43,835,463</b>	<b>\$ 252,437</b>	<b>\$ 7,523,540</b>	<b>\$ 9,890,070</b>	<b>\$ 1,524,532</b>	<b>\$ 19,190,579</b>	<b>\$ 24,644,884</b>	<b>\$ 32,384,778</b>
Indirect Expenses								
Bank Service Charges	\$ -	\$ 479	\$ -	\$ -	\$ -	\$ 479	\$ (479)	\$ 547
General Management	\$ 1,135,680	\$ -	\$ 491,207	\$ 326,584	\$ 172,298	\$ 990,089	\$ 145,591	\$ 683,674
Insurance Expense	\$ 43,000	\$ 42,285	\$ -	\$ -	\$ -	\$ 42,285	\$ 715	\$ 28,737
Legal Services	\$ 60,000	\$ 43,525	\$ 21,608	\$ 2,795	\$ 3,075	\$ 71,002	\$ (11,002)	\$ 110,842
Financial Audit	\$ 15,000	\$ 9,000	\$ -	\$ -	\$ -	\$ 9,000	\$ 6,000	\$ 10,695
Other Expenses	\$ 25,000	\$ 37,346	\$ 115	\$ 16	\$ -	\$ 37,478	\$ (12,478)	\$ 57,252
Travel and Meeting	\$ 30,000	\$ 13,574	\$ 14,784	\$ 50,165	\$ 15,955	\$ 94,478	\$ (64,478)	\$ 91,610
<b>Total Indirect Expenses</b>	<b>\$ 1,308,680</b>	<b>\$ 146,209</b>	<b>\$ 527,714</b>	<b>\$ 379,560</b>	<b>\$ 191,328</b>	<b>\$ 1,244,810</b>	<b>\$ 63,870</b>	<b>\$ 983,358</b>
<b>Total Expense</b>	<b>\$ 45,144,143</b>	<b>\$ 398,645</b>	<b>\$ 8,051,254</b>	<b>\$ 10,269,630</b>	<b>\$ 1,715,860</b>	<b>\$ 20,435,389</b>	<b>\$ 24,708,754</b>	<b>\$ 33,368,136</b>
<b>Net Ordinary Income</b>	<b>\$ 4,648,899</b>	<b>\$ (393,293)</b>	<b>\$ 12,897,913</b>	<b>\$ 14,345,414</b>	<b>\$ 202,677</b>	<b>\$ 27,052,711</b>	<b>\$ (22,403,812)</b>	<b>\$ (2,586,622)</b>
Other Income								
Investment Income	\$ -	\$ 6,559	\$ 314,655	\$ 195,468	\$ 84,515	\$ 601,196	\$ (601,196)	\$ 740,543
<b>Total Other Income</b>	<b>\$ -</b>	<b>\$ 6,559</b>	<b>\$ 314,655</b>	<b>\$ 195,468</b>	<b>\$ 84,515</b>	<b>\$ 601,196</b>	<b>\$ (601,196)</b>	<b>\$ 740,543</b>
Other Expense								
General and Administrative Exp	\$ -	\$ (411,619)	\$ 254,596	\$ 135,206	\$ 21,817	\$ -	\$ -	\$ -
Investment Service Fees	\$ -	\$ 12,974	\$ -	\$ -	\$ -	\$ 12,974	\$ 12,974	\$ 12,481
<b>Total Other Expense</b>	<b>\$ -</b>	<b>\$ (398,645)</b>	<b>\$ 254,596</b>	<b>\$ 135,206</b>	<b>\$ 21,817</b>	<b>\$ 12,974</b>	<b>\$ 12,974</b>	<b>\$ 12,481</b>
<b>Net Other Income</b>	<b>\$ -</b>	<b>\$ 405,205</b>	<b>\$ 60,058</b>	<b>\$ 60,261</b>	<b>\$ 62,698</b>	<b>\$ 588,222</b>	<b>\$ (588,222)</b>	<b>\$ 728,062</b>
<b>Net Income</b>	<b>\$ 4,648,899</b>	<b>\$ 11,912</b>	<b>\$ 12,957,971</b>	<b>\$ 14,405,675</b>	<b>\$ 265,375</b>	<b>\$ 27,640,933</b>	<b>\$ (22,992,034)</b>	<b>\$ (1,858,559)</b>
Beginning Net Assets 07.01.19	\$ 317,790	\$ 20,610,536	\$ 4,975,466	\$ 3,542,064	\$ 29,445,856	\$ 31,304,415		
Fund Balance 03.31.2020	\$ 329,702	\$ 33,568,507	\$ 19,381,141	\$ 3,807,439	\$ 57,086,789	\$ 29,445,856		

# California Mental Health Services Authority

Financial Statements (Unaudited)  
December 31, 2019

**California Mental Health Services Authority**  
**Balance Sheet (Unaudited)**  
As of December 31, 2019

	<b>June 30, 2019</b>	<b>December 31, 2019</b>
<b>ASSETS</b>	(Audited)	(Unaudited)
<b>Current Assets</b>		
Cash and Cash Equivalent	\$ 11,875,523	\$ 34,152,850
Accounts Receivable	\$ 10,219,215	\$ 13,897,560
Interest Receivable	\$ 72,510	\$ 161,030
Investment- Current Portion	\$ 13,036,400	\$ 11,357,610
Prepaid Expenses	\$ 622,521	\$ 7,593
<b>Total Current Assets</b>	<b>\$ 35,826,169</b>	<b>\$ 59,576,644</b>
<b>TOTAL ASSETS</b>	<b>\$ 35,826,169</b>	<b>\$ 59,576,644</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 3,782,361	\$ 2,592,191
American Exp Credit Card	\$ -	\$ 270
AB1299 County Deposit Funds	\$ 1,833,085	\$ 2,742,014
Accrued Expenses	\$ 494,867	\$ 350,000
Deferred Revenue	\$ 270,000	\$ -
<b>Total Current Liabilities</b>	<b>\$ 6,380,313</b>	<b>\$ 5,684,475</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 6,380,313</b>	<b>\$ 5,684,475</b>
<b>Equity</b>		
Obligated Funds Under Contract	\$ 29,128,066	\$ 53,571,805
Operations - Net Assets	\$ 317,790	\$ 320,365
<b>TOTAL EQUITY</b>	<b>\$ 29,445,856</b>	<b>\$ 53,892,169</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 35,826,169</b>	<b>\$ 59,576,644</b>

**California Mental Health Services Authority  
Budget vs Actual (Unaudited)  
6 Months (July-December 2019)**

Fiscal Year 2019/2020 Unaudited							FY18/19	
Actual Expenses July-December 2019 (6 months)								
Approved Budget	Operations	Innovative Projects	Statewide PEI Programs	Strategic Programs	TOTAL	Budget to Actual Variance	Actuals 06.30.19 (Audited)	
Ordinary Income/Expense								
Income								
Operating Revenues								
Program Funding Contributions	\$ 49,793,042	\$ 5,000	\$ 16,360,274	\$ 19,644,776	\$ 1,918,227	\$ 37,928,276	\$ 11,864,766	\$ 30,781,514
<b>Total Income</b>	<b>\$ 49,793,042</b>	<b>\$ 5,000</b>	<b>\$ 16,360,274</b>	<b>\$ 19,644,776</b>	<b>\$ 1,918,227</b>	<b>\$ 37,928,276</b>	<b>\$ 11,864,766</b>	<b>\$ 30,781,514</b>
Expense								
Direct Expenses								
Loan Repayment	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ (100,000)	\$ 50,000
Program Contract	\$ 39,679,434	\$ -	\$ 3,460,502	\$ 6,319,804	\$ 648,006	\$ 10,428,312	\$ 29,251,122	\$ 28,694,959
Program Legal Services	\$ 191,401	\$ -	\$ 111,778	\$ 22,075	\$ 2,650	\$ 136,502	\$ 54,899	\$ 65,586
Program Management & Oversight	\$ 3,872,128	\$ 223,168	\$ 1,058,762	\$ 604,822	\$ 368,802	\$ 2,255,555	\$ 1,616,573	\$ 3,353,198
Program Travel and Meeting	\$ 85,000	\$ -	\$ 36,636	\$ 123,551	\$ -	\$ 160,187	\$ (75,187)	\$ 205,443
Program Website,IT,Portal	\$ 7,500	\$ 5,710	\$ 1,517	\$ -	\$ -	\$ 7,227	\$ 273	\$ 15,592
<b>Total Direct Expenses</b>	<b>\$ 43,835,463</b>	<b>\$ 228,878</b>	<b>\$ 4,669,195</b>	<b>\$ 7,070,252</b>	<b>\$ 1,119,458</b>	<b>\$ 13,087,784</b>	<b>\$ 30,747,679</b>	<b>\$ 32,384,778</b>
Indirect Expenses								
Bank Service Charges	\$ -	\$ 416	\$ -	\$ -	\$ -	\$ 416	\$ (416)	\$ 547
General Management	\$ 1,135,680	\$ -	\$ 312,170	\$ 183,736	\$ 117,826	\$ 613,732	\$ 521,948	\$ 683,674
Insurance Expense	\$ 43,000	\$ 42,285	\$ -	\$ -	\$ -	\$ 42,285	\$ 715	\$ 28,737
Legal Services	\$ 60,000	\$ 26,981	\$ 18,447	\$ 1,677	\$ 2,559	\$ 49,664	\$ 10,336	\$ 110,842
Financial Audit	\$ 15,000	\$ 9,000	\$ -	\$ -	\$ -	\$ 9,000	\$ 6,000	\$ 10,695
Other Expenses	\$ 25,000	\$ 17,784	\$ 16	\$ -	\$ -	\$ 17,800	\$ 7,200	\$ 57,252
Travel and Meeting	\$ 30,000	\$ 12,558	\$ 7,990	\$ 19,832	\$ 1,235	\$ 41,614	\$ (11,614)	\$ 91,610
<b>Total Indirect Expenses</b>	<b>\$ 1,308,680</b>	<b>\$ 109,024</b>	<b>\$ 338,623</b>	<b>\$ 205,245</b>	<b>\$ 121,619</b>	<b>\$ 774,511</b>	<b>\$ 534,169</b>	<b>\$ 983,358</b>
<b>Total Expense</b>	<b>\$ 45,144,143</b>	<b>\$ 337,902</b>	<b>\$ 5,007,818</b>	<b>\$ 7,275,497</b>	<b>\$ 1,241,077</b>	<b>\$ 13,862,294</b>	<b>\$ 31,281,849</b>	<b>\$ 33,368,136</b>
<b>Net Ordinary Income</b>	<b>\$ 4,648,899</b>	<b>\$ (332,902)</b>	<b>\$ 11,352,456</b>	<b>\$ 12,369,279</b>	<b>\$ 677,149</b>	<b>\$ 24,065,982</b>	<b>\$ (19,417,083)</b>	<b>\$ (2,586,622)</b>
Other Income								
Investment Income	\$ -	\$ 3,867	\$ 207,931	\$ 128,399	\$ 46,429	\$ 386,625	\$ (386,625)	\$ 740,543
<b>Total Other Income</b>	<b>\$ -</b>	<b>\$ 3,867</b>	<b>\$ 207,931</b>	<b>\$ 128,399</b>	<b>\$ 46,429</b>	<b>\$ 386,625</b>	<b>\$ (386,625)</b>	<b>\$ 740,543</b>
Other Expense								
General and Administrative Exp	\$ -	\$ (337,904)	\$ 211,548	\$ 108,053	\$ 18,303	\$ -	\$ -	\$ -
Investment Service Fees	\$ -	\$ 6,293	\$ -	\$ -	\$ -	\$ 6,293	\$ 6,293	\$ 12,481
<b>Total Other Expense</b>	<b>\$ -</b>	<b>\$ (331,610)</b>	<b>\$ 211,548</b>	<b>\$ 108,053</b>	<b>\$ 18,303</b>	<b>\$ 6,293</b>	<b>\$ 6,293</b>	<b>\$ 12,481</b>
<b>Net Other Income</b>	<b>\$ -</b>	<b>\$ 335,477</b>	<b>\$ (3,617)</b>	<b>\$ 20,346</b>	<b>\$ 28,126</b>	<b>\$ 380,331</b>	<b>\$ (380,331)</b>	<b>\$ 728,062</b>
<b>Net Income</b>	<b>\$ 4,648,899</b>	<b>\$ 2,575</b>	<b>\$ 11,348,839</b>	<b>\$ 12,389,624</b>	<b>\$ 705,275</b>	<b>\$ 24,446,313</b>	<b>\$ (19,797,414)</b>	<b>\$ (1,858,559)</b>
Beginning Net Assets 07.01.19	\$ 317,790	\$ 20,610,536	\$ 4,975,466	\$ 3,542,064	\$ 29,445,856		\$ 31,304,415	
Fund Balance 12.31.2019	\$ 320,365	\$ 31,959,376	\$ 17,365,090	\$ 4,247,339	\$ 53,892,169		\$ 29,445,856	

## **FINANCIAL MATTERS**

### **Agenda Item 8.B**

**SUBJECT: CalMHSA Proposed Annual Budget and Revenue and Expenditure Report  
Effective June 30, 2021**

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#### **RECOMMENDATION:**

Accept CalMHSA Finance Committee's recommendation to approve the CalMHSA Proposed Annual Budget and Revenue and Expenditure Report effective June 30, 2021.

