

Board of Directors Meeting

AGENDA

Thursday, December 15, 2016

3:00 p.m. – 3:30 p.m. Closed Session

3:30 p.m. – 5:00 p.m. General Session

Call-In Information: 916-233-1968

Conference Code: 3043

(Listen in only)



Meeting Location:

Doubletree by Hilton Sacramento

2001 Point W. Way
Sacramento, CA 95815

San Bernardino County

303 E. Vanderbilt Way
San Bernardino, CA 92415

Fresno County

3133 N. Millbrook, Room 66
Fresno, CA 93703

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

Thursday, December 15, 2016

3:00 p.m. – 3:30 p.m. Closed Session

3:30 p.m. – 5:00 p.m. General Session

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

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

A. CLOSED SESSION

a. CALL TO ORDER

b. ROLL CALL AND INSTRUCTIONS

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

B. BOARD OF DIRECTORS REGULAR MEETING

1. CALL TO ORDER

2. ROLL CALL AND INTRODUCTIONS

3. INSTRUCTIONS FOR PUBLIC COMMENT AND STAKEHOLDER INPUT

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

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

4. CONSENT CALENDAR	5
A. Routine Matters	
1. Minutes from the October 13, 2016 Board of Directors Meeting.....	7
2. Minutes from the November 14, 2016 Finance Committee Meeting.....	12
B. Reports / Correspondence	
1. Program Payments.....	16
2. Cash Balance as of November 30, 2016.....	17
3. Projected Cash Flow as of November 30, 2016.....	18
4. Treasurer’s Report as of September 30, 2016.....	19
5. CalMHSA Financial Statement for Quarter Ending September 30, 2016.....	23
6. Resolution 14-01: Statement of Principles for Licensing of Intellectual Property Rights....	28
7. Draft Financial Audit of Fiscal Year Ending June 30, 2016.....	29
8. RJP Agreement – Retention of Counsel for Administrative Hearing.....	60

Recommendation: Approval of the Consent Calendar.

5. PROGRAM MATTERS	
A. Phase III Plan.....	61

Recommendation: 1) Adopt the Sustainability Taskforce recommendation to approve the CalMHSA Statewide Prevention and Early Intervention (PEI) Project Phase III Implementation Plan: Forging California Culture of Mental Wellness, 2017-2020.
2) Authorize the staff, with the guidance of the Sustainability Taskforce, to further refine and operationalize the Phase III Implementation Plan based on the funding available.
3) Affirm the importance of counties collectively funding Phase III at an amount greater than \$5 million, with a goal of \$12.6 million which eventually will leverage county funding with an equal or greater level of private funding.

B. State Hospitals Program – Correct Care MOU.....	100
<i>Recommendation: Approve to proceed with Correct Care Services (CCS) via an Amended MOU, that includes an approved reimbursement travel per diem of \$500.00 for each CCS representative that travels for purposes covered under the Agreement.</i>	

6. FINANCIAL MATTERS

- A. CalMHSA 4%-7% Funding Plan 113

Recommendation: Approve the three year financial sustainability plan, which sets a goal of each county contributing 4% of their annual PEI local funds to CalMHSA on an annual basis for three (3) years, or the equivalent amount through another local funding source that can be non-PEI or non-MHSA related and direct staff to explore funding Statewide PEI Projects from the 1% distribution formula off the top of MHSA funds.

7. GENERAL DISCUSSION

- A. Report from CalMHSA President – Terence M. Rooney.....127

- General

Recommendation: Discussion and/or action as deemed appropriate.

- B. Report from CalMHSA Executive Director – Wayne Clark.....128

- CSAC Conference
- San Bernardino County – Fiscal Admin
- CalMHSA Video
- Other

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

8. PUBLIC COMMENTS

- A. Public Comments Non-Agenda Items

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

9. NEW BUSINESS

General discussion regarding any new business topics for future meetings.

10. CLOSING COMMENTS

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

11. ADJOURNMENT

CONSENT CALENDAR
Agenda Item 4

SUBJECT: Consent Calendar

ACTION FOR CONSIDERATION:

Approval of the Consent Calendar.

BACKGROUND AND STATUS:

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

A. Routine Matters:

1. Minutes from the October 13, 2016 Board of Directors Meeting
2. Minutes from the November 14, 2016 Finance Committee Meeting

B. Reports / Correspondence

1. Program Payments
2. Cash Balance as of November 30, 2016
3. Projected Cash Flow as of November 30, 2016
4. Treasurer's Report as of September 30, 2016
5. CalMHSA Financial Statement for Quarter Ending September 30, 2016
6. Resolution 14-01: Statement of Principles for Licensing of Intellectual Property Rights
7. Draft Financial Audit of Fiscal Year Ending June 30, 2016

FISCAL IMPACT:

See staff reports for fiscal impact.

RECOMMENDATION:

Approval of the Consent Calendar.

TYPE OF VOTE REQUIRED:

Majority vote.

REFERENCE MATERIAL(S) ATTACHED:

- October 13, 2016 Board of Directors Meeting Minutes

- November 14, 2016 Finance Committee Meeting
- Program Payments
- Cash Balance as of November 30, 2016
- Projected Cash Flow as of November 30, 2016
- Treasurer's Report as of September 30, 2016
- CalMHSA Financial Statement for Quarter Ending September 30, 2016
- Resolution 14-01: Statement of Principles for Licensing of Intellectual Property Rights
- Draft Financial Audit of Fiscal Year Ending June 30, 2016



"A George Hills Company Administered JPA"

**CalMHSAs Board of Directors
Meeting Minutes from October 13, 2016**

BOARD MEMBERS PRESENT

Alameda County – **Manuel Jimenez**
Alpine County – **Alissa Nourse**
Butte County – **Dorian Kittrell**
Colusa County – **Terence M. Rooney**
Contra Costa – **Warren Hayes** (*Alternate*)
El Dorado County – **Patricia Charles-Heathers**
Fresno County – **Dawan Utecht**
Kern County – **Bill Walker**
Kings County – **Ahmad Bahrami** (*Alternate*)
Lake County – **Kevin Thompson**
Los Angeles County – **William Arroyo** (*Alternate*)
Madera County – **Dennis P. Koch**
Marin County – **Suzanne Tavano**
Mendocino County – **Jenine Miller**
Merced County – **Yvonnia Brown**
Modoc County – **Karen Stockton**
Monterey County – **Amie Miller**
Napa County – **Bill Carter**
Nevada County – **Rebecca Slade**
Orange County – **Mary Hale**
Placer County – **Maureen Bauman**
Plumas County – **Louise Steenkamp**
Riverside County – **Steven Steinberg**
Sacramento County – **Uma Zykofsky**
San Diego County – **Alfredo Aguire**
San Luis Obispo County – **Anne Robin**
San Mateo County – **Paul Sorbo**
Shasta County – **Dean True**
Tri-City County – **Antonette Navarro**
Trinity County – **Noel O'Neill**
Tuolumne County – **Rita Austin**

BOARD MEMBERS ABSENT

Berkeley, City of
Del Norte County
Glenn County
Humboldt County
Imperial County
Inyo County
Lassen County

Mariposa County
Mono County
San Benito County
San Bernardino County
San Francisco City/County
San Joaquin County
Santa Barbara County
Santa Clara County
Santa Cruz County
Siskiyou County
Solano County
Sonoma County
Stanislaus County
Sutter/Yuba Counties
Tulare County
Ventura County
Yolo County

MEMBERS OF THE PUBLIC

Rose Lester, LCG
Jennifer Alpert, LCG
Scott Rose, RSE
Estelle Saltzman, RSE
Kirsten Barlow, CBHDA
Adrienne Shilton, CBHDA

STAFF PRESENT

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

1. CALL TO ORDER

CalMHSA President Terence M. Rooney, Colusa County, called the Board of Directors meeting of the California Mental Health Services Authority (CalMHSA) to order at 3:15 P.M. on October 13, 2016, at the Hilton Sacramento Arden West, California. President Rooney welcomed those in attendance as well as those listening in on the phone, and asked all present to introduce themselves.

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

2. ROLL CALL AND INTRODUCTIONS

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

3. INSTRUCTIONS FOR PUBLIC COMMENT AND STAKEHOLDER INPUT

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

4. CONSENT CALENDAR

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

Action: *Approval of the consent calendar.*

Motion: *Butte County – Dorian Kittrell*

Second: *San Luis Obispo County – Anne Robin*

Motion passed unanimously.

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

None

5. FINANCIAL MATTERS

A. Lester Consulting Group – Private Fund Development & Creation of a Leadership Council

President Rooney announced that Dr. Wayne Clark and Ann Collentine would be presenting the sole source contract between CalMHSA and Lester Consulting Group (LCG). Dr. Clark did an initial review of the recommended actions for the Board of Directors to consider, which consisted of a sole source contract with LCG, a special member fee to support the contract with LCG and a commitment from members to sustain the CalMHSA Statewide PEI Project in order to meet the leverage amount of \$10-15 million dollars per fiscal year, in an effort to secure private funding at an equal or greater level.

Members voiced concerns regarding committing to a three year special member fee on top of the already committed \$5 million sustainability funding, and the prospect of doubling the sustainability funding to \$10-15 million. Concerns were also heard about public resources being used for fund raising and the issue of public-private partnerships. Officers and staff agreed to address those issues legally and assured

members that we would not move forward if there were any prohibitions to fund development or public private partnerships.

Board members then approved the sole source contract with LCG and approved the annual budget of \$500,000.00 per year for that contract. The staff was directed to research legalities regarding using MHSA funds for fund raising, public backlash, and reassess the sustainability commitment from counties if the current funding goal is unrealistic. The members were not ready at this time to commit to an annual target of \$10-15 million in sustainability funding for statewide PEI Project. Board members moved a motion to amend the recommendation in order to approve action 1 and 2.

Action: 1) *Authorize staff to enter into a Sole Source Agreement with Lester Consulting Group (LCG) for the purpose of the Fund Development for a three year term.* 2) *Approve a \$500,000 annual budget item for each of the next three years, which will pay for LCG consulting services, fund development staff and all associated costs, via a special member fee.*

Motion: *Alameda County – Manuel J. Jimenez*

Second: *Placer County – Maureen F. Bauman*

Friendly Amendment – Modoc County - Karen Stockton

Board Votes: *A quorum was not present at the time of voting however, current vote results of the members present as follows:*

20 - Ayes 4 - No 3 - Abstentions

The vote was turned over to the Executive Committee in which a quorum was established and motion passed as amended.

Motion: *Fresno County – Dawan Utecht*

Second: *Kern County – William Walker*

Motion passed unanimously.

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

None

B. CalMHSA Annual Revenue and Expenditure Report – Budget June 30, 2017 – Proposed Revision

Bill Walker, Kern County, provided the Board of Directors with a brief overview of the bare bones budget which was presented to the Finance Committee on September 26, 2016 for recommendation to be approved by Board of Directors.

Action: *Approve the Revised CalMHSA Annual Revenue and Expenditure Report – Budget, June 30, 2017*

Motion: *Alameda County – Manuel J. Jimenez*

Second: Butte County – Dorian Kittrell

Motion passed unanimously.

Public comment was heard from the following individual(s):
None.

6. GENERAL DISCUSSION

- A. Report from CalMHSA President – Terence M. Rooney
This item was not discussed.
- B. Report from CalMHSA Executive Director
This item was not discussed.

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

Public comment was heard from the following individual(s):
None.

7. PUBLIC COMMENTS

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

Public comment was heard from the following individual(s):
None

8. NEW BUSINESS

General discussion regarding any new business topics for future meetings.

9. CLOSING COMMENTS

10. ADJOURNMENT

Hearing no further comments, the meeting was adjourned at 5:11 p.m.

Respectfully submitted,

Michael Kennedy, MFT
Secretary, CalMHSA

Date



CalMHSAs Finance Committee

TELECONFERENCE MINUTES FROM NOVEMBER 14, 2016

Finance Committee Members

Present

- Bill Walker, CalMHSAs Treasurer, Kern County
- Dennis P. Koch, Madera County
- Michael Lucid, Sonoma County
- Dr. William Arroyo, Los Angeles County
- Terence M. Rooney, Colusa County

Absent

- Steve Steinberg, Riverside County

CalMHSAs Staff

- Wayne Clark, Executive Director
- John Chaquica, Chief Operating Officer
- Kim Santin, Finance Director
- Ann Collentine, Program Director
- Laura Li, JPA Administrative Manager
- Theresa Ly, Program Manager
- Doug Alliston, CalMHSAs Legal Counsel, Murphy Campbell Alliston & Quinn
- Armando Bastida, Executive Assistant

1. **Call to Order**

The CalMHSA Finance Committee teleconference was called to order at 3:02 p.m. on November 11, 2016 by Finance Committee Chair Bill Walker, Kern County.

2. **Roll Call and Public Comment Instructions**

JPA Administrative Manager, Laura Li, CalMHSA, called roll and a quorum was established. All participants were asked to introduce themselves. Treasurer, Bill Walker, Kern County, proceeded to review the public comment instructions, noting that items not on the agenda would be reserved for public comment at the end of the meeting.

3. **Consent Calendar**

Treasurer, Bill Walker asked the committee for any changes to the following items:

Routine Matters:

- Minutes from the September 26, 2016 Finance Committee Teleconference

Reports/Correspondence:

- Program Payments
- Treasurer's Report as of September 2016

None were proposed.

Action: Approval of the consent calendar.