#### **CURRENT STATUS AND BACKGROUND:**

The CalMHSA Bylaws provide for a fiscal year of July 1 to June 30 and require the Board of Directors to adopt the annual budget by July 1 of the new fiscal year. The draft budget is to be presented to the Board at least 45 days prior. (Bylaws, §§ 4.1.3, 8.1, and 9.1.). The draft was distributed to the Board Members and Alternates on May 14, 2020.

The Board gave direction to CalMHSA Staff to analyze the projected programs of CalMHSA as it relates to the projection for fiscal year 2020/21. Revenue projections have been made based upon current estimate of funds to be received. and program administrative requirements have been shaped based on size and source of funds expected for each revenue stream. Estimates were calculated using Participation Agreements with members, Program Fund Commitment forms returned by 29 counties and prior year historical commitments.

Program Fund Commitment forms were due back to CalMHSA from members on March 31, 2020. Due to the current COVID-19 situation, CalMHSA sent 2 additional reminders in April 2020. Some members are short staffed due to resources being deployed to address the emergency crisis activities. CalMHSA continues to stay informed of the outcomes of member budgets.

#### *General Budget Assumptions and Criteria Applied*

1. This budget has been compiled based on the program and administration needed to run the organization and manage the activities requested.
2. We have presented Column B for the estimated current fiscal year 2019/20 and column C for the proposed budget for the fiscal year 2020/21.
3. FTE for the 2019/20 fiscal year has been 25.50. The proposed 2020/21 Budget proposes an increase to 27.50, a result of the increase in programs like Sacramento Mini Grants, Alameda Loan Forgiveness, several Innovative Projects (Digital Resource Navigator, Early Psychosis, Full-Service Partnership and Psychiatric Advance Directive) and other projects like Student Mental Health and PEI Evaluation.
4. Managing the programs requested and building in the members expectations of having the staff expertise to research potential projects for CalMHSA.
5. Member relations is critical and recognizing that the membership is large/vast/varying and evolving and requires staff resources to succeed in this relationship.

6. Effort and working with associated agencies CBHDA, CIBHS, OAC, and DHCS.
7. Compliance with statutory requirements of the government code, JPA Agreement, CalMHSA Bylaws and DHCS.
8. Meeting member interest in CalMHSA being efficient to assist in regional or joint member projects.
9. The budgeted staffing costs for fiscal year 2019/20 has been 10.32%. The proposed budget for fiscal year 2020/21 is 11.31% of Revenue. The Operational staffing cost is allocated to programs based on Direct FTE % basis and the CalMHSA general and administrative expenses are allocated based on Admin Fee Revenue %.

**REFERENCE MATERIAL(S) ATTACHED:**

- CalMHSA Annual Revenue and Expenditure Report – Proposed Budget June 30, 2021

# Annual Revenue and Expenditure Report – Proposed Budget June 30, 2021



- Budget Narrative & Notes •

**California Mental Health Services Authority**  
**2019/2020 Estimated, 2020/2021 Proposed Operating Budget**

	(A)	(B)	(C)	
	Board Approved Budget (June 2019) 2019/2020	Estimated Year End 2019/2020	Proposed Budget 2020/2021	Footnotes
<b>Revenues:</b>				
PEI Programs	23,800,000	28,931,475	27,997,320	(1-3)
Innovation Projects	26,443,042	21,247,500	13,187,015	(4)
State Hospital Bed Program	600,000	607,666	610,000	(5)
Suicide Prevention Program	500,000	878,978	880,000	(6)
WET / Loan Forgiveness	-	337,500	9,688,500	(7)
Transfers In - AB 1299	5,000,000	2,000,000	3,000,000	(8)
AB 1299 - Admin Fee	250,000	152,662	300,000	(8)
Contingencies	-	-	5,000,000	(9)
<b>Total Revenues</b>	<b>56,593,042</b>	<b>54,155,781</b>	<b>60,662,835</b>	
<b>Program Expenses (Direct):</b>				
Program Contracts	39,634,434	41,724,625	42,874,481	
Program Management	3,872,128	4,307,680	5,262,400	
Other Contracts	45,000	45,000	20,000	
Legal	191,401	191,401	2,000	
Transfers Out - AB 1299	5,000,000	2,000,000	3,000,000	
Travel & Meetings	92,500	92,500	87,000	
Contingencies	-	-	5,000,000	(9)
<b>Total Program Expenses</b>	<b>48,835,463</b>	<b>48,361,206</b>	<b>56,245,881</b>	
<b>Operational Expenses:</b>				
General & Administrative				
Staffing	1,135,680	1,285,440	1,029,600	(10)
Legal	60,000	250,000	200,000	
Travel & Meetings	30,000	120,000	260,000	
Other Contracts	25,000	1,617,173	1,095,000	(11)
Insurance	43,000	50,000	70,000	
Financial Audit	15,000	20,000	35,000	
<b>Total General &amp; Administrative Expenses</b>	<b>1,308,680</b>	<b>3,342,613</b>	<b>2,689,600</b>	
<b>Total Expenditures</b>	<b>50,144,143</b>	<b>51,703,819</b>	<b>58,935,481</b>	
<b>Net Income / (loss) From Operations</b>	<b>6,448,899</b>	<b>2,451,962</b>	<b>1,727,354</b>	
Investment Income		400,000	350,000	
	6,448,899	2,851,962	2,077,354	
Prior Year Program Reserves	2,648,099	2,648,099	1,100,012	
Projected Reserves as of June 30	9,096,998	5,500,061	3,177,366	
<b>Less: Obligated Reserves</b>	<b>(7,277,598)</b>	<b>(4,400,049)</b>	<b>(2,541,893)</b>	
<b>Total Available Reserves at June 30</b>	<b>1,819,400</b>	<b>1,100,012</b>	<b>635,473</b>	

#	Footnotes to Column C	Explanation
(1)	PEI Sustainability	Projection based on 4% of counties MHSA Funds and/or Program Commitment Fund returned to CalMHSA with commitment
(2)	County PEI Programs	Prior year program- New programs- Sacramento Mini Grants with 3 year contract = \$11.5M and Student Mental Health, Sacramento= \$150K. SMH funded through 6/30/2020 to create resources for local education agencies. Likelihood program will be enhanced and extended to accommodate the dire need in educational institutes.
(3)	LA PEI Portfolio	Los Angeles PEI program includes their LA Media Campaign and LA has a 3 year contract in the works at \$17m per year totalling \$51m (FY20/21- FY22/23)
(4)	Innovation Programs	Help @ Hand revenue based on original billing structure and new budget concept and contracts to accommodate piloting strategy. Includes new programs, Early Psychosis-EPL (learning health care network) with OC, Digital Resource Navigator _DRN (electronic directory) with OC, Psychiatric Advance Directive-PAD with Fresno and Full Service Partnership with 6 counties. EPL is 5 years = \$2M, DRN is 3 years = \$8.36M, PAD is 3 yrs = \$950,000 (potential for more when other counties join, FSP is 3 years = \$3.79m.
(5)	State Hospital Program	Assume same revenue as FY19/20
(6)	Suicide Prevention Hotline	Includes both Central Valley and Northern Valley (new in 19/20)- assume same revenue as FY19/20
(7)	WET / Loan Forgiveness	Alameda Loan Forgiveness joins in 19/20. FY20/21 = \$75,000 and loan payouts to be billed after 11 mos. Contra Costa loan forgiveness was a 3 year contract that ended in 19/20- however some loan payouts mature in 20/21 . Currently other counties are showing interest in this program.
(8)	AB1299 - Presumptive Transfer	\$3m in AB1299 funds transfers, \$300K annual admin fees. NOTE: Portal in use effective Jan 2020
(9)	Contingencies	Placeholder for programs in discussions, pending confirmation and Board approval
(10)	Operational cost- staffing	includes 4.5 FTE \$1,029,000 cost for JPA operations per GH/CalMHSA contract
(11)	Operational cost-Other Contracts	Contracts with Vendors providing/assisting with Administrative/Fiscal duties included in Fees to CalMHSA, mainly Help@Hand



## **Budget Notes**

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The CalMHSA staff has reviewed the direction from the Board and analyzed the projected programs of CalMHSA as it relates to the projection for fiscal year 2020/21. Revenue projections have been made based upon current estimate of funds to be received and program administrative requirements have been shaped based on size and source of funds expected for each revenue stream.

### **COVID-19 pandemic disclosure**

The COVID-19 outbreak has caused a significant deterioration in economic conditions and an increase in economic uncertainties. Given the unpredictability of this pandemic, there may be material uncertainties affecting CalMHSA's ability to perform in accordance with the budget. CalMHSA will continue to monitor the ability of its members and program partners commitments and will inform the Board of any material delays and financial impact results due to this pandemic.

### **A. Budget Assumptions and Criteria Applied**

1. This budget has been compiled based on the program and administration needed to run the organization and manage the activities requested.
2. We have presented Column B for the estimated current fiscal year 19/20 and Column C for the proposed budget for the fiscal year 2020/2021.
3. FTE for the 19/20 fiscal year has been 25.50. The proposed 20/21 Budget proposes an increase to 27.50, a result of the increase in programs like Sacramento Mini Grants, Alameda Loan Forgiveness, several Innovative Projects (Digital Resource Navigator, Early Psychosis, Full Service Partnership and Psychiatric Advance Directive) and other projects like Student Mental Health and PEI Evaluation.
4. Managing the programs requested and building in the members expectations of having the staff expertise to research potential projects for CalMHSA.
5. Member relations is critical and recognizing that the membership is large/vast/varying and evolving and requires staff resources to succeed in this relationship.
6. Effort and working with associated agencies CBHDA, CIBHS, OAC, and DHCS.
7. Compliance with statutory requirements of the government code, JPA Agreement and Bylaws and DHCS.
8. Meeting member interest in CalMHSA being efficient to assist in regional or joint member projects.
9. The budgeted staffing costs for fiscal year 19/20 has been 10.32%. The proposed budget for fiscal year 20/21 is 11.31% of Revenue. The Operational staffing cost is allocated to programs based on Direct FTE % basis and the CalMHSA general and administrative expenses are allocated based on Admin Fee Revenue %.

**B. Revenue – During Fiscal year 20/21 is Estimated as**

1. PEI Sustainability is Budgeted based on a combination of values from returned Program Funding Commitment forms and in its absence, prior years' experience.
2. Other PEI projects consists of programs added in FY19/20, Student Mental Health, Sacramento Mini Grants with MHSOAC and administration of Kaiser Grant in partnership with CBHDA. New program to be added in 20/21 is Fresno county PEI Initiatives Evaluation
3. LA PEI/LA Media has requested a 3 year program for \$51 million (\$17 million oer year)
4. Innovation Tech revenue consists of Help@Hand, Digital Resource Navigator, FullService Partnership, Early Psychosis and Psychiatric Advance Directive. This is projected on Participation by Counties and the revenue is based on the Participation Agreement commitments.
5. State Hospital Beds Program Revenue is based upon current participation agreements.
6. Suicide Prevention Program Revenue is based upon counties' program commitments after review of call volumes and commitments..
7. WET / Loan Forgiveness Programs – Contra Costa Loan Forgiveness completed its 3 years PA term but is currently in the phase of paying out eligible recipients. Alameda joined the loan forgiveness program in 19/20 for startup process with admin fees to be paid upfront in 19/20. Its funding billing will occur in 20/21. New program added in 20/21 is Workforce Education and Training (WET).
8. Transfers In/Out (Direct Expense) represent a pass through of the Deposits related to the AB 1299. AB1299 admin fee is based on 5% of the AB 1299 deposits and county experience. Portal was developed by CalMHSA and is in use by counties.
9. Contingencies – Placeholder for programs in discussion phase with some potential to be implemented in 20/21.

**C. Expenditures**

**Program Service Expenditures**

1. Program Partners and Program Contracts have been budgeted at 80% of Revenues for all programs except Help@Hand ,(they have their own vendor by vendor program).
2. Direct Legal Expenses include a budgeted amount related to the legal services related to the increased innovations program, mainly Help@Hand for the piloting contracts.

**General and Administrative Expenses**

1. General and Administrative Staffing – Staffing services to manage the general and fiscal operations of CalMHSA. The staffing contract with George Hills is \$110 per FTE.
2. Legal Expenses – CalMHSA has retained legal services to provide counsel to the board and support of the governing documents and contracts.
3. Travel and Meeting Expenses – CalMHSA is governed by a Board of Directors and has established standing committees and must comply with the Brown Act to conduct public meetings for JPA

business. Some staff travel is necessary to accommodate these events and other events for JPA training and compliance.

4. Other Contracts – CalMHSA has entered into contracts for general information dissemination and information technology. Help@Hand has contracts to assist with the Project Management of its program, which are part of the fees to CalMHSA.
5. Insurance – CalMHSA procures its general liability insurance from CSAC-EIA on a policy term of July 1 to June 30. Insurance has been increased to prepare for Cyber and HIPPA coverages for 19/20.

DRAFT

## **PROGRAM MATTERS**

### **Agenda Item 9.A**

**SUBJECT: PEI CONTRACTORS FY 2020-2023**

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#### **RECOMMENDATION:**

Approve CalMHSA to negotiate and execute contracts for the Prevention and Early Intervention (PEI) Program Fiscal Years (FY) 2020/2021 – 2022/2023 for the following organizations:

- Civilian
- Your Social Marketer
- The Social Changery
- Bring Change to Mind
- Active Minds
- Directing Change Program & Film Contest
- RAND Corporation
- Each Mind Matters (EMM)

#### **CURRENT STATUS AND BACKGROUND:**

Following Board approval on January 28, 2020, CalMHSA released a Request for Proposals (RFP) for the Prevention and Early Intervention (PEI) Three-Year Program Plan FY 2020/2021 – 2022/2023.