Motion: Michael Lucid, Sonoma County

Seconded: William Arroyo, Los Angeles County

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

None

4. **Cash Flow Management as of October 31, 2016**

Treasurer, Bill Walker provided a brief overview of the current cash balance and projected cash flow. Cash Balance at the end of October is \$10.6 million. Finance Director, Kim Santin provided an overview of projected cash flow and indicated revisions are included in the projections. Additionally, Ms. Santin confirmed invoices for fund development (LCG) had been distributed via certified mail to all county Behavioral Health Directors, on November 4, 2016, however no payments have been received as of yet.

Action: For information and discussion.

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

None

5. **New Three Year Financial Sustainability Plan for the Statewide PEI Project**

Treasurer, Bill Walker provided an overview of the three year financial sustainability plan for statewide PEI projects and noted the importance of emphasizing counties could use non MHSA funds for this contribution. He reiterated the recommendation for local funding from counties being 4%.

Both Mr. Walker and Dr. Wayne Clark, noted that in recent conversations with other county members, given the challenges of the invoicing process, some members would prefer to have 1% of MHSA funds taken off the top in order to reduce the burden on counties. They emphasized that the 1% solution would appeal more to new directors who have not dealt with Board of Supervisors, would promote fairness since each county would be contributing the same percentage and would allow counties to have equal buy in to all the projects.

After extensive discussion the committee members agreed to recommend the three year financial sustainability plan for statewide PEI projects and directed staff to explore funding from the 1% off the top MHSA funds

Action: Recommend the three year financial sustainability plan, which sets a goal of each county contributing 4% of their annual PEI local funds to CalMHSA on an annual basis for three (3) years, or the equivalent amount through another local funding source that can be non-PEI or non-MHSA related and direct staff to explore funding Statewide PEI Projects from the 1% distribution formula off the top of MHSA funds.

Motion: Michael Lucid, Sonoma County

Seconded: Terence M. Rooney, Colusa County

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

None

6. **Complexities Related to Non-paying Counties**

Treasurer, Bill Walker provided an overview of the complexities related to non-paying counties. The discussion centered on fairness of all counties contributing 4% versus the reality that counties are not contributing and still reaping the rewards. Given the many factors for consideration, topic will be presented to the Board of Directors.

Action: Discuss and provide direction to staff for Board discussion at December 15, 2016 Board of Directors Meeting.

Motion: Dennis P. Koch, Madera County

Second: William Arroyo, Los Angeles County

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

None

7. **CalMHSA Executive Director Finance Report**

Executive Director, Wayne Clark, informed the group that the Lester Consulting Group contract has been executed and will begin in December.

Action: None, information only.

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

None

8. **General Public Comment**

This time is reserved for members of the public to address the Committee 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 twenty minutes in total. The Committee may also limit public comment time regarding agenda items, if necessary, due to a lengthy agenda.

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

None

9. **Closing Comments**

Treasurer, Bill Walker asked for any closing comments.

10. **Adjournment**

With no further comments, the meeting was adjourned at 4:07 p.m.

Program Payments

	PEI			State Hospitals	
	FY 16-17 LOA Rcvd & Funding Projected	(Phase II)	PHASE II Funding Received FY 16-17	Annual Operation Costs FY 16-17	Funding Received FY 16-17
County	\$	%	\$	\$	\$
Alameda County	\$ 290,883.00	3%	\$ 290,883.00	\$ 29,442.00	\$ 29,442.00
Alpine County	\$ 15,000.00	7%	\$ 15,000.00		
*Amador County					
Butte County	\$ 25,000.00		\$ 25,000.00	\$ 1,402.00	\$ 1,402.00
*Calaveras County					
City of Berkeley					
Colusa County	\$ 11,414.00		\$ 11,414.00		
Contra Costa County				\$ 29,442.00	\$ 29,442.00
Del Norte County					
El Dorado County	\$ 9,471.00	1%	\$ 9,471.00	\$ 1,402.00	\$ 1,402.00
Fresno County	\$ 455,864.02	7%	\$ 455,864.02	\$ 1,402.00	\$ 1,402.00
Glenn County	\$ 18,000.00	3%	\$ 18,000.00		
Humboldt County	\$ 8,198.31		\$ 8,198.31		
Imperial County	\$ 48,915.00	4%	\$ 48,915.00	\$ 4,206.00	\$ 4,206.00
Inyo County					
Kern County	\$ 120,019.19	2%	\$ 120,019.19	\$ 11,216.00	\$ 11,216.00
Kings County	\$ 48,373.00	5%	\$ 48,373.00	\$ 1,402.00	\$ 1,402.00
Lake County					
Lassen County	\$ 11,000.00	4%	\$ 11,000.00		
Los Angeles County				\$ 269,000.00	
Madera County	\$ 15,200.00	2%	\$ 15,200.00	\$ 1,402.00	\$ 1,402.00
Marin County	\$ 75,000.00	5%	\$ 75,000.00	\$ 5,608.00	\$ 5,608.00
Mariposa County					
Mendocino County	\$ 8,625.00	1%	\$ 8,625.00		
*Merced County					
Modoc County	\$ 6,522.00	4%	\$ 6,522.00		
Mono County					
Monterey County	\$ 252,000.00	7%	\$ 252,000.00	\$ 5,608.00	\$ 5,608.00
Napa County	\$ 10,471.00	1%	\$ 10,471.00	\$ 4,206.00	\$ 4,206.00
Nevada County	\$ 5,000.00	1%	\$ 5,000.00		
Orange County	\$ 900,000.00	4%	\$ 900,000.00	\$ 23,834.00	\$ 23,834.00
Placer County	\$ 162,000.00	6%	\$ 162,000.00	\$ 4,206.00	\$ 4,206.00
Plumas County	\$ 25,000.00	6%	\$ 25,000.00		
Riverside County	\$ 526,379.00	4%	\$ 526,379.00	\$ 26,638.00	\$ 26,638.00
Sacramento County	\$ 320,325.00	3%	\$ 320,325.00	\$ 25,236.00	\$ 25,236.00
San Benito County					
San Bernardino County	\$ 561,894.00	4%	\$ 561,894.00		
San Diego County	\$ 400,000.00	1%	\$ 400,000.00	\$ 22,432.00	\$ 22,432.00
San Francisco City And County	\$ 100,000.00	2%	\$100,000.00		
San Joaquin County	\$ 174,662.54	4%		\$ 4,206.00	\$ 4,206.00
San Luis Obispo County	\$ 67,308.00	4%	\$ 67,308.00	\$ 1,402.00	\$ 1,402.00
San Mateo County	\$ 95,965.00	2%	\$ 95,965.00	\$ 7,010.00	\$ 7,010.00
Santa Barbara County	\$ 5,000.00	0.10%	\$ 5,000.00	\$ 1,402.00	\$ 1,402.00
Santa Clara County				\$ 51,874.00	
Santa Cruz County				\$ 1,402.00	\$ 1,402.00
Shasta County	\$ 13,000.00	1%	\$ 13,000.00		
*Sierra County					
Siskiyou County					
Solano County	\$ 60,611.00	2%	\$ 60,611.00	\$ 4,206.00	\$ 4,206.00
Sonoma County	\$ 109,200.00	2.78%	\$ 109,200.00	\$ 1,402.00	\$ 1,402.00
Stanislaus County				\$ 4,206.00	\$ 4,206.00
Sutter/Yuba County	\$ 39,185.00	4%	\$ 39,185.00		
*Tehama County					
Tri-City Mental Health Center	\$ 15,181.00	1%	\$ 7,590.50		
Trinity County	\$ 10,000.00	4%	\$ 10,000.00		
Tulare County	\$ 31,443.17	1%	\$ 31,443.17	\$ 4,206.00	\$ 4,206.00
Tuolumne County	\$ 16,715.00	5%	\$ 16,715.00		
Ventura County	\$ 53,500.00	1%	\$ 53,500.00	\$ 1,402.00	\$ 1,402.00
Yolo County	\$ 35,000.00	2.2%	\$ 35,000.00	\$ 1,402.00	\$ 1,402.00
TOTAL	\$ 5,157,324.23	3%	\$ 4,975,071.19	\$ 552,204.00	\$ 231,330.00
Balance Due			\$ 182,253.04		\$ 320,874.00