The [RFP](#) was informed by the CalMHSA PEI Three-Year Program Plan for FY 2020-2023, written in collaboration with RAND Corporation and CalMHSA Members, which was approved by the Board at the January 2020 Board Meeting (find on pages [96-114](#)). The RFP sought proposals for the roles to support Stigma Discrimination and Reduction (SDR), Suicide Prevention (SP), and Student Mental Health (SMH). This includes training and technical assistance (County and Community-Based Organizations), social marketing, network and collaboration, and dissemination.

CalMHSA released the PEI RFP for FY 2020-2023 on March 4, 2020 with a deadline to submit by April 6, 2020. Due to COVID-19, CalMHSA extended the deadline to reply to the RFP to April 20, 2020.

CalMHSA received 18 applications in total. All proposals were reviewed by an independent review panel that consisted of a diverse group of subject matter experts. CalMHSA staff/directors and current contractors do not serve on this panel, nor are they part of the review process. The PEI Advisory Workgroup convened on May 21, 2020 for the purpose of ensuring the projects being proposed are in alignment with the goals of CalMHSA Members.

Funding for the contracts are dependent on the availability of funding. CalMHSA Staff are recommending a (9%) decrease as a result of the economic impact of COVID-19. The approval of the contracts and amounts, listed in the below table, are for FY 2020/2021. Contract scopes and amounts are revisited each year to 1) ensure alignment with the goals of CalMHSA Members and

2) ensure budgets are supported by CalMHSA Member contributions (per completed annual Program Fund Commitment Forms).

**Proposed Contracts:**

<b>Contractor</b>	<b>Strategy Activities</b>	<b>Scope of Work Summary</b>
Civilian	Dissemination New Outreach Materials	Implement social marketing, media and public awareness, and education activities to expand the reach and impact of Each Mind Matters: California's Mental Health Movement, including developing new materials for California's diverse communities.
Bring Change to Mind (BC2M)	Dissemination Networks and Collaborations	Activate new BC2M high school club chapters across California, with a special emphasis on reaching rural communities as well as diverse communities. Engage and support preexisting BC2M high school clubs.
Active Minds	Dissemination Networks and Collaborations	Support and engage California Active Minds Chapters on college campuses (Community Colleges and 4-year academic institutions) to engage a network of student mental health leaders and advocates to outreach and disseminate EMM and Active Minds resources and programs.
Your Social Marketer	Dissemination Networks and Collaborations Technical Assistance	Provide customized resource navigation, technical assistance, and capacity building support to County Behavioral Health Agencies and their community partners to support local PEI goals and leverage resources between local and statewide efforts.
The Social Changery	Dissemination Network Collaborations Technical Assistance	Provide customized resource navigation, technical assistance, and capacity building support to Community Based Organizations for support local PEI goals and leverage resources between local and statewide efforts, including fostering collaborative networks and implementing CBO mini-grant program.
Directing Change	Dissemination	Implement the seventh annual Directing Change program reaching youth ages 14-25.
RAND	Evaluation	Conduct evaluation of the reach of Each Mind Matters, Know the Signs, and other programs by county and statewide. Support the development of the Statewide PEI Three Year Plan.

<b>Contractor</b>	<b>Strategy Activities</b>	<b>Scope of Work Summary</b>
Each Mind Matters (EMM)	Dissemination Networks and Collaboration	Further expand the EMM partners network and promote grassroots financial partnership opportunities; manage the EMM store to expand dissemination of resources and materials to the general population and engage key sectors in Each Mind Matters.

**Proposed Contract Amounts: (\$3,420,000 Million Total)**

<b>Contractor</b>	<b>Proposed FY 20/21 Contract Amount*</b>
Civilian	\$1,100,000
Bring Change to Mind	\$285,000
Active Minds	\$300,000
Your Social Marketer	\$400,000
The Social Changery	\$400,000
Each Mind Matters	\$300,000
Directing Change	\$300,000
RAND	\$285,000
<b>Total Contracts</b>	<b>\$3,370,000</b>

<b>FY 19/20 Contract Total</b>	<b>Proposed FY 20/21 Contract Total</b>	<b>Difference Total</b>	<b>Percentage Reduction</b>
\$3,700,000	\$3,370,000	\$330,000	9%

\*All amounts are subject to change based on the negotiations with the selected organizations.

**REFERENCE MATERIAL(S) ATTACHED:**

- Prevention and Early Intervention (PEI) Three-Year Program Plan Fiscal Years 2020/2021 – 2022/2023

# California Mental Health Services Authority Prevention and Early Intervention Three-Year Program Plan (Fiscal Years 2020-2023)

DRAFT: DO NOT CITE

The California Mental Health Services Authority (CalMHSA) is undergoing a planning process to identify its goals and priorities for Prevention and Early Intervention (PEI) efforts for the coming three years. CalMHSA contracted with the RAND Corporation to assist with this effort. RAND interviewed and surveyed CalMHSA Board Members from Member counties and cities in order to understand their goals and priorities for CalMHSA PEI initiatives, reviewed the research literature to identify effective strategies for achieving these goals and priorities, and drew on its prior research and observations as the external evaluator of the CalMHSA PEI programs for the past eight years.

The interviews and survey revealed that CalMHSA Board Members' priorities for the next three years are consistent with CalMHSA's current priorities – namely an emphasis on strategic goals related to stigma and discrimination reduction and suicide prevention, and strategies such as social marketing campaigns and mini-grants to achieve those goals. In addition, prior evaluation of CalMHSA programs suggested that efforts such as the social marketing campaigns are associated with improved outcomes such as reduced stigma<sup>1</sup>, increased mental health service utilization<sup>2</sup>, and greater confidence to intervene with those at risk for suicide<sup>3</sup> and are projected to yield a positive return on investment for the state of California<sup>4,5</sup>.

Based on these findings, the current plan is largely a continuation of previous CalMHSA activities. However, the stakeholder process revealed ways to make CalMHSA's PEI initiatives more relevant and effective, such as increasing social media presence and outreach efforts specific to rural regions of the state. In addition, in light of growing recognition of the impact social determinants of health (SDOH) have on the wellbeing of all communities, and particularly low income and diverse racial and ethnic communities, CalMHSA endeavors to build linkages to other organizations targeting social needs. The FY 2020-2023 Three-Year Program Plan builds upon the PEI strategies of the Phase III Plan (FY 2017-2020), which were developed with broad statewide stakeholder input and approved by the Board of Directors on December, 15, 2016<sup>6</sup>. The current plan does not shift CalMHSA's overarching goals; it identifies how combining some previously utilized strategies with some updated strategies can help them better achieve these goals. It also helps CalMHSA prioritize where to spend resources based on strategies that are evidence-based and desired by CalMHSA Member counties and cities.

The plan is comprised of three major components, defined as follows:

- **Goals** – What CalMHSA aims to accomplish (e.g., prevent suicide).
- **Priority Populations** – Key target populations for these goals (e.g., Latino/Hispanic communities).
- **Strategies** – What CalMHSA will *do* to work toward these goals for these target populations (e.g., social marketing campaigns).

## FY 2020-2023 Three-Year Program Plan Timeframe

FY 2020-2021 through FY 2022-2023 (July 1, 2020 through June 30, 2023)

## FY 2020-2023 Three-Year Program Plan Goals

CalMHSA will continue to utilize PEI strategies that can result in social impact (e.g., changes in attitudes, knowledge, and intentions), benefit Members locally and statewide, are cost efficient, and prevent mental illnesses from becoming severe. PEI strategies can accomplish this by improving access to necessary treatment services, reducing the duration of untreated severe mental illnesses, and assisting people in quickly regaining productive lives.

In this phase, CalMHSA's top two goals are to **prevent suicide** and **decrease stigma**, consistent with their previous goals. These goals support the following three additional goals: **increasing access to mental health care**, **reducing disparities in access to care**, and **improving student mental health**. CalMHSA will also explore ways to address the intersectionality of mental health and other social determinants of health.

## FY 2020-2023 Three-Year Program Plan Priority Populations

**The California general population** remains a key target population. CalMHSA will ensure that the programs implemented under the PEI Project continue to have a statewide presence. Specifically, CalMHSA will focus on strategies that prevent suicide, decrease stigma, and promote increased access to mental health care at the statewide level.

However, CalMHSA will continue to target its resources to specific high priority groups. There will be a continued focus on English and Spanish-speaking **Latino and/or Hispanic communities**. CalMHSA Board Members identified this population as a particular target of their goal of reducing disparities in access to mental health care. Further, RAND's evaluations found evidence of higher levels of stigma and lower levels of mental health service utilization among some Latino groups<sup>7</sup>.

CalMHSA will add a new focus on reaching **rural populations**. Rural populations were particularly identified as a key priority of small counties. CalMHSA specifically seeks to address suicide prevention and access to mental health care in rural areas. Suicide rates are highest among California's more rural counties<sup>8</sup>, and access to mental health care is particularly challenging in rural areas<sup>9,10</sup>.

Latino/Hispanic populations and rural populations intersect, and different materials and strategies are appropriate for Latino/Hispanic communities in urban versus rural areas. CalMHSA will target both urban and rural Latino and/or Hispanic populations, as well as reaching out to Latino/Hispanic communities and rural California residents more broadly.

Finally, CalMHSA will also focus on **youth**. Some counties noted a lack of materials and resources appropriate for elementary school and middle school children, and transition age youth (TAY) were particularly identified as a target of larger counties. TAY are an important target because mental health problems often first emerge during the transition to adulthood<sup>11</sup> and there is often a long delay between onset of mental disorders and start of needed treatment<sup>12</sup>, disrupting a key developmental period where individuals are pursuing higher education, forming close relationships, and entering the workforce.

## FY 2020-2023 Three-Year Program Plan Strategies

**Social marketing campaigns** will continue to be a key strategy in the FY 2020-2023 Three-Year Program Plan, as they were overwhelmingly the preferred strategy among those surveyed. The Each Mind Matters (EMM) campaign will continue to focus on stigma reduction while the Know the Signs (KTS) campaign will continue to focus on preventing suicide among the **California general population**. RAND evaluations found evidence that exposure to EMM is associated with reduced stigma<sup>1</sup>. Moreover,



the campaign increased mental health service utilization by leading more individuals to interpret symptoms of distress as indicating a need for treatment<sup>2</sup>.

RAND evaluations also found that exposure to the KTS campaign is associated with greater confidence to intervene with those at risk for suicide<sup>3</sup>. Both campaigns are projected to yield a positive return on investment for the state<sup>4,5</sup>.

CalMHSA will continue to disseminate an array of quality resource materials that are culturally responsive for California's diverse communities in order to increase awareness and knowledge of mental health, wellness, and services. Resources and materials include, but are not limited to, print, online, social media, and traditional media materials.

However, FY 2020-2023 3-Year Program Plan will be marked by an increased emphasis on **social media content** (e.g., Facebook, Instagram, and Twitter) and **digital/online resources** that *directly* reach out to consumers and the public. CalMHSA Board Members surveyed indicated that these online strategies are a high priority for the next phase of CalMHSA programming. Further, increased online presence is an effective approach for reaching out to the identified target populations of TAY and rural communities. EMM was intended to be a mass campaign targeting the general public, but in practice Phase III (FY 2017-2020) online content did not directly reach large numbers of Californians. For instance, EMM currently has a limited social media presence, with under 10,000 followers on Instagram, Facebook, and Twitter. As such, this **increased focus on directly reaching individuals with mental health problems and the general public** in FY 2020-2023 reflects a shift in strategy. **FY 2020-2023 3-Year Program Plan social media strategies will include the following:**

- EMM will greatly increase its number of social media followers and will push out quality content (posts, memes, graphics, etc.) to these followers on an ongoing basis.
- CalMHSA will also work to integrate the Know the Signs (KTS) suicide prevention campaign under the EMM umbrella, with EMM actively promoting KTS content on social media. More broadly, EMM and KTS should promote one another and leverage each other's efforts.
- CalMHSA will create a Spanish language social media presence for the SanaMente and ReconozcaLasSeñales Spanish stigma reduction and suicide prevention campaigns in FY 2020-2023 Three-Year Plan as funding allows.
- In addition to statewide social messaging strategies directly pushed out to consumers, CalMHSA and EMM will also create and push out content to counties to share on social media. This locally focused content will include messages where counties can insert local contact information, in order to improve access to mental health care – a key goal. In addition to direct and local strategies, CalMHSA will also explore ways of amplifying their messages by engaging social media influencers with large numbers of followers. Further, we aim to build linkages with other organizations addressing SDOH and create tailored social media content appropriate for their use.

More broadly, **EMM will work to have increased visibility** in FY 2020-2023. In addition to **increased social media presence**, EMM will work toward having **year-round visibility** beyond Mental Health Month in May, and will focus on increasing visibility in rural areas of the state. In addition to social media, strategies targeting rural areas may include local radio – in both English and Spanish. CalMHSA recognizes that rural and urban areas require different outreach strategies, and is committed to ensuring that its messages reach individuals in all areas of the state.