CalMHSA
Cash Balance
As of November 30, 2016

Cash Balance, 6/30/2016	7,709,093.70
Cash Received 07/01 to 11/30/2016	5,875,883.68
Cash Payments 07/01 to 11/30/2016	(3,490,209.93)
Cash Balance, 11/30/2016	<u>10,094,767.45</u>

Cash Balance by Institution	
California Bank & Trust	77,306.27
Morgan Stanley Smith Barney	1,471.03
Local Agency Investment Fund	10,015,990.15
Cash Total 11/30/2016	10,094,767.45

California Mental Health Services Authority
Projected Cash Flow
2016/2017

As of Nov 30, 2016

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Totals
Beginning Cash Balance	7,709,094	9,648,712	11,342,521	11,095,582	10,609,287	10,094,767	9,473,665	8,857,597	7,883,305	6,904,586	5,933,868	4,955,149	7,709,094
Cash Receipts:													
Phase II -1- Sustainability 15-16	409,471	8,198		27,028	35,000								479,697
Phase II-2 - Sustainability 16-17	2,131,811	2,324,063	63,115	18,625	138,722	103,627	103,627						4,883,589
Suicide Prevention Hotline 16-17	15,063	30,451	109,235										154,749
State Hospital Beds 15-16	168,941	16,824	73,605			135,201	135,201						529,772
State Hospital Beds 16-17	86,924	44,864	89,728	4,206	5,608	161,138	161,138						553,606
Fiscal Modernization Project						4,427	4,427	4,427					13,281
Other Strategic Programs	18,500		3,000		8,000	12,500							42,000
Private Fund Develop - Member Fee					5,671	247,165	247,165						500,000
Other (LAIF Interest, etc.)	11,978	12,989		14,264			9,000			8,000			56,231
Total Cash Receipts	2,842,687	2,437,389	338,683	64,123	193,001	664,057	660,557	4,427	-	8,000	-	-	7,212,924
Cash Expenses:													
PEI/Phase I Obligations 2014/15	63,769	-	-	-	-	297,906	297,906	-	-	-	-	-	659,581
Phase II Obligations 2015/16 & 2016/17	559,871	344,159	318,925	189,327	514,061	601,103	601,103	601,103	601,103	601,103	601,103	601,103	6,134,061
Suicide Prevention Hotline	45,022	47,383	51,094	49,393	41,243	71,928	71,928	71,928	71,928	71,928	71,928	71,928	737,630
Plumas Wellness Center		116,061	43,116	92,305	436	30,924	30,924	30,924	30,924	30,924	30,924	30,924	468,385
Community Response Plan	3,848	2,250	8,923	90	3,441								18,552
TTACB Contract						24,757	24,757	24,757	24,757	24,757	24,757	24,757	173,297
State Hospital Beds	52,414	309	887	51,190	330	75,007	75,007	75,007	75,007	75,007	75,007	75,007	630,178
Fiscal Modernization Project	922	30,270		1,866	1,134	13,528	13,528	13,528	13,528	13,528	13,528	13,528	128,891
Drug Medi-Cal	1,604	1,554		388	1,359	4,316	4,316	4,316	4,316	4,316	4,316	4,316	35,119
PNWE	257	338											595
EDC	675	4,378	496		1,395								6,944
Orange County													-
WET Program Expenditures						18,559	18,559	18,559	18,559	18,559	18,559	18,559	129,911
Research & Development													-
Private Fund Develop - Consulting					15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	120,000
Program Management	127,378	127,378	127,378	127,378	93,001	93,001	93,001	93,001	93,001	93,001	93,001	93,001	1,253,520
Executive Director	23,562	23,562	23,562	23,562	23,562	23,562	23,562	23,562	23,562	23,562	23,562	23,562	282,744
Program Management Direct & Indirect	150,940	150,940	150,940	150,940	116,563	116,563	116,563	116,563	116,563	116,563	116,563	116,563	1,536,264
Legal	3,848	3,751		7,923		625	625	625	625	625	625	625	19,897
Travel & Meetings	600	400	3,483	1,886	2,961	1,409	1,409	1,409	1,409	1,409	1,409	1,409	19,191
Insurance		29,920											29,920
Financial Audit				665	5,800	8,535							15,000
Other Administrative Expenses	19,299	11,867	7,759	4,445	3,799	5,000	5,000	5,000	5,000	5,000	5,000	5,000	82,170
Total Administrative Expenses	174,687	196,878	162,182	165,859	129,122	132,132	123,597	123,597	123,597	123,597	123,597	123,597	1,702,442
Total Cash Expenses	903,069	743,580	585,622	550,417	707,521	1,285,160	1,276,625	978,719	978,719	978,719	978,719	978,719	10,945,587
Ending Cash Balance	9,648,712	11,342,521	11,095,582	10,609,287	10,094,767	9,473,665	8,857,597	7,883,305	6,904,586	5,933,868	4,955,149	3,976,431	3,976,431



"A George Hills Company Administered JPA"

Treasurer's Report

As of September 30, 2016

	Book Balance	Market Value	Effective Yield
Local Agency Investment Fund	\$10,701,726	\$10,705,001	0.63%
Morgan Stanley – Money Trust	1,471	1,471	0.00%
Cash with California Bank & Trust	392,385	392,385	0.00%
Total Cash and Investments	\$11,095,582	\$11,098,857	0.61%

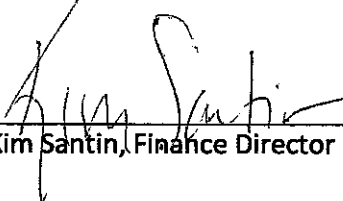
Attached are the Local Agency Investment Fund (LAIF) statements detailing all investment transactions.