The **content of EMM messages will be refreshed** in FY 2020-2023. The key message to convey over the next three years is **how to access local care**; this message is the highest priority for many CalMHSA Members. Other key messages may include: mental health issues are common, people experiencing mental health problems should seek care, people with mental illness can lead meaningful lives, and inclusion and acceptance of people living with mental illness. These messages were prioritized by stakeholders surveyed, and they are consistent with the evidence base on effective social marketing

campaigns. CalMHSA will also explore ways to develop resources that integrate a focus on SDOH (e.g., messaging around social factors that impact ability to seek care).

The FY 2020-2023 EMM campaign will seek to include the following elements which are found in most successful stigma-reduction campaigns<sup>13-22</sup>:

- Depictions of those who have experienced mental health challenges engaging in activities that involve everyday responsibilities.
- Recategorization (messages indicating that mental illness is common and/or that those with mental illness are no different from others)
- A call to action.

**KTS messages will continue to be disseminated** with minimal changes in approach, as an expert panel determined the campaign to be largely consistent with best practices and one of the best campaigns they had observed<sup>23</sup>.

CalMHSA will continue to prioritize **information dissemination**, particularly creation and distribution of **culturally and linguistically responsive materials and resources**. Culturally and linguistically responsive materials and resources are vital in order to reduce disparities in access to mental health care. Responsive materials and resources are particularly needed for Latino and Hispanic populations. While current resources make it difficult to culturally adapt all materials, it is possible to take a tiered approach to culturally adapting and translating materials, in which short core messages are translated and culturally adapted for a wide variety of languages and cultures common in California, and more in-depth materials are available in Spanish only via the SanaMente campaign. It is also possible to have a subset of materials that are consistent across communities, with some materials tailored for cultures and communities. CalMHSA will also continue to **disseminate existing resource materials** developed during Phases II (FY 2014-2017) and III (FY 2017-2020) of the PEI projects.

CalMHSA will complement its social marketing and information dissemination strategies with a number of **additional strategies**:

- CalMHSA will continue to administer **mini-grants to CBOs in local communities** and may increase mini-grant opportunities if there is available funding. Mini-grants will focus on key target populations including Latino/Hispanic communities, rural communities, and TAY. CalMHSA may seek to fund organizations working on SDOH.
- CalMHSA will continue to reach out to TAY via **efforts to mobilize students on high school and/or college campuses**. In particular, efforts in the community colleges continue to be important because community college students are unlikely to be reached by county mental health systems, but they serve a vulnerable population with limited access to mental health resources<sup>24</sup>. There is evidence that CalMHSA's college-based interventions are effective; they are <sup>25</sup>associated with decreased stigma, increased perceived knowledge and helping behaviors, and increased mental health service utilization that is projected to yield a positive return on investment for the state<sup>26</sup>. CalMHSA will explore other strategies to reach vulnerable TAY not currently enrolled in college.
- CalMHSA will work to **facilitate collaboration and partnerships** among Member counties and cities during FY 2020-2023. CalMHSA can create opportunities for its Members to learn from one another, collaborate, and forge productive working relationships. CalMHSA will itself seek opportunities to partner with other organizations and leverage available materials and resources whenever possible.
- CalMHSA will focus on **improved communication to Member counties and cities** during FY 2020-2023. CalMHSA will focus its communication efforts on informing Members about local CalMHSA-funded events, involving Members more in selecting mini-grant recipients, and

enhancing communication about what Member counties and cities are getting for their CalMHSA investment.

- CalMHSA will continue to focus on **independent, external outcomes evaluation and surveillance** in order to better understand and communicate the value of county and city investments. CalMHSA will work with an independent evaluator to develop metrics and collect data to evaluate selected PEI activities. Statewide surveillance will be used to measure changes in attitudes, knowledge and behavior regarding stigma, service utilization, mental health, and suicide. Evaluation findings will be disseminated to members.
- CalMHSA will continue to provide **technical assistance and subject matter expertise** to individual counties, cities, community based organizations, and other key partners in order to support local and statewide PEI goals and promote sustainability of efforts. Technical assistance will allow counties to access, refine, tailor, and use CalMHSA materials, brands, and resources. CalMHSA will **provide resource navigation** to each contributing county and member city through a designated Each Mind Matters contact person. As in Phase III (FY 2017-2020), counties who invest more in CalMHSA will be able to receive augmented services that focus on local priorities and local target populations (e.g., older adults).

## Scope of CalMHSA PEI Activities

It is anticipated that funding for FY 2020-2023 will be similar to Phase III (FY 2017-2020). As such, CalMHSA is focusing on a limited range of evidence-based strategies that are most highly prioritized by its Member counties and cities. If additional funding is available, CalMHSA will be able to implement a broader range of strategies and/or target additional diverse populations.

## Projected Outcomes

As described above, evaluations of CalMHSA activities have found evidence that the planned interventions described above can successfully influence short-term outcomes such as measures of stigma, perceived knowledge, helping behaviors, mental health service utilization, and confidence to intervene with those at risk for suicide. Given these promising short-term outcomes, we project that the programming will lead to a number of longer term outcomes which have not yet been measured:

### Projected 10 Year Outcomes

- Increased intervention and provision of support by a community helper
- Increased proactive inclusion of individuals with mental health challenges
- Increased community encouragement and acceptance of seeking services early
- Increased knowledge and skills for recognizing and facilitating help seeking
- Increased community college graduation rates
- Increased collaboration and linkages to new partners working on SDOH

### Projected 20 Year Outcomes

- Reduced discrimination against persons with mental illnesses
- Reduced social isolation and self-stigma
- Improved functioning at school, work, home, and in the community

- Reduced suicidal behavior
- Reduced societal costs related to untreated mental illness
- Reduced disparities in mental illness stigma among California’s diverse racial and ethnic groups
- Reduced disparities in mental health service utilization among California’s diverse racial and ethnic groups

DRAFT

## **PROGRAM MATTERS**

### **Agenda Item 9.B**

**SUBJECT: DIRECTING CHANGE PROGRAM UPDATE**

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**RECOMMENDATION:**

None, information only.

**CURRENT STATUS AND BACKGROUND:**

The Directing Change Program & Film Contest is part of Each Mind Matters: California's Mental Health Movement. The program offers young people the exciting opportunity to participate in the movement by creating short films about suicide prevention and mental health that are used to support awareness, education and advocacy efforts on these topics. Learning objectives surrounding mental health and suicide prevention are integrated into the submission categories of the film contest, giving young people the opportunity to critically explore these topics. Program participants – whether they are making a film, acting as an adult advisor, or judging the films – are exposed to appropriate messaging about these topics, warning signs, how to appropriately respond to someone in distress, where to seek help, as well as how to stand up for others who are experiencing a mental health challenge. In addition, schools and organizations are offered free prevention programs and educational resources.

For more information visit [www.directingchangeCA.org](http://www.directingchangeCA.org).

As part of Directing Change, young writers and filmmakers are encouraged to reach their peers by applying responsible and appropriate messaging around mental health and suicide prevention, while also creating storylines that will resonate with their peers. Across the state the program received 1,080 films created by 3,475 youth from 190 schools and community-based organizations.

#### **Categories**

Suicide Prevention, Mental Health Matters, Through the Lens of Culture, Animated Short, SanaMente, and Walk in Our Shoes (for middle school students).

First, second and third place winners of the Suicide Prevention and Mental Health Matters categories are determined on a regional basis by a regional judging panel. First place regional winners advance to a statewide round of judging. For the special categories (Through the Lens of Culture, SanaMente, Animated Short and Walk in Our Shoes) winners are selected through one round of judging across the state.

#### **Judging**

A total of 344 judges were trained and participated in judging of films (284 regional judges and 60 statewide judges). The Directing Change team hosted four (4) webinar-based trainings and phone conversations with 84 participants. The curriculum for the training is based upon the Safe and Effective Messaging for Suicide Prevention and information from NAMI California. Additional

judges with expertise in animation, diverse communities, and who were Spanish speaking were recruited to judge films in the Animated Short, Through the Lens of Culture, and SanaMente categories.

### **Award Ceremony**

On May 19<sup>th</sup>, the 8<sup>th</sup> annual Awards Ceremony took place as a Facebook Live event which streamed to 242 people and announced the statewide winners of the 2020 contest. Awards were given to 14 youth filmmakers from across California. The award event also celebrated Nkechi Okoro Carroll by awarding her and the cast of All American with the “Directing Change Recognition for Outstanding Show with Messaging Around Mental Health”. Okoro Carroll was accompanied by stars of the show Daniel Ezra, Bre-Z, and Karimah Westbrook. [The recorded event can be viewed here.](#)

### **We Rise Los Angeles Screening Event**

On May 21<sup>st</sup>, Directing Change collaborated with We Rise to host a Los Angeles screening event titled “Director’s Cut Conversation with Directing Change Youth”. During the event, Los Angeles youth screened films about mental health and suicide prevention during a “Director’s Watch Party” discussion with filmmakers Bradley Buecker (executive producer of 9-1-1 and Glee) and Lisa Klein (director of The S Word).

- Films submitted to the 2020 contest can be viewed [here](#)
- Films for diverse communities can be viewed [here](#)

### **2020 Statewide Winners:**

#### Suicide Prevention

First place: “Our Battle”  
Butte County, Pleasant Valley High School  
<https://vimeo.com/394503264>

Second place: “Moving Too Fast”  
Riverside County, Eleanor Roosevelt High School  
<https://vimeo.com/394357552>

Third place: “The Signs”  
San Mateo County, Burlingame High School  
<https://vimeo.com/393742815>

#### Mental Health Matters

First place: “Conflicting Currents”  
San Bernardino County, Upland High School  
<https://vimeo.com/394499865>

Second place: “Baggage”  
Orange County, Canyon High School  
<https://vimeo.com/394576751>

Third place: "Hashiru"  
Los Angeles County, Warren High School  
<https://vimeo.com/394237651>

**2020 1<sup>st</sup> Place Statewide Specialty Category Winners:**

Through the Lens of Culture- Suicide Prevention

First Place: "Our Story"  
San Bernardino County, Summit High School  
<https://vimeo.com/393351756>

Through the Lens of Culture- Mental Health Matters

First Place: "You are You"  
Sacramento County, Franklin High School  
<https://vimeo.com/394714757>

SanaMente

First Place: "Del Barrio"  
Tri-City (Los Angeles County), The School of Arts And Enterprise  
<https://vimeo.com/394841444>

Walk in Our Shoes- What is Mental Health

First Place: "Make Your Mark"  
Riverside County, David A. Brown Middle School  
<https://vimeo.com/394590163>

Walk in Our Shoes- Words Matter

First Place: "Invisible"  
San Diego County, Hawking STEAM Charter School 2  
<https://vimeo.com/394496406>

Walk in Our Shoes- Superhero in Each of Us

First Place: "Windows"  
San Diego County, Rancho Minerva Middle School  
<https://vimeo.com/378382450>

Animated

First Place: "Audience of One"  
Orange County, La Quinta High School Creative Writing  
<https://vimeo.com/394559381>

**REFERENCE MATERIAL(S) ATTACHED:**

- Directing Change Outcomes FY 2018.2019



## The Directing Change Program and Film Contest

engages young adults throughout California to learn about the warning signs for suicide, the importance of mental health, and how to help a friend through the creation of short films. Throughout the filmmaking process, participants are engaged via all methods of the “learning spectrum” to see, experience, discuss, and apply concepts learned about suicide prevention and mental health. These films are used in schools and communities to raise awareness and start conversations about these topics.

### Directing Change Box Office Returns

**86%**  
of youth learned proper response to a friend's suicide warning signs via program

**58%**  
of youth encouraged someone going through a tough time to seek help

**86%**  
agreed even people who seem successful can be hurting on the inside and thinking about suicide

**10,504**  
youth participants since 2012

**3,960**  
Number of films submitted by youth since 2012

**446,727**  
Number of times films have been viewed online since 2012

Findings from a [cross-sectional case-control study by NORC at the University of Chicago](#) demonstrated knowledge, attitude and behavior changes:



**Directing Change participants** more frequently agreed that suicide is preventable, identified more warning signs and were more willing to encourage others to seek help, beyond their own social circles.

**Directing Change participants** are more willing to engage in conversation aimed at suicide prevention and have fewer attitudes that contribute to stigma about mental illness.



**Teachers** report impact on students and school climate such as gaining skills for dealing with mental health issues later in life, noticing social isolation, increased sense of safety and sensitivity to the feelings of others, and knowledge of how to connect peers with resources.

**Directing Change** provides an effective, tangible, and supportive way to generate open discussion about mental illness, prevent suicide, increase help-seeking, and to reduce stigma and discrimination.



Ghirardelli, A., & Bye, L. (2016, January 30). *California Mental Health Services Authority Directing Change Film Contest and Program Evaluation*. Retrieved from <http://www.directingchange.org/wp-content/uploads/CalMHSA%20DC%20Eval%20Report.pdf>

These initiatives are funded by counties through the Mental Health Services Act (Prop 63) and administered by the California Mental Health Services Authority (CalMHSA), an organization of county governments working to improve mental health outcomes for individuals, families and communities. The program is implemented by Your Social Marketer, Inc.



For program information and to view films visit: [www.directingchangeCA.org](http://www.directingchangeCA.org)



## Directing Change

Program and Film Contest

# Prevention & Early Intervention Youth Engagement Program 2018-2019 Impact Report

The **Directing Change Program & Film Contest** encourages young people to learn about suicide prevention, mental health, and how to support a friend, in an innovative way: a film contest. Researching these topics, applying knowledge to the making of the film, and thinking deeply about impacting the opinions of others requires a level of involvement that has lasting impact.