The LAIF market value was derived by applying the September 2016 fair value factor of 1.000306032 to the book balance.

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

William Walker, Treasurer

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

www.treasurer.ca.gov/pmia-laif/laif.asp
 August 10, 2016

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

PMIA Average Monthly Yields

Account Number:

Tran Type Definitions

July 2016 Statement

Effective Date	Transaction Date	Tran Type	Tran Number	Confirm Authorized Caller	Amount
7/15/2016	7/14/2016	QRD	1509150	SYSTEM	11,977.78
7/22/2016	7/21/2016	RD	1510464	KIM SANTIN	1,200,000.00

Account Summary

Total Deposit:	1,211,977.78	Beginning Balance:	7,649,747.96
Total Withdrawal:	0.00	Ending Balance:	8,861,725.74

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

www.treasurer.ca.gov/pmia-laif/laif.asp
 September 09, 2016

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

PMIA Average Monthly Yields

Account Number:

Tran Type Definitions

August 2016 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
8/22/2016	8/19/2016	RD	1512547	KIM SANTIN	1,840,000.00

Account Summary

Total Deposit:	1,840,000.00	Beginning Balance:	8,861,725.74
Total Withdrawal:	0.00	Ending Balance:	10,701,725.74

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

www.treasurer.ca.gov/pmia-laif/laif.asp
October 07, 2016

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

PMIA Average Monthly Yields

Account Number:

Tran Type Definitions

September 2016 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	10,701,725.74
Total Withdrawal:	0.00	Ending Balance:	10,701,725.74

CONSENT CALENDAR
Agenda Item B.5.

SUBJECT: CalMHSA Financial Statement for the Quarter Ending September 30, 2016

ACTION FOR CONSIDERATION:

Approval of the CalMHSA Financial Statement for the quarter ending September 30, 2016.

BACKGROUND AND STATUS:

The Board of Directors will review and discuss the financial statement for the quarter ending September 30, 2016.

Some key items are noted in the financial statement cover memo.

FISCAL IMPACT:

None.

RECOMMENDATION:

Approval of the CalMHSA Financial Statement for the quarter ending September 30, 2016.

TYPE OF VOTE REQUIRED:

Majority vote.

REFERENCE MATERIALS ATTACHED:

- CalMHSA Financial Statement Quarter Ending September 30, 2016

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

**UNAUDITED
BALANCE SHEET**

	<u>September 30, 2016</u>	<u>June 30, 2016</u>
ASSETS		
Current Assets:		
Cash & Cash Equivalents	\$ 11,095,582	\$ 7,713,846
Investments - Current Portion		
Contractor Prepayments	60,000	60,000
Receivables:		
State Hospital Bed Funds	602,492	529,772
Fiscal Modernization	13,281	13,281
Phase II Sustainability	338,186	452,669
Other	12,500	31,348
Interest	14,264	11,978
Total Current Assets	<u>12,136,305</u>	<u>8,812,894</u>
Noncurrent Assets:		
Investments		
Total Assets	<u>\$ 12,136,305</u>	<u>\$ 8,812,894</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 1,315,468	\$ 1,541,735
Program Partner Holdbacks		
Deferred Revenue		780,361
Total Current Liabilities	<u>1,315,468</u>	<u>2,322,096</u>
Net Assets:		
Operations	724,855	776,518
Obligated Funds Under Contract:		
International SDR Conference	(50,116)	(50,116)
Tech Asst/Capacity Building	203,272	203,272
WET Program Funding	148,470	148,470
Fiscal Modernization	137,257	169,915
SHB Program Funding	1,846,917	1,347,307
Wellness Center	369,436	620,938
Suicide Prevention Hotline	522,521	34,015
Community Response Plan	(3,959)	10,745
PNWE	7,576	7,576
Drug Medi-Cal	(6,341)	(4,797)
Orange County	15,362	2,862
Education Development Center, Inc.	(976)	2,968
Statewide PEI Project	6,906,563	3,221,124
Total Net Assets	<u>10,820,836</u>	<u>6,490,798</u>
Total Liabilities and Net Assets	<u>\$ 12,136,305</u>	<u>\$ 8,812,894</u>

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

**UNAUDITED
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS**

For The Three Months Ended September 30, 2016

	<u>Operations</u>	<u>Strategic Programs</u>	<u>Statewide PEI Program</u>	<u>September 2016 Total</u>	<u>June 2016 Total</u>
OPERATING REVENUES:					
Program Funding Contributions		\$ 1,202,481	\$ 5,120,910	\$ 6,323,391	\$ 8,552,942
Conference Registration				-	(20,421)
Donations				-	-
Application Fee				-	250
Total Operating Revenue	-	1,202,481	5,120,910	6,323,391	8,532,771
PROGRAM EXPENSES:					
SDR Conference		-		-	3,117
Program Contract		399,285	972,601	1,371,886	9,798,835
Program Mgmt. & Oversight		52,936	262,636	315,571	1,926,174
Other Contract Services		50,952	4,680	55,632	184,006
Legal	11,674	56	-	11,729	20,621
Marketing			-	-	1,396
Meeting and Other	8,394	2,989	2,563	13,946	78,994
Total Program Expense	20,068	506,218	1,242,480	1,768,765	12,013,143
INDIRECT EXPENSES:					
General Management			190,185	190,185	322,407
Other Contract Services	9,650		2,732	12,382	28,386
Legal Services			-	-	22,952
Insurance	29,920		-	29,920	29,203
Investment Management Fees			-	-	439
Dissemination Materials			-	-	64,263
Meeting and Other	1,538		75	1,613	16,512
Total General And Administrative	41,108	-	192,991	234,099	484,161
Total Expenses	61,176	506,218	1,435,471	2,002,864	12,497,304
Income/(Loss) from Operations	(61,176)	696,263	3,685,439	4,320,527	(3,964,533)
NONOPERATING INCOME:					
Investment Income	14,264			14,264	51,073
Change in Investment Value	(4,752)			(4,752)	(500)
Total Nonoperating Income	9,512			9,512	50,573
Change in Net Assets	(51,663)	696,263	3,685,439	4,330,039	(3,913,960)
Beginning Net Assets	776,518	2,493,155	3,221,124	6,490,797	10,404,757
Ending Net Assets	\$ 724,855	\$ 3,189,418	\$ 6,906,563	\$ 10,820,836	\$ 6,490,797