# Creating Stories to Save Lives

Imagine you just listened to a presentation about suicide prevention or mental health. **How prepared do you feel?** Now imagine you take the information and discuss it with a group of friends. You apply what you learned to write a script, develop a storyboard, and work with actors to play roles showing young people standing up for others or talking to a friend about suicide. You spend days, maybe even weeks, creating a film that you hope will prepare other young people to reach out for help. **Maybe** youth participate to win cash; maybe to make a difference or share their own personal story with others. Whatever the reason was for starting out, by the end of their participation in **Directing Change** they are **prepared to recognize warning signs of suicide** and know how to connect a friend, or themselves, with help.

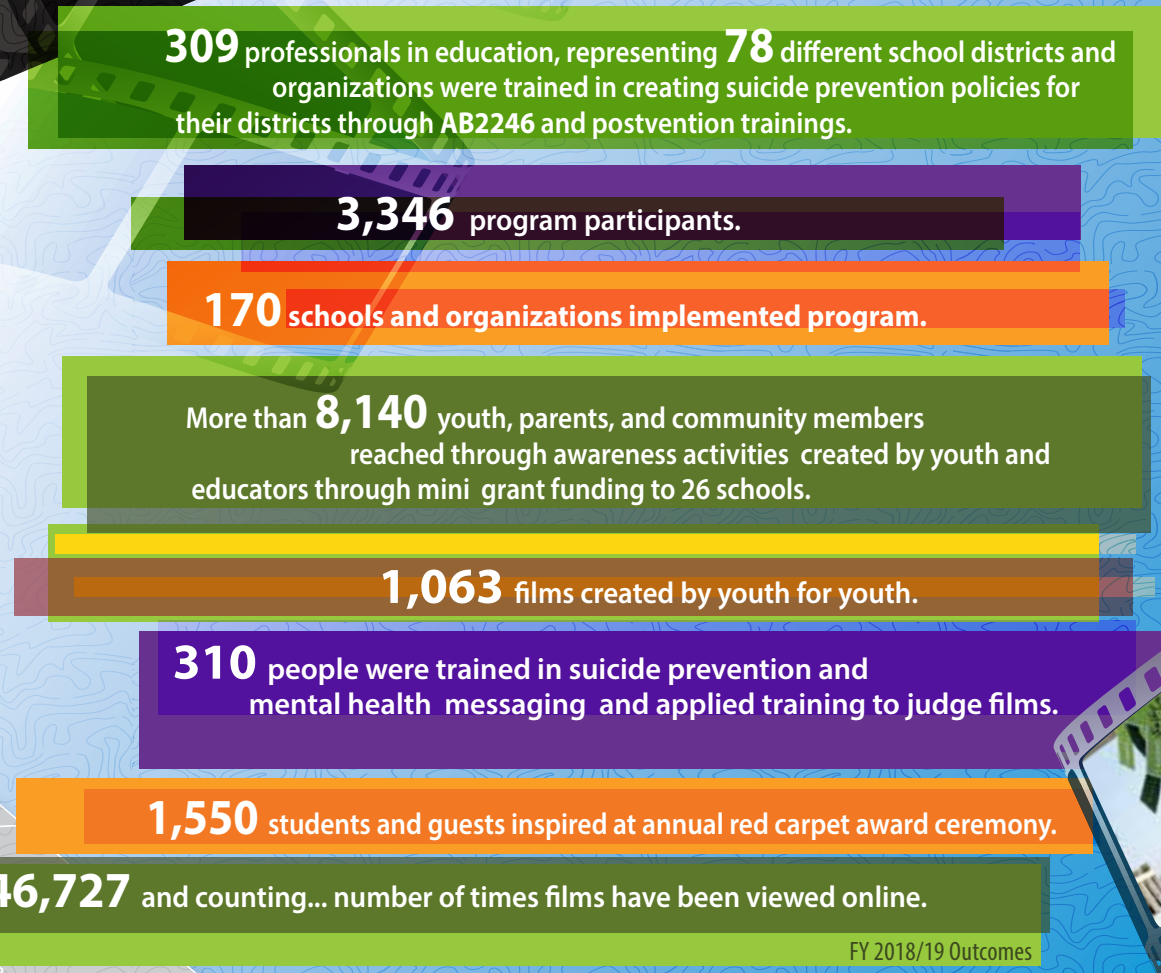
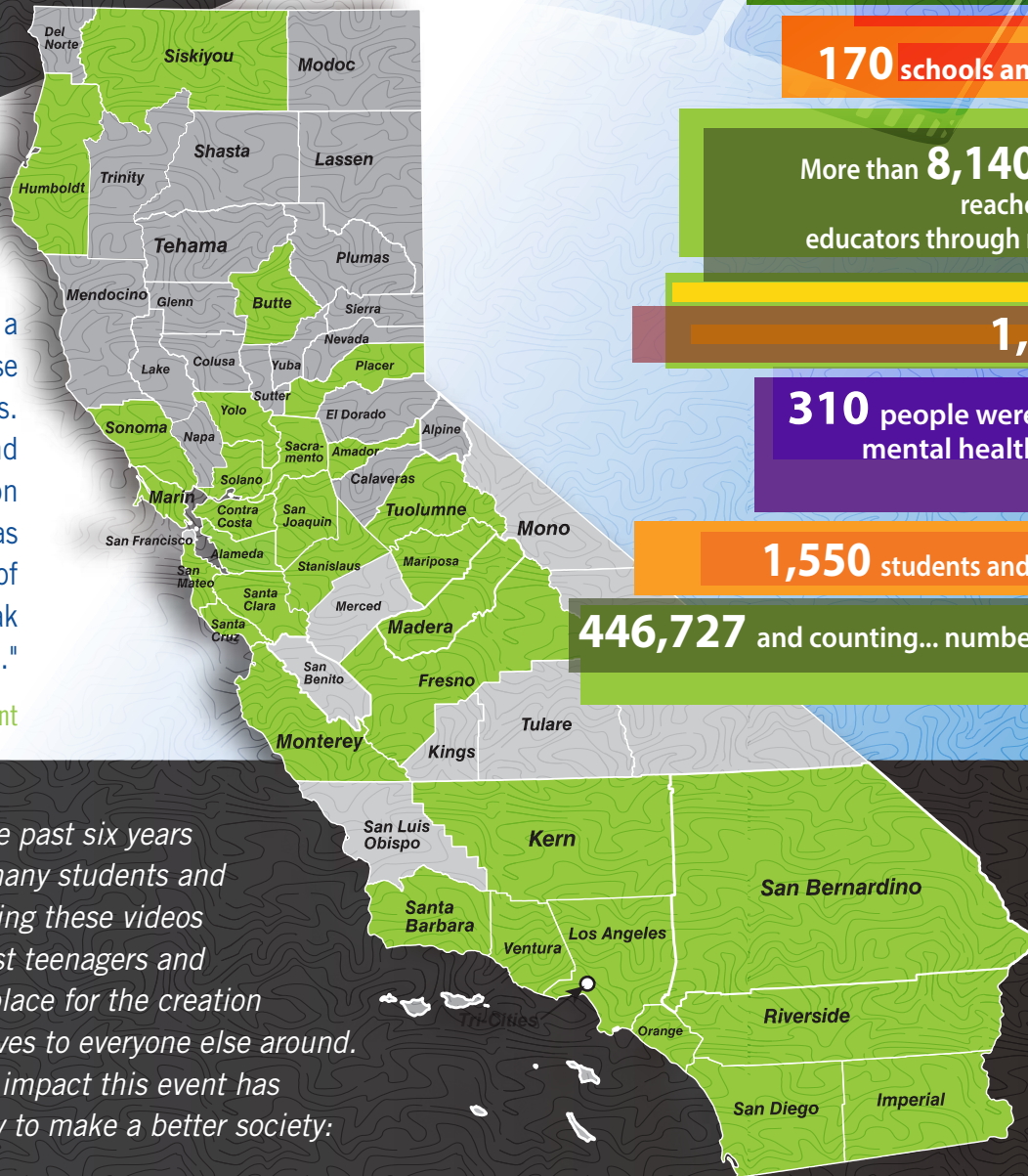
**Directing Change** is about helping young people work through personal stories of loss, creating stories of hope, and changing the story of a young person who is thinking about suicide.

"As a parent, I believe this program is a great way to engage youth and have them use their creativity to speak up on important topics. I have never seen my daughter so excited and engaged in a class before until she came upon this project in her video production class. It was amazing to see teenagers talk about what a lot of us adults also deal with but are afraid to speak up about. It takes a lot of courage."

- Parent

"My participation in the Directing Change program for the past six years has been life changing! I had countless experiences of many students and adults that had expressed to me how the process of making these videos has created awareness about the topic of suicide amongst teenagers and the stigma with mental illness. The research that takes place for the creation of these videos changes the focus of many from themselves to everyone else around. Regardless of who wins the video contest, I feel that the impact this event has makes everyone a winner and gives youth the opportunity to make a better society: one video at the time, one life at a time."

- Teacher



"My film is inspired by the cultural stigma experienced in the Latino community, where the saying goes 'You don't air your dirty laundry'. It is meant to showcase the real-world experience of asking for help and breaking the cycle related to finding support around mental health. Mental Health stigma cuts across all cultures and we hope the message of this film can contribute to the powerful message that it's ok to ask for help."

- Youth

"We spent a lot of time in my class going over the curriculum from the website and talking about mental illness and suicide prevention. I later learned that one student participant noticed warning signs in a friend and talked to a trusted adult. She said that everything she had learned on her Directing Change project came rushing back to her and she knew what she had to do when something didn't feel right on a phone call with her friend. The friend ended up being rushed to the hospital and received the help she needed. I can honestly say the Directing Change program was the most important and valuable curriculum we studied all year."

- Teacher



## **PROGRAM MATTERS**

### **Agenda Item 9.C**

#### **SUBJECT: ALTERNATIVE TO STATE HOSPITALS**

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#### **RECOMMENDATION(S):**

Approval of Wellpath Recovery Solutions (Wellpath) as the provider for Alternative to State Hospitals (ASH), as selected and recommended by the ASH Committee and approval of CalMHSA entering into a Memorandum of Understanding with Wellpath for planning, development, management, and operations of an ASH facility.

#### **FINANCIAL IMPACT:**

There is no financial impact at this time, with the exception of staff and committee time. Financial impact in long-term is provided below. This project is based on a design-build-finance model, counties will not be required to fund until such time the facility is operational, estimated to be in 2023.

#### **CURRENT STATUS AND BACKGROUND:**

In September of 2019, the Board approved CalMHSA to release a Request for Statement of Qualifications for providers interested in participating in the ASH program. CalMHSA, and the ASH Committee, moved forward with two rounds of interviews of two organizations, Wellpath and Telecare. Following the interviews, CalMHSA and committee members conducted site visits of each provider locations. Sites visited:

1. Telecare Gladman Mental Health Rehabilitation Center in Oakland, California
2. Wellpath South Florida State Hospital in Pembroke Pines, Florida.

While each organization brought significant experience and passion for the project, ultimately Wellpath was selected due to their proven ability and past experience to efficiently execute a project with similar scope (clients-served, level of care required, and magnitude) as the proposed project. In addition, Wellpath has developed several safety protocols and measures the committee felt would support the project. Among these measures are active patient monitoring, key control, electronic health records, and other modern technological and patient safety measures. Lastly, the committee felt strongly that the proposed funding model and experience of Wellpath most accurately meets the County needs and would allow the participating counties to budget accordingly for their communities. This funding proposal would require no up-front costs and Counties would only be obligated to pay for the beds desired, with the option to procure additional beds as needed.

**JUSTIFICATION OF MOVING FORWARD WITH THIS PROJECT:**

The genesis of this project began due to a shortage of LPS beds provided by the Department of State Hospitals, with no competitive alternative for options or comparison. Six years later, the California State Hospital system continues to have a considerable backlog that has directly impacted counties and their patients. In addition, the State has indicated a bed rate increase is imminent.

The ASH solution continues to resonate with counties as it is projected to provide counties with:

- An additional 250 LPS beds.
- Competitive pricing—In addition to the DSH beds, currently at \$626 per bed per day and projected to go \$750+, the responding counties indicated they are paying daily bed rates ranging from \$250 to \$1200 per bed per day. In reality, some counties will save considerable funds and others may incur greater costs if they use this alternative.
- A financed new facility with no capital costs incurred by counties or CalMHSA
- Complete operational control of the facility, and most importantly patient care and outcomes.
- More effective placement of county patients in appropriate environments where the patient’s care is provided in the way they can recover most effectively.
- Likely a reduction in person-served length of stay, corresponding cost savings, and benefits to community.
- Modern technology and building support system - The current DSH facilities, all but one built over 50 years ago, do not allow for modern advancements which improve patient outcomes and safety of patients and staff.
- Potential for significant reduction in county liabilities due to likely reduction in patient harm incidents (\$20 million paid, with an estimate of an additional \$56 million liability to individuals/families that did not receive adequate treatment or have died by suicide while incarcerated in county jails—this does not consider legal and increased insurance costs).

**Next Steps and Timeline:**

The goal of the project is to ultimately build a 250-bed facility by 2023 that will be controlled by the counties and while meeting their patient’s needs. . To do so, CalMHSA will enter into an MOU with Wellpath for the purpose of developing a project plan that will include input from the committee and participating member counties.