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

UNAUDITED
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS

For The Three Months Ended September 30, 2016

	Strategic Programs												Total Strategic Programs	June 2016 Total
	International SDR Conference	Tech Asst/ Capacity Building	WET Program	Fiscal Modernization	SHB Program	Wellness Center	Suicide Prevention Hotline	Community Response Plan	PNWE	Drug Medi-Cal	Orange County	EDC		
OPERATING REVENUES:														
Program Funding Contributions					\$ 553,606			\$ 636,375			\$ 12,500		\$ 1,202,481	\$ 2,593,150
Conference Registration														(20,421)
Total Operating Revenue	-	-	-	-	553,606	-	-	636,375	-	-	12,500	-	1,202,481	2,572,729
PROGRAM EXPENSES:														
SDR Conference														3,117
Program Contract						251,416	147,869						399,285	869,481
Program Mgmt. & Oversight				1,848	51,088								52,936	205,670
Other Contract Services				30,810					14,704	1,494		3,944	50,952	115,685
Legal					56								56	1,499
Meeting and Other					2,853	86				50			2,989	9,058
Total Program Expense	-	-	-	32,658	53,996	251,502	147,869	14,704	-	1,544	-	3,944	506,218	1,204,510
Change in Net Assets	-	-	-	(32,658)	499,610	(251,502)	488,506	(14,704)	-	(1,544)	12,500	(3,944)	696,263	1,368,219
Beginning Net Assets	(50,116)	203,272	148,470	169,915	1,347,307	620,938	34,015	10,745	7,576	(4,797)	2,862	2,968	2,493,155	1,124,936
Ending Net Assets	\$ (50,116)	\$ 203,272	\$ 148,470	\$ 137,257	\$ 1,846,917	\$ 369,436	\$ 522,521	\$ (3,959)	\$ 7,576	\$ (6,341)	\$ 15,362	\$ (976)	\$ 3,189,419	\$ 2,493,155

**SUMMARY OF SIGNIFICANT CHANGES IN FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2016**

BALANCE SHEET:

Cash and Cash Equivalents – The total cash balance as of September 30, 2016 is \$11.1 million. This is an increase of \$3.4 million compared to the \$7.7 million in cash as of June 30, 2016. The increase in cash is from receipt of contributions for PEI sustainability.

Receivables – The balance in accounts receivable as of September 30, 2016, is \$966 thousand. The categories with the most significant balances are as follows:

• Phase II PEI Sustainability Funding	\$ 303,186
• State Hospital Beds Program	<u>602,492</u>
	\$ 905,678

Accounts Payable – The balance in accounts payable as of September 30, 2016, is approximately \$1.3 million. The payables are primarily for payments to program partners. The vendors with the most significant balances are as follows:

• PCIRC	\$ 92,293
• NAMI	94,845
• Runyon, Saltzman & Einhorn, Inc.	127,216
• University of California	<u>595,813</u>
	\$ 910,167

STATEMENT OF REVENUE AND CHANGES IN NET ASSETS:

Operating Revenue – Total revenue for the three months ended September 30, 2016 was \$6.3 million consisting primarily of revenue for Phase II Sustainability (\$5,120,910), as well as other strategic programs such as Wellness Center, Suicide Prevention Hotline, the Community Response Plan and the State Hospital Beds Program.

Expenses – Overall expenses for the three months ended September 30, 2016 were \$2 million. The expenses consisted mainly of contract expenses for the Statewide Program (Phase II.)

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

Resolution 14-01

Statement of Principles for Licensing of Intellectual Property Rights

WHEREAS, the California Mental Health Services Authority (CalMHSA), has funded the creation of intellectual property, and has contracted for ownership of intellectual property, and;

WHEREAS, in some cases CalMHSA has funded the augmentation of existing intellectual property, and;

WHEREAS, CalMHSA desires to maximize the value derived from public funds;

NOW THEREFORE, that CalMHSA’s Board of Directors resolves as follows:

- 1) CalMHSA’s intellectual property may be licensed without charge to public entities anywhere in the world for public benefit use, and
- 2) CalMHSA’s intellectual property may be licensed without charge to non-profit public benefit organizations anywhere in the world for public use, and
- 3) CalMHSA may authorize creation of derivative works to be used by public entities or non-profit organizations for public benefit, and
- 4) CalMHSA may charge public entities and non-profit public benefit organizations for costs of licensing and distribution if necessary, and
- 5) CalMHSA’s intellectual property may be licensed or transferred to profit-making enterprises for market value, but the proceeds of such sales must be deposited in CalMHSA’s accounts to fund further additional mental health prevention and early intervention work by or on behalf of CalMHSA, and
- 6) CalMHSA may allow its intellectual property to be transferred or licensed for a profit by licensees, but only if the licensee has an agreement to pay CalMHSA a share of the profits to fund further additional mental health prevention and early intervention work by or on behalf of CalMHSA.

PASSED AND ADOPTED, by the Board of Directors of CalMHSA on October 9th, 2014.

Ayes: 31 Noes: 0 Abstains: 0 Absent: 20

**Maureen F. Bauman
PRESIDENT**

**Scott Gruendl
VICE PRESIDENT**

**Vacant
TREASURER**

**CaSonya Thomas
SECRETARY**

SIGNATURE

SIGNATURE

SIGNATURE

SIGNATURE

CONSENT CALENDAR
Agenda Item B.7.

SUBJECT: Review of Draft Financial Audit

ACTION FOR CONSIDERATION:

Board of Directors to discuss and/or approve the filing of the draft Financial Audit.

BACKGROUND AND STATUS:

In accordance with Article 7, Section 7.1 of the Bylaws, which states “the Board shall cause to be made, by a qualified, independent individual or firm, an annual audit of the financial accounts and records of the Authority,” James Marta & Company has provided a first draft of their audit of CalMHSA’s financial statements for the year ending June 30, 2016 and 2015.

FISCAL IMPACT:

None.

RECOMMENDATION:

Board of Directors to discuss and/or approve the filing of the draft Financial Audit.

TYPE OF VOTE REQUIRED:

Majority vote.

REFERENCE MATERIAL(S) ATTACHED:

- Draft Financial Audit of Fiscal Year ending June 30, 2016 and 2015

**CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY
FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEARS ENDED
JUNE 30, 2016 AND 2015**

DRAFT



California Mental Health Services Authority

Board of Directors

JUNE 30, 2016

Executive Committee

Terence M. Rooney, PhD	President	Colusa County
Dawan Utecht	Vice President	Fresno County
Michael Kennedy, MFT	Secretary	Sonoma County
Bill Walker	Treasurer	Kern County
Rita Austin, LCSW	Central Region	Tuolumne County
Robin Kay	Los Angeles Region	Los Angeles County
Mary Hale	Southern Region	Orange County
Alfredo Aguirre, LCSW	Southern Region	San Diego County
Karen Stockton, PhD, MSW	Superior Region	Modoc County
Dorian Kittrell	Superior Region	Butte County

Board Members

Manuel Jimenez	Alameda County	Steve Steinberg	Plumas County
Alissa Nourse	Alpine County	Uma Zykofsky, LCSW	Sacramento County
Steven Grolnic-McClurg, LCSW	City of Berkeley	Allan Yamamoto, LCSW	San Benito County
Cynthia Belon, LCSW	Contra Costa County	Veronica Kelley, LSCW	San Bernardino County
Jack Braeazeal	Del Norte County	Marlo Simmons, MPH	San Francisco City and County
Don Ashton	El Dorado County	Jim Garrett	San Joaquin County
Amy Lindsey	Glenn County	Anne Robin, LMFT	San Luis Obispo
Asha George, PhD	Humboldt County	Stephen Kaplan	San Mateo County
Andrea Kuhlen, MPA	Imperial County	Alice Gleghorn, PhD	Santa Barbara County
Gail Zweir, PhD	Inyo County	Toni Tullys	Santa Clara County
Mary Anne Ford Sherman, MA	Kings County	Erik Riera, Med, CAS, MBA	Santa Cruz County
Kevin Thompson, MPA, CATC	Lake County	Donnell Ewert, MPH	Shasta County
Pamela Grosso	Lassen County	Sarah Collard	Siskiyou County
Dennis P. Koch, MPA	Madera County	Halsey Simmons, MFT	Solano County
Suzanne Tavano, PHN, PhD	Marin County	Cherie Dockery	Stanislaus County
Barbara Gatlin	Mariposa County	Tony Hobson	Sutter-Yuba County
Jenine Miller, Psy. D.	Mendocino County	Antonette "Toni" Navarro	Tri-City Mental Health Center
Yvonna Brown, MSW	Merced County	Noel J. O'Neill, MFT	Trinity County
Robin Roberts, MFT	Mono County	Timothy Durick, PsyD	Tulare County
Amie Miller	Monterey County	Elaine Crandall	Ventura County
William J Carter	Napa County	Karen Larsen	Yolo County
Rebecca Slade, LMFT	Nevada County		
Maureen F. Bauman, LCSW MPA	Nevada County		

California Mental Health Services Authority

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James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

INDEPENDENT AUDITOR'S REPORT

Board of Directors
California Mental Health Services Authority
Sacramento, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of California Mental Health Services Authority ("CalMHSA") as of and for the fiscal years ended June 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise CalMHSA's basic financial statements as listed in the table of contents.

Managements Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States or the minimum requirements prescribed by the State Controller's Office for special district audits. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of California Mental Health Services Authority as of June 30, 2016 and 2015, and the respective changes in financial position for the fiscal years then ended in conformity with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and State regulations governing special districts.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, Statement of Revenues, Expenditures and Change in Fund Balance – Budget (Non-GAAP) and Actual – General Fund – June 30, 2016 and Statement of Revenues, Expenditures and Change in Fund Balance – Budget (Non-GAAP) and Actual – General Fund – June 30, 2015 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated **DATE** on our consideration of California Mental Health Services Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

DRAFT

James Marta & Company
Certified Public Accountants
Sacramento, California

DATE

MANAGEMENT'S DISCUSSION AND ANALYSIS

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016 AND 2015

Management of California Mental Health Services Authority ("CalMHSA") is pleased to present the following discussion and analysis that provides an overview of the financial position and activities of the Authority for the fiscal years ended June 30, 2016 and 2015. The discussion should be read in conjunction with the financial statements and accompanying notes, which follow this section.

Overview of CalMHSA

CalMHSA is an independent administrative and fiscal government agency focused on the efficient delivery of California mental health projects. On June 11, 2009, six California counties established CalMHSA as a Joint Powers Authority (JPA) to jointly develop, fund and implement mental/behavioral health projects and educational programs at the state, regional and local levels. California county members can act alone or in collaboration, to participate in the statewide Prevention and Early Intervention (PEI) projects, contract and/or negotiate with State or other providers for mental hospital beds, contract and/or negotiate with the State or federal government for administration of mental health services, operate program risk pools, technical assistance and capacity building program, workforce education training program, and other projects as deemed appropriate.

CalMHSA is headed by a separate Board of Member Counties and an Executive Committee comprised of officers and Statewide Regional Representatives. It employs the administrative firm, specializing in JPA management, of George Hills Company, Inc. and separate legal counsel of Murphy Campbell Guthrie & Alliston. CalMHSA operates within the statutes governing Joint Powers Agreement entities and complies with the Brown Act open meeting requirements.

As of June 30, 2016, 52 members (50 counties, one city and one JPA) work together to develop, fund and implement PEI programs, on a statewide or regional basis that conform with the "Guidelines for PEI Statewide Programs" issued by the Mental Health Services Oversight and Accountability Commission (MHSOAC).

Background

In 2004, California voters passed Proposition 63 (The Mental Health Services Act) (MHSA), landmark legislation that created an ongoing funding source and a framework for transforming California's traditional community mental health system into a system equipped to support prevention and wellness, and on addressing the unmet needs of California's diverse and underserved population groups with culturally relevant and effective services and education. In 2007, the MHSOAC, which was created as a stipulation of the MHSA to oversee the management of these funds, approved a one-time investment of \$160 million over four-years. Three strategic initiatives were identified through a stakeholder process and approved by the MHSOAC in May 2008, for the distribution of this one-time allocation: \$40 million for Suicide Prevention (SP), \$60 million for Student Mental Health (SMH), and \$60 million for Stigma and Discrimination Reduction (SDR).

On April 15, 2010, CalMHSA executed a contract with the California Department of Mental Health (CDMH) for the amount not to exceed \$160 million. Specifically CalMHSA will, consistent with the requirements of the MHSA and as approved by the MHSOAC and CDMH, develop and implement PEI programs, on a statewide or regional basis that conform with the "Guidelines for PEI Statewide Programs" issued by the MHSOAC and the three State Strategic Plans. This contract was funded exclusively from funds in the "PEI State-Administered Projects Planning Estimates", now called the "PEI State-Administered Component Allocations", published on September 11, 2008. The term of this contract was April 15, 2010 through June 30, 2014. In January 2011, the MHSOAC approved the

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016 AND 2015

CalMHSA PEI Statewide Projects Implementation Work Plan. A total of 25 providers were identified through an RFP process to implement the Work Plan by June 30, 2014.

Sustainability - Phase I & Phase II

With the end of the four-year period nearing, the CalMHSA Board of Directors adopted a two-phase planning strategy for continuing the investment in statewide PEI efforts. In April 2014, the CalMHSA Board approved a Phase I Funding Plan to sustain the existing Statewide PEI projects through June 30, 2015. Phase I continues some of the current CalMHSA PEI Statewide Projects existing funds and a winding down of others pursuant to the guidance of stakeholders and Board. Phase I was recognized as a short-term sustainability solution for the purpose of providing program partners with additional time to successfully complete their activities and deliverables, and to reduce the risk of any adverse consequences of discontinuing activities (e.g., the ability to measure long-term impact).