*The following is a general plan and description of significant events, which is subject to change due to assessments made over the course of time.*

**Steps**

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<b>June and July, 2020</b>	<ol style="list-style-type: none"><li>1. Board approval to enter into a Memorandum of Understanding (MOU) with Wellpath for the following purposes:<ol style="list-style-type: none"><li>a. Assess and affirm proposed Kern County location.</li><li>b. Wellpath to assemble its team and affirm participation and roles:<ol style="list-style-type: none"><li>i. Project Developer</li><li>ii. Architectural and Design</li><li>iii. Construction</li><li>iv. Financial</li></ol></li></ol></li></ol>
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- c. CalMHSA to affirm the sub-committee for project.
  - d. Scope of work centered on a basic Design, Build, and Finance (DBF) model to present to CalMHSA and interested individual members, to include:
    - i. Design plans and estimated cost of construction.
    - ii. Financing Model(s).
    - iii. Estimated timeline from design to occupancy.
  - e. Preparation of presentations to CalMHSA and interested members.
  - f. The above services will be performed at no cost to CalMHSA—other than internal staff and travel costs of committee.
- 

**August—  
October,  
2020**

- 2. Wellpath and CalMHSA
    - a. Individual and/or group Presentations to members
    - b. Participate in individual presentations (preferably to include high level representation by county)
      - i. Individual counties decide level of participation: Tier 1 (see below for Tier definitions) Letter of Intent to Participate (not a formal commitment at this time); Tier -- Letter of intent to reserve bed for future use (not a formal commitment at this time).
    - c. ***Wellpath, CalMHSA, and the subcommittee will evaluate expressed intent of county participation to discern if financially viable. \*It is estimated there should be a minimum commitment of 80% of beds of Tier 1 members (or 200 beds per year)***
    - d. Present to CalMHSA Board for approval—if sufficient critical mass is achieved, we begin entering into contracts, if not the project is abandoned or modified.
- 

**November—  
January,  
2021**

- 3. Execution of Contracts
    - a. Participation Agreements for each Tier 1 participating county
      - i. Will provide for terms and costs based on minimum bed commitment requirement
    - b. Reservation Agreements for each Tier 2 member—no financial commitment, but an indication that there is a strong sense a member county intends to procure beds
    - c. Wellpath team begins design and construction steps
    - d. Enter into Land Lease Agreement with Kern County
    - e. Draft Operational Agreement prepared
- 

**Early 2021**

- 4. Design complete and signed-off
- 

**Early 2021**

- 5. Staffing plan developed and recruitment started
- 

**Mid-Late  
2022**

- 6. Construction complete and signed-off
- 

**Early Fall  
2023**

- 7. Licensing complete and move
- 

**Fall 2023**

- 8. All equipment and internal finishes complete
- 

**Early 2023**

- 9. Occupancy
-

## Financial Model

<b>Objectives</b>	<ol style="list-style-type: none"> <li>1. No costs to members until Day One of Occupancy</li> <li>2. The hospital (a 250-bed facility)—site, building, equipment and operations are 100% financed by daily bed rates</li> <li>3. Rates are to be comparable to DSH bed rates—as projected</li> <li>4. Member or CalMHSA are not debt holders or guarantees</li> <li>5. Two levels of participation             <ol style="list-style-type: none"> <li>a. Tier 1—Represented by members who signed Participation Agreements, of which committed to annually procure a minimum level (target is 80%) of beds per year. This Tier shall have guaranteed annual rates on a rolling three-year basis</li> <li>b. Tier 2—Represented by members who are interested in procuring beds on an as-needed basis and are unable to commit to the annual minimum bed provision. This rate shall be higher than the Tier 1 rate.</li> </ol> </li> </ol>
<b>Funding Mechanisms</b>	<ol style="list-style-type: none"> <li>1. Fundamentally supported through the counties’ long-history of procuring beds of up to \$150 million per year.</li> <li>2. Counties who have signed Participation Agreements and Reservation Agreements</li> <li>3. CHRS shall form a 501 (c) 3 Organization for purposes of being the entity that issues Tax Exempt Bonds (25, 30, or 40 years)             <ol style="list-style-type: none"> <li>a. Shall consist of a Board with CalMHSA holding a majority vote</li> <li>b. Shall service the debt through payments from bed use</li> <li>c. Shall pay for the Operator and Facility Manager</li> <li>d. Hold the land lease</li> </ol> </li> <li>4. Hospital structure shall revert back to CalMHSA upon retirement of all debt—while we could project actions at that point it is too difficult and unnecessary to predict at this time.</li> <li>5. Costs of construction and equipment—up to \$170 million (without land cost)</li> <li>6. Annual costs to operate—up to \$10 million</li> </ol>
<b>Hard costs to County</b>	<ol style="list-style-type: none"> <li>1. Daily bed rate—by the time of completion \$650-\$725</li> <li>2. These costs are not additional costs for the county but replace costs of beds currently procured.</li> </ol>

### **Intrinsic Value Considerations:**

Due to this unique situation, for the first-time, counties can direct and control operations, access a new facility, and obtain many other characteristics of great value that cannot be accessed from the State Hospital facilities today. While not science based, the following is an attempt to begin to quantify the value of such enhancements. Not factored here is the potential savings as noted above.

*The below analysis has been built on elementary and subjective rationale. If we round up and use a \$650 per bed rate that would be paid to the state, what would be the additional fee a member would pay for the characteristic below:*

<i>Hospital Board member/committee member and Contracting party with the Operator, including termination</i>	<i>\$25</i>
<i>Overall improved care and treatment</i>	<i>\$25</i>
<i>Significant reduction in length of stay</i>	<i>\$15</i>
<i>New facility, equipment, and design</i>	<i>\$15</i>
<i>Access to beds without limitation</i>	<i>\$10</i>
<i>Enhanced systems - EHR, Patient Portal, Patient Monitoring, Performance Dashboards, Workforce Management, and safety and security</i>	<i>\$10</i>
<i>Risk of losing beds at all DSH facilities</i>	<i>\$0</i>
	<i>\$100</i>

*The sum of the above is \$100, which would mean that for the above features a comparable rate would be \$750 per day.*

**REFERENCE MATERIAL(S) ATTACHED:**

- Executive Summary—For County internal use
- Bed Rate Survey—results
- Proposed MOU with Wellpath

## COUNTIES PURSUIT OF ALTERNATIVES TO THE CALIFORNIA STATE HOSPITALS

### CURRENT ENVIRONMENT

The Department of State Hospitals (DSH) currently operates five hospital facilities (Atascadero, Coalinga, Metropolitan, Napa, and Patton). Collectively, these five hospitals operate approximately 6000 beds, including forensic and civilly committed patients.

- Lanterman-Petris-Short Act (LPS)
- Incompetent to Stand Trial (PC 1370)
- Offenders with Mental Illness (PC 2962/2972)
- Not Guilty by Reason of Insanity (PC 1026)
- Sexually Violent Predators (WIC 6602/6604)
- Mentally Ill Offenders from CDCR (PC 2684)

Since 2014 CalMHSA has successfully negotiated and stabilized rates for these LPS beds at \$626 per bed day. However, rates are expected to face a significant increase in the 2020-21 budget year. In addition, there is currently a wait list of at least 215 LPS individuals awaiting a state hospital bed. Due to this waitlist Counties are forced to spend significant time and resources placing these individuals in alternative facilities. Unfortunately, these facilities are often inadequate, or inconsistent with the needs of the individual's wellness and recovery and have daily bed rates that range from roughly \$250 to \$1200.

All but one of the State Hospital facilities were built over 50 years ago and lack optimal architectural design and modern, person-centric technologies, such as Electronic Health Record (EHR) and person-served/staff risk management protections.

### BACKGROUND

In April of 2012, members directed CalMHSA to explore the development of State Hospital bed purchase agreements for members. Following this work, it became clear that members would benefit from expanding the pool of providers for these bed types.

In the ensuing years, CalMHSA explored potential site locations, as well as potential methods for funding such a significant project. Identifying a suitable location has been challenging due to the scale of the project, determining a geographically suitable location, and potential NIMBY concerns.

In 2019, the Board directed CalMHSA to undergo a RFSQ for interested vendors. CalMHSA has continued conversations with two organizations and site visits will occur in the first quarter of 2020.

### PROPOSED SOLUTION

The ultimate goal of this program is to build a 250 bed, State Hospital level facility which would be controlled by the counties. The project will be a new structure using the design-build-finance model.

**The proposed facility would be 100% funded via bed rates**, and these bed rates will be at least competitive with the existing rates paid to the DSH. This rate will encompass ALL costs, including financing and facility management/staffing. Due to current capacity issues, this cost is not intended to be new county costs, as the individuals that will be served in the new facility are likely those that are being served in alternative facilities.

It is anticipated that there would be a two tier bed rate, one rate for members who annually commit to procure a minimum number of beds will be guaranteed a lower rate and a second rate that would be for the counties unable to commit to a minimum bed but use for overflow and capacity challenges.

CalMHSA, in partnership with our Hospitals Committee Workgroup, has determined a site in Kern County to be a viable option for this project. This site, near the Lerdo correctional facility, is an ideal location for this facility as it is geographically adjacent to major pockets of need. Due to the rural setting and an existing locked facility on the parcel this location has limited NIMBY concerns.

### **BENEFITS OF PROPOSED SOLUTION**

The California State Hospital system has continued to have a considerable backlog that has directly impacted counties and the individuals the counties serve. This solution will allow counties to have complete operational control of the facility, and most importantly client's care and outcomes. This control will allow for more effective placement of individuals in appropriate environments where the person's care is provided in the way they can recover most effectively.

Complete operational control over the facility would enable the participating counties to establish performance metrics—surrounding treatment, recovery, length of stay, security and safety, record keeping, etc. Counties currently do not have this control within the current State Hospital system. In fact, only 9% of the State Hospital patient population is LPS individuals, and the State Hospitals have become a de facto extension of the criminal justice system. Additionally, as opposed to the current DSH system, there will be no limits to the patient acuity level for the proposed site.

The new facility will allow for the inclusion of modern technological advancements which have shown to improve care, safety of persons-served and staff, and enhanced person-served satisfaction. These advancements include EHR and risk management protocols such as:

- Client monitoring technology
- Performance dashboards
- Video monitoring
- Key control
- Workforce management resources.

In addition, there is the ability to place additional individual protection requirements on the selected vendor, such as an ombudsman, a separate board, and frequent evaluation of key measures. These measures will additionally reduce the potential liability for the provider and counties.

For example, counties have collectively paid nearly \$20 million to individuals that did not receive adequate treatment or to families of individuals who have died by suicide while incarcerated in county jails. In addition, there is an estimated \$56 million in potential liabilities which are still currently pending. There is a significant likelihood that these jailed individuals would be candidates for the proposed facility. Thus, in addition to the intrinsic value to the persons-served, the proposed facility will also benefit counties by directly reducing the liability

### **NEXT STEPS**

Moving forward, CalMHSA will continue to work with the counties participating in the committee to decide on the most appropriate course of action. This decision will be brought before the CalMHSA Board for vetting and approval.

If the CalMHSA Board elects to move forward with a preferred proposal, then CalMHSA will meet with interested county members to understand their potential interest and level of participation to determine if the project will be viable moving forward. If it is determined that the project is viable, CalMHSA will begin the contracting process with the preferred vendor.



The project is projected to be operational in 2023.

**FOR MORE INFORMATION**

John Chaquica

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Laura Li

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County	Bed Rate	Number of patients placed in SH	Number of patients currently waiting for a bed in SH	Patients on Murphy's conservatorship pending a bed in SH	Number of LPS patients currently in jail vs. PHF
<b>Yolo</b>	<p>Our state hospital bed costs \$250,000 annually which amount to \$685 a day.</p> <p>Our MHRC/IMD beds (without a patch) can cost anywhere from \$218 to \$375 a day.</p> <p>Our PHF beds costs \$895 a day.</p>	One conservatee	Four	None on Murphy's conservatorship but we have a pending LPS/Murphy's referral from our Court; a decision will be made within 2 weeks on this Court request.	None in jail, although we have a pending LPS/Murphy referral from the court where the client is currently in jail. Our PG's office moves conserved clients them from the jail as soon as they are conserved because the jail won't enforce involuntary treatment/medication orders.
<b>Sacramento</b>	<p>State Hospital Blended - \$626.00/ SNF - \$775.00</p> <p>MHRC's \$274.00 – \$325.00</p> <p>SNF-L \$23.00 - \$283.00</p> <p>Neuro-Behavioral \$132.00 - \$255.00</p> <p>☑We currently have 2 individual at the SNF rate and 11 at the blended rate.</p>	13 (We have historically budget for 19/20 beds)	7	2 – Napa & 2 Sub-Acute (We have a total of 33 Murphy's 8 are currently in Jail)	46 (30 Permanent, 16 Temporary status)
<b>Stanislaus</b>	We pay \$626 for the State hospitals, \$1,170. for DBHC and \$500 for the PHF.	3	3	0	Not sure
<b>Kern</b>		108	48	0	Jail: 4, PHF/ Inpatient Facility: 19 (Only 1 of the 19 awaiting State Hospital)

County	Bed Rate	Number of patients placed in SH	Number of patients currently waiting for a bed in SH	Patients on Murphy's conservatorship pending a bed in SH	Number of LPS patients currently in jail vs. PHF
<b>Orange</b>	IMD Rates range: 149.68-270.64 depending on facility and level of care. State Hospital rates: ICF: 626; Acute: 626; SNF: 775 MHRC=227.50/day	25	2	1	Not sure how to answer this since we don't have PHF. If you mean Inpatient Psych in general, CoCo did mention there were 5 in the pipeline currently but we don't have any other info on them as they have not been conserved yet. My understanding is that as soon as they are placed on LPS cons. They are sent to CSU within 24 hours.
<b>Fresno</b>		3	0	0	
<b>Riverside</b>		19	10	1	0

## **MEMORANDUM OF UNDERSTANDING**

### **CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY and WELLPATH RECOVERY SOLUTIONS**

**THIS MEMORANDUM OF UNDERSTANDING** (“Agreement”) is made effective this 22<sup>nd</sup> of June 2020 between the California Mental Health Services Authority (“CalMHSA”), located at 3043 Gold Canal Drive, Suite 200, Rancho Cordova, California 95670; and Wellpath Recovery Solutions (“Wellpath”) located at 1283 Murfreesboro Rd., Nashville, TN 37217; and jointly referred to as the "Parties".

#### **RECITALS**

**WHEREAS**, CalMHSA has determined that the development, management and operation of a facility for evaluation and treatment of persons involuntarily detained under the Lanterman-Petris-Short (“LPS”) Act in California (the “Project”) by a private entity is a viable alternative to the program currently operated by the California Department of State Hospitals (“DSH”);

**WHEREAS**, on September 12, 2019, CalMHSA issued a Request for Statement of Qualifications for Inpatient Services for Persons with Mental Illness (“RFSQ”) requesting qualifications for operated a facility that would effectively serve the LPS population currently served by facilities operated by DSH;

**WHEREAS**, CalMHSA received and considered responses to the RFSQ and designated Wellpath as the preferred vendor based upon the response submitted by Wellpath on or about November 12, 2019 and interviews on December 11, 2019 and January 16, 2020;

**WHEREAS**, CalMHSA desires to examine with Wellpath, who will support CalMHSA in certain additional services, including but not limited to building design, presentations to stakeholders, consultation, evaluation and analysis of financing options, and project development, for the Project; and

**WHEREAS**, CalMHSA and Wellpath will act in good faith to negotiate the terms and conditions of development, management and operations contracts of the Project by Wellpath (the “Contract”); and

**WHEREAS**, CalMHSA and Wellpath affirm that the Contract will be contingent upon one or multiple California counties (the “Counties”) entering into a long-term agreement(s) with CalMHSA to procure LPS beds and services.

**WHEREAS**, CalMHSA and Wellpath affirm there is no fiscal obligation until such time that a plan has been formalized and approved by the CalMHSA Board of Directors and the Contract has been signed;

**NOW, THEREFORE**, in consideration for the mutual promises contained herein, the parties enter into this Agreement and Agree as follows:

## **A. Confidentiality**

1. The parties agree that all data, including existing and newly developed drawings, designs, prints, photographs, specifications, test data tabulation, completed forms, reports, proposals, and all other information furnished by each party to the other for use in connection with the preparation of the Project proposal or emanating from the work called for in the Project proposal (herein called "data") shall be and remain the sole property of the party who furnished the data (the "furnishing party"). The parties further agree that the data shall be kept in confidence and will not be disclosed to third parties, except as required by law. In the event that a party receives a subpoena, Public Records Act request, or other demand for information furnished by the other party, the receiving party shall promptly notify the furnishing party. The furnishing party shall indemnify the receiving party for any costs of opposing such requests. The parties agree that the other party's data shall not be used for any other purposes or projects or disclosed to any third parties except with the prior written consent of the furnishing party.

2. The parties agree that the furnishing party shall be entitled to equitable relief, including injunction and specific performance, in the event of any breach of the provisions of this Agreement, in addition to all other remedies available to the furnishing party at law or in equity.

## **B. Exclusivity**

In consideration of each party's involvement as part of the Project, recognizing the confidential nature of the data that the furnishing party will make available and in consideration for receiving such confidential information, the parties hereby agree that each will work exclusively with the other for purposes of the Project.

## **C. Teaming**

1. Each party will assist the other, as necessary, and will exert its best efforts in developing the Project, finalizing the Contract and conducting any due diligence related thereto.

2. It is understood by the Parties that CalMHSA will pay no fee to Wellpath prior to execution of the Contract; however, CalMHSA may reimburse Wellpath for certain Project-related expenses, including but not limited to third party consultants, so long as said expenses are mutually agreed upon in writing before work is commenced and are used exclusively for performance of the Project.

## **D. Legal Effect of Memorandum of Understanding**

The parties agree that no legal relationship of any kind exists as a result of this Agreement other than the covenants expressly contained herein. Neither party shall have authority to create any obligations for the other except to the extent stated herein. The parties agree that this Agreement may be made known to the Counties.

**E. Termination of Agreement**

This Agreement, except for Section A, "Confidentiality" which shall survive this Agreement and continue in effect so long as permitted by applicable law, shall expire twelve (12) months from the date hereof unless terminated earlier by one of the following events:

- 1. The parties execute the Contract in accordance with this Agreement;
- 2. The parties terminate this Agreement by mutual written consent;
- 3. One of the parties petitions for bankruptcy or reorganization under bankruptcy laws or makes an assignment for the benefit of creditors; or
- 4. One of the parties is bought by another company or goes out of existence.

**F. Assignment**

Neither party shall assign, not in my manner transfer, its interests or any part thereof in this Agreement to others.

**G. Entire Agreement**

This Agreement constitutes the entire understanding and agreement between the parties and supersedes any prior or written agreement with respect to the subject matter hereof. The Agreement shall not be modified unless agreed to in writing by both parties.

**H. Applicable Law**

The validity and performance of this Agreement shall be governed by the laws of the State of California.

Agreed to this 7<sup>th</sup> day of July 2020

**CalMHSA**

By: \_\_\_\_\_  
John Chaquica  
Interim Executive Director

**Correct Care, LLC**

By: \_\_\_\_\_  
Marta Prado  
President

**GOVERNANCE**  
**Agenda Item 10.A**

**SUBJECT: ANNUAL REVIEW AND ACCEPTANCE OF THE CalMHSA BOARD OF DIRECTORS INVESTMENT POLICY**

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**RECOMMENDATION:**

Accept CalMHSA Finance Committee's recommendation to approve the CalMHSA Board of Directors Investment Policy.

**CURRENT STATUS AND BACKGROUND:**

Pursuant to the CalMHSA Investment Policy Section X(B): *The Investment Policy shall be reviewed on an annual basis by the Finance Committee and Board of Directors.* At this time, we are bringing forward the current Investment Policy, CalMHSA Resolution No. 18-01, to the Board of Directors for annual review. Staff is not recommending any changes to the current policy at this time.

CalMHSA has utilized Morgan Stanley for the purpose of investment, since 2011. During the times when CalMHSA had funds to invest (2011 – 2015 principally) Morgan Stanley was able to generate over \$3M in additional funds. Help@Hand incoming funds were added to the investments with Morgan Stanley for optimum yield.

Morgan Stanley confirmed all investments are, as before, in compliance with our Investment Policy and the Government Code. This is secured and validated by use of Clearwater Analysis used by Morgan Stanley. Clearwater is a web-based automated aggregation and reporting tool used widely by the investment companies for transparency of reconciliation data results to assure compliance of regulations, composite guidelines and violations. The results are reviewed monthly and should there be any violations, such is corrected immediately.

**REFERENCE MATERIAL(S) ATTACHED:**

- CalMHSA Resolution No. 18-01, Board of Directors Investment Policy

## CalMHSA Board of Directors Investment Policy

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### Resolution No. 18-01

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**WHEREAS**, CalMHSA recognizes the need to clearly identify the objectives and guidelines for the investment and management of funds,

**WHEREAS**, this policy is intended to comply with the California Government Code Sections 53600-53610 and 53630-53686,

**NOW THEREFORE**, the Board of Directors hereby confirms that the Board of Directors Investment Policy is effective as of the date of this meeting, April 11, 2018.

### CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

#### Board of Directors Investment Policy

##### I. Statement of Purpose

The purpose of this document is to clearly identify the objectives and guidelines for the investment and management of funds under the direction of the California Mental Health Services Authority (CalMHSA). This policy is intended to comply with the California Government Code Sections 53600-53610.

##### II. Scope

This statement of investment policy applies to all financial assets of CalMHSA.

##### III. Delegation of Authority

The CalMHSA Board of Directors (or delegated Committee) is responsible for directing and monitoring the investment management of CalMHSA assets. The Board of Directors may delegate certain responsibilities to professional experts in various fields. These include, but are not limited to:

- A. **Investment Management Consultant.** The consultant may assist the Board of Directors in establishing investment policy, objectives, and guidelines; selecting investment managers; reviewing such managers over time; measuring and evaluating investment performance; and other tasks as deemed appropriate.
- B. **Investment Manager.** The investment manager has discretion to purchase, sell, or hold the specific securities that will be used to help meet the objectives.
- C. **Custodian.** The custodian will physically (or through agreement with a sub-custodian) maintain possession of securities, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following



purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of applicable CalMHSA accounts.

#### **IV. General Investment Principles**

- A. Investments will be made solely in the interest of CalMHSA.
- B. Funds will be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiarity with such matters would use in the investment of funds of like character and with like aims.
- C. Board members, staff and agents involved in the investment process must be free of conflict with proper execution of the investment program. This shall be accomplished by the following:
  - 1) Board members must comply with Government Code section 1090 et seq., which prohibits any involvement in a contract in which the director has an economic interest and
  - 2) Directors and staff involved in the investment process shall comply with the Conflict of Interest Code (disclosure as required under Resolution 09-01) and report conflicts as required by CalMHSA's Conflict of Interest Policy (Resolution 10-02).
- D. Investment Management Consultant, in concert with CalMHSA, will select socially responsible and value-based strategies to align the portfolio with beliefs consistent with its Board of Directors.

#### **V. Investment Objectives (ranked in decreasing order of importance)**

- A. Maintaining the safety of principal
- B. Meeting the liquidity needs of CalMHSA
- C. Attaining a market rate of return on the investments which is consistent with the constraints imposed by safety objectives and cash flow considerations.

#### **VI. Investment Time Horizon**

The time period over which the investment objectives, as described in this statement, are expected to be met is 0–3 years.

#### **VII. Permitted Investments Under Government Code 53601**

- A. Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.
- B. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
- C. Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.
- D. Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.
- E. Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.
- F. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- G. Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances shall not exceed 180 days' maturity or 40 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 30 percent of the agency's moneys may be invested in the bankers' acceptances of any one commercial bank pursuant to this section.

This subdivision does not preclude a municipal utility district from investing moneys in its treasury in a manner authorized by the Municipal Utility District Act (Division 6 (commencing with Section 11501) of the Public Utilities Code).

- H. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2):

(1) The entity meets the following criteria:

- (A) Is organized and operating in the United States as a general corporation.

- (B) Has total assets in excess of five hundred million dollars (\$500,000,000).
- (C) Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by an NRSRO.

(2) The entity meets the following criteria:

- (A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.
- (B) Has programwide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.
- (C) Has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO.

Eligible commercial paper shall have a maximum maturity of 270 days or less. Local agencies, other than counties or a city and county, may invest no more than 25 percent of their moneys in eligible commercial paper. Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper of any single issuer. Counties or a city and county may invest in commercial paper pursuant to the concentration limits in subdivision (a) of Section 53635.

- I. Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposit do not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638. The legislative body of a local agency and the treasurer or other official of the local agency having legal custody of the moneys are prohibited from investing local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, or a person with investment decision making authority in the administrative office manager's office, budget office, auditor-controller's office, or treasurer's office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.
- J. (1) Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements of securities authorized by this section, as long as the agreements are subject to this subdivision, including the delivery requirements specified in this section.

(2) Investments in repurchase agreements may be made, on an investment authorized in this section, when the term of the agreement does not exceed one year. The market value of securities that underlie a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

(3) Reverse repurchase agreements or securities lending agreements may be utilized only when all of the following conditions are met:

(A) The security to be sold using a reverse repurchase agreement or securities lending agreement has been owned and fully paid for by the local agency for a minimum of 30 days prior to sale.

(B) The total of all reverse repurchase agreements and securities lending agreements on investments owned by the local agency does not exceed 20 percent of the base value of the portfolio.

(C) The agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(D) Funds obtained or funds within the pool of an equivalent amount to that obtained from selling a security to a counterparty using a reverse repurchase agreement or securities lending agreement shall not be used to purchase another security with a maturity longer than 92 days from the initial settlement date of the reverse repurchase agreement or securities lending agreement, unless the reverse repurchase agreement or securities lending agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(4) (A) Investments in reverse repurchase agreements, securities lending agreements, or similar investments in which the local agency sells securities prior to purchase with a simultaneous agreement to repurchase the security may be made only upon prior approval of the governing body of the local agency and shall be made only with primary dealers of the Federal Reserve Bank of New York or with a nationally or state-chartered bank that has or has had a significant banking relationship with a local agency.

(B) For purposes of this chapter, "significant banking relationship" means any of the following activities of a bank:

(i) Involvement in the creation, sale, purchase, or retirement of a local agency's bonds, warrants, notes, or other evidence of indebtedness.

(ii) Financing of a local agency's activities.

(iii) Acceptance of a local agency's securities or funds as deposits.

(5) (A) "Repurchase agreement" means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying

securities to the counterparty bank's customer book-entry account may be used for book-entry delivery.

(B) "Securities," for purposes of repurchase under this subdivision, means securities of the same issuer, description, issue date, and maturity.

(C) "Reverse repurchase agreement" means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase the securities on or before a specified date and includes other comparable agreements.

(D) "Securities lending agreement" means an agreement under which a local agency agrees to transfer securities to a borrower who, in turn, agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.

(E) For purposes of this section, the base value of the local agency's pool portfolio shall be that dollar amount obtained by totaling all cash balances placed in the pool by all pool participants, excluding any amounts obtained through selling securities by way of reverse repurchase agreements, securities lending agreements, or other similar borrowing methods.

(F) For purposes of this section, the spread is the difference between the cost of funds obtained using the reverse repurchase agreement and the earnings obtained on the reinvestment of the funds.

K. Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of "A" or its equivalent or better by an NRSRO. Purchases of medium-term notes shall not include other instruments authorized by this section and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.

L. (1) Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations as authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (q), inclusive, and that comply with the investment restrictions of this article and Article 2 (commencing with Section 53630). However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement or securities lending agreement is not required to be a primary dealer of the Federal Reserve Bank of New York if the company's board of directors finds that the counterparty presents a minimal risk of default, and the value of the securities underlying a repurchase agreement or securities lending agreement may be 100 percent of the sales price if the securities are marked to market daily.

(2) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.).

(3) If investment is in shares issued pursuant to paragraph (1), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by

subdivisions (a) to (k), inclusive, and subdivisions (m) to (q), inclusive, and with assets under management in excess of five hundred million dollars (\$500,000,000).

(4) If investment is in shares issued pursuant to paragraph (2), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

(5) The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include commission that the companies may charge and shall not exceed 20 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 10 percent of the agency's funds may be invested in shares of beneficial interest of any one mutual fund pursuant to paragraph (1).

- M. Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.
- N. Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.
- O. A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond of a maximum of five years' maturity. Securities eligible for investment under this subdivision shall be issued by an issuer rated in a rating category of "A" or its equivalent or better for the issuer's debt as provided by an NRSRO and rated in a rating category of "AA" or its equivalent or better by an NRSRO. Purchase of securities authorized by this subdivision shall not exceed 20 percent of the agency's surplus moneys that may be invested pursuant to this section.
- P. Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (q), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:



(1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.

(2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive.

(3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

- Q. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.

*(Amended by Stats. 2016, Ch. 366, Sec. 12. (SB 974) Effective January 1, 2017.)*

### **VIII. Investment Guidelines and Constraints**

- A. To support the stated investment objectives, the portfolio must be constructed to minimize risk and maintain marketability.
- B. Investment maturities will be based on and scheduled to meet anticipated cash flow needs.
- C. Where this investment policy specifies maximum percentage limitations or credit quality criteria, the limitations and criteria are applicable at the date of purchase. If subsequent to the time of purchase, the credit quality of a holding falls below the allowed rating, the Investment Manager will notify CalMHSA and recommend a course of action. In the event that the percentage limit guidelines are exceeded subsequent to the time of purchase, the Board expects the Investment Manager to bring the portfolio into compliance within a time frame which allows for good trade execution.

### **IX. Reporting**

- A. Monthly statements showing positions marked to the market, all transactions, and summary of income will be provided to CalMHSA by the investment manager(s) and custodian.
- B. Quarterly investment performance and asset allocation reports will be provided to CalMHSA by the Investment Management Consultant and Investment Manager
- C. The Treasurer shall submit a quarterly report to the Board of Directors which complies with the requirements of Government Code Sections 53646 (b) and (c).

### **X. Investment Policy Adoption and Review**

- A. The CalMHSA investment policy shall be adopted by the Board of Directors.
- B. The investment policy shall be reviewed on an annual basis by the Finance Committee and Board of Directors.
- C. Modification to the investment policy must be approved by the Board of Directors.

Date Adopted: April 11, 2018

Date of Last Revision: N/A

Replaces Resolution No: N/A

Ayes: \_\_\_\_\_ Noes: \_\_\_\_\_ Abstains: \_\_\_\_\_ Absent: \_\_\_\_\_

*Patricia Rooney*

NAME

*CalMHSA  
Board President*

TITLE

*4/11/18*

DATE



**GOVERNANCE**  
**Agenda Item 10.B**

**SUBJECT: BI-ANNUAL REVIEW AND ACCEPTANCE OF THE CalMHSA CONFLICT OF INTEREST CODE**

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**RECOMMENDATION:**

Review and adopt Resolution No. 20-10, Conflict of Interest Code to replace CalMHSA Resolution 09-01.

**CURRENT STATUS AND BACKGROUND:**

The Political Reform Act, Government Code §81000, et, seq., requires state and local government agencies to adopt a Conflict of Interest Code which identifies all agency officials and employees who make or participate in making governmental decisions.

It is required that an agency's Conflict of Interest Code reflect the current structure of the agency and properly identify all officials and employees who should be filing a Statement of Economic Status (Form 700). To ensure Codes remain current and accurate, each agency is required to review its Conflict of Interest Code at least every-other year; local agencies in even-numbered years.

A conflict of interest code must:

- Provide reasonable assurance that all financial interests that pose a foreseeable conflict of interest will be disclosed;
- Provide to each affected person a clear and specific statement of his or her disclosure requirements; and
- Adequately differentiate between designated employees with different powers and responsibilities.

Resolution No. 20-01, which would replace the current Conflict of Interest Code, Resolution 09-01, has been updated as follows:

- Deletion of Category 3, as it has been determined that this does not apply to CalMHSA, as CalMHSA does not provide self-insurance pooling coverage to members.
- Update of Designated Positions to reflect the changes and growth of CalMHSA
- General grammatical and formatting edits

**REFERENCE MATERIAL(S) ATTACHED:**

- CalMHSA Resolution No. 20-01, Conflict of Interest Code (Redline)
- CalMHSA Resolution No. 20-01, Conflict of Interest Code (Clean)

CONFLICT OF INTEREST CODE  
FOR  
CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

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Resolution No. ~~09-0120-01~~

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I. Background

The ~~p~~Political Reform Act, Government Code Section 81000, et, seq., requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation, 2 Cal. Code of Regulations ~~/~~Section 18730, which contains the terms of a standard Conflict ~~O~~of Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearing. Therefore, the terms of 2 Cal. Code of Regulations ~~/~~Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission, along with the attached Appendix in which officials and employees are designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the Conflict of Interest Code of the California Mental Health Services Authority (CalMHSA).

II. Designated Positions

Pursuant to the standard code all designated employees shall file their statements of economic interests with CalMHSA which shall make the statements public inspection and reproduction (Government Code Section ~~8200881008~~).

III. Disclosure Categories

Individuals specified under these categories shall disclose any relevant information concerning investments in, source of income from, or his or her status as a director, officer, partner, trustee, employee, or any position of management in any business entities described below.

For the purpose of this code, the following disclosure categories are established:

Category 1. Business entities which are of the type to supply to CalMHSA materials, products, supplies, commodities or equipment utilized by the CalMHSA.

Category 2. Business entities which are of the type to supply to CalMHSA services, including professional services, utilized by CalMHSA.

~~Category 3. Business entities engaged in the business of insurance including, but not limited to, insurance companies, carriers, holding companies, underwriters, brokers, solicitors, agents, adjusters, claims managers and actuaries.~~

Category 43. Financial institutions including, but not limited to, banks, savings and loan associations and credit unions which are located in, doing business in, plan to do business in, or have done business in the jurisdiction of CalMHSA.

Category 54. Business entities or persons who have filed a claim, or have a claim pending, against CalMHSA or any member of CalMHSA.

Category 65. All interests in real property located within the jurisdiction of CalMHSA.

Date Adopted:

Date of Last Revision: N/A

Replaces Resolution No: ~~N/A~~A09-01

Ayes: \_\_\_\_\_ Noes: \_\_\_\_\_ Abstains: \_\_\_\_\_ Absent: \_\_\_\_\_

\_\_\_\_\_  
NAME

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
DATE

TO  
CONFLICT OF INTEREST CODE  
OF

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

<u>Designated Positions</u>	<u>Disclosure Categories</u>
Members of the Board of Directors (including all officers)	All
Alternate Members of the Board of Directors	All
<u>Members of the Finance Committee</u>	<u>All</u>
<u>CalMHSA Staff</u>	<u>All Administrator</u>
	<u>All</u>
<ul style="list-style-type: none"><li>• <u>Executive Director</u></li><li>• <u>Chief Operating Officer</u></li><li>• <u>Director of Programs</u></li><li>• <u>Director of Administration</u></li><li>• <u>Director of Finance</u></li></ul>	
Consultants*	All
<del>General Counsel</del> <u>Legal Counsel</u>	All
<del>Legal Position</del>	<del>All</del>
Auditor	All

\* \_\_\_\_\_ With respect to Consultants, the President of the Board, in the absence of an Administrator, may determine in writing that a particular consultant, although a designated person is hired to perform a range of duties that are limited in scope and thus is not required to comply with the disclosure requirements described in this Section. Such determination shall include a description of the consultant's duties and based upon that description, a statement of the extent of disclosure requirements. A copy of this determination shall be retained by the Joint Powers Authority. Nothing herein excuses any such consultants from any other provisions of the Conflict of Interest Code.

- (1) If these Designated Positions are business firms, the Statement shall be filed by the individual in the firm who has primary responsibility for conducting the firm's business activities for CalMHSA.
- (2) "Consultants" shall include any natural person who provides, under contract, information, advise, recommendation or counsel to a state or local government agency.

CONFLICT OF INTEREST CODE  
FOR  
CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

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**Resolution No. 20-01**

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I. Background

The Political Reform Act, Government Code Section 81000, et, seq., requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation, 2 Cal. Code of Regulations Section 18730, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearing. Therefore, the terms of 2 Cal. Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission, along with the attached Appendix in which officials and employees are designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the Conflict of Interest Code of the California Mental Health Services Authority (CalMHSA).

II. Designated Positions

Pursuant to the standard code all designated employees shall file their statements of economic interests with CalMHSA which shall make the statements public inspection and reproduction (Government Code Section 81008).

III. Disclosure Categories

Individuals specified under these categories shall disclose any relevant information concerning investments in, source of income from, or his or her status as a director, officer, partner, trustee, employee, or any position of management in any business entities described below.

For the purpose of this code, the following disclosure categories are established:

Category 1. Business entities which are of the type to supply to CalMHSA materials, products, supplies, commodities or equipment utilized by the CalMHSA.

- Category 2. Business entities which are of the type to supply to CalMHSA services, including professional services, utilized by CalMHSA.
  
- Category 3. Financial institutions including, but not limited to, banks, savings and loan associations and credit unions which are located in, doing business in, plan to do business in, or have done business in the jurisdiction of CalMHSA.
  
- Category 4. Business entities or persons who have filed a claim, or have a claim pending, against CalMHSA or any member of CalMHSA.
  
- Category 5. All interests in real property located within the jurisdiction of CalMHSA.

Date Adopted:

Date of Last Revision: N/A

Replaces Resolution No: 09-01

Ayes: \_\_\_\_\_ Noes: \_\_\_\_\_ Abstains: \_\_\_\_\_ Absent: \_\_\_\_\_

NAME	TITLE	DATE

APPENDIX  
TO  
CONFLICT OF INTEREST CODE  
OF  
CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

<b><u>Designated Positions</u></b>	<b><u>Disclosure Categories</u></b>
Members of the Board of Directors (including all officers)	All
Alternate Members of the Board of Directors	All
Members of the Finance Committee	All
CalMHSA Staff	All
<ul style="list-style-type: none"> <li>• Executive Director</li> <li>• Chief Operating Officer</li> <li>• Director of Programs</li> <li>• Director of Administration</li> <li>• Director of Finance</li> </ul>	
Consultants*	All
Legal Counsel	All
Auditor	All

\* With respect to Consultants, the President of the Board, in the absence of an Administrator, may determine in writing that a particular consultant, although a designated person is hired to perform a range of duties that are limited in scope and thus is not required to comply with the disclosure requirements described in this Section. Such determination shall include a description of the consultant's duties and based upon that description, a statement of the extent of disclosure requirements. A copy of this determination shall be retained by the Joint Powers Authority. Nothing herein excuses any such consultants from any other provisions of the Conflict of Interest Code.

(1) If these Designated Positions are business firms, the Statement shall be filed by the individual in the firm who has primary responsibility for conducting the firm's business activities for CalMHSA.



- (2) “Consultants” shall include any natural person who provides, under contract, information, advise, recommendation or counsel to a state or local government agency.

## **GENERAL DISCUSSION**

### **Agenda Item 11.A**

**SUBJECT: REPORT FROM CalMHSA PRESIDENT – DAWAN UTECHT**

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**RECOMMENDATION:**

None, information only.

**CURRENT STATUS AND BACKGROUND:**

CalMHSA President, Dawan Utecht, will provide general information and updates regarding the JPA.

- General

**REFERENCE MATERIAL(S) ATTACHED:**

None.

**GENERAL DISCUSSION**

**Agenda Item 11.B**

**SUBJECT: REPORT FROM CalMHSA INTERIM EXECUTIVE DIRECTOR – JOHN CHAQUICA**

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**RECOMMENDATION:**

None, information only.

**CURRENT STATUS AND BACKGROUND:**

CalMHSA Interim Executive Director, John Chaquica, will be reporting on the status of CalMHSA projects.

- General

**REFERENCE MATERIAL(S) ATTACHED:**

None.