In August 2014, the CalMHSA Board approved a Phase II Funding Plan for purpose of continuing work related to PEI projects through June 30, 2017. Funding for Phase I and Phase II is derived from current county members committing a range of 1% to 7% funding from their local PEI funds in addition to CalMHSA seeking other funding to include state and federal resources.

2015/2016 Program Highlights

PEI Sustainability

The Phase II Plan for sustaining CalMHSA Statewide PEI Projects called for \$20 million per year - \$10 million was expected to be raised from county MHSAs contributions, and \$10 million was expected to be raised from state, federal, or foundation funding. In June 2015, board members approved entering into Phase II contracts which would implement PEI activities during FY 15/16 and 16/17.

Despite numerous attempts to find diverse funding to sustain the Phase II Plan, funding for implementation has come solely from counties. This has resulted in a reduced implementation of the Plan based upon priorities set out by the Board. Due to funding constraints, CalMHSA undertook Phase II program reductions after Board approval in August 2016.

Strategic Programs

In addition to the PEI program, the following strategic programs are also included in CalMHSA's operations during the fiscal year ended June 30, 2016:

- **Fiscal Modernization** - the goal of the pilot study is to provide counties with the background and structure necessary to consider the risks and benefits associated with proposing changes to California's current specialty mental health delivery system and financial risk structure.
- **State Hospital Beds** - CalMHSA acts on behalf member counties (and possibly non-member counties via a contract) in the annual purchase contract for State Hospital Beds (as provided under sections 4330 et seq. of WIC).
- **Wellness program** – This program was funded by the County of Plumas. CalMHSA, acting as the contract administrator for the County, has contracted with the Plumas Crisis Intervention Resource Center (PCIRC) to establish Wellness Centers in the communities of Chester, Greenville, Portola and Quincy. These Wellness Center will compliment and build on the existing Family Resource Center Model and will be developed with an understanding of best practices in the delivery of community mental health services.

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- **Suicide Prevention Hotline** – CalMHSA contracted with Kings View Behavioral Health to operate the Central Valley Suicide Prevention Hotline with specialized support and outreach provided to the seven contributing counties of Fresno, Kings, Mariposa, Madera, Merced, Stanislaus and Tulare.
- **Community Response Plan** – CalMHSA contracted with subject matter experts to develop a comprehensive suicide response protocol/toolkit for the rural community of the Tahoe/Truckee area.
- **Psychiatric Nurse Workforce Exploration (PNWE)** – CalMHSA will research and explore opportunities to increase the number of psychiatrists and/or psychiatric Nurse Practitioners in the Central Region. After sharing findings with county representatives on the Central Region sub-committee, CalMHSA may contract with subject matter experts to develop a program that meets the needs of the region.
- **Drug Medi-Cal** – CalMHSA provided Drug Medi-Cal Organized Delivery System (DMC-ODS) Waiver trainings to counties that opted into the DMC-ODS Waiver, counties that received approval to form a regional delivery system, and providers selected by counties to provide DMC-ODS Waiver services.
- **Orange County** – Orange County, Member of CalMHSA, utilized CalMHSA for procuring consulting services, using various providers, for purposes related to completion of the California Health Facilities Financing Authority application and contract procurement for Crisis Stabilization Units.
- **Education Development Center (EDC)** – EDC’s suicide prevention resource center is funded by the Substance Abuse and Mental Health Services Administration to provide suicide prevention services and resources to a variety of professionals. CalMHSA will create a brief set of guidelines to help staff in state and community programs develop culturally competent suicide prevention materials for the audiences they serve, drawing on CalMHSA’s experience tailoring resources for California’s diverse communities.

Financial Highlights for the Fiscal Year Ended June 30, 2016

Revenues	\$ 8.6 million	Revenues increased \$1.4 million over the prior year. The rise in revenues was primarily due to new funding for other strategic programs, notably State Hospital Beds and the Plumas Wellness Center.
Expenses	\$12.5 million	Expenses decreased \$15 million or 55% over the prior year. The budget for current year Phase II sustainability contracts was significantly less than prior year which reflected payments to contractors for final execution of deliverables from the initial PEI and Phase I programs. Expenses continue to exceed revenue to continue the contract obligations and net assets of prior years.
Assets	\$8.8 million	Assets decreased \$6.2 million over the prior year due to payments to contractors made during the year.
Liabilities	\$ 2.3 million	Liabilities decreased \$2.3 million over the prior year. As deliverables were received and contracts were closed out, this resulted in less amounts owed to contractors at year-end.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016 AND 2015

Description of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to CalMHSA's financial statements: the Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets. The statements are accompanied by footnotes to clarify unique accounting policies and other financial information, and required supplementary information. The assets, liabilities, revenues and expenses of CalMHSA are reported on a full-accrual basis.

The **Statement of Net Assets** presents information on all of CalMHSA's assets and liabilities, with the difference between the two representing net assets (equity). Changes from one year to the next in total net assets as presented on the Statement of Net Assets are based on the activity presented on the Statement of Revenues, Expenses and Changes in Net Assets.

The **Statement of Revenues, Expenses and Changes in Net Assets** is CalMHSA's income statement. Revenues earned and expenses incurred during the year are classified as either "operating" or "nonoperating". All revenues and expenses are recognized as soon as the underlying event occurs, regardless of timing of the related cash flows.

The **Notes to the Financial Statements** provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes describe the nature of CalMHSA's operations and significant accounting policies as well as clarify unique financial information.

Analysis of Overall Financial Position and Results of Operations

The following sections provide additional details on CalMHSA's financial position and activities for fiscal years 2016 and 2015, and a look ahead at economic conditions that may affect CalMHSA in the future.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016 AND 2015

I. Statement of Net Assets

	2016	2015	2014	Change Over Prior Year
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 7,713,846	\$ 14,220,664	\$ 875,222	-46%
Investments - current portion			43,931,766	
Contractor prepayments	60,000			
Accounts receivable	1,039,048	788,380	979,768	32%
Total Current Assets	8,812,894	15,009,044	45,786,756	-41%
Investments - Noncurrent				
Total Assets	8,812,894	15,009,044	45,786,756	-41%
LIABILITIES				
Current Liabilities				
Accounts payable	1,541,735	4,481,941	14,992,620	-66%
Deferred revenue	780,361	122,345	39,185	538%
WET Program Funding				
Total Current Liabilities	2,322,096	4,604,286	15,031,805	-50%
RESTRICTED NET POSITION	\$ 6,490,798	\$ 10,404,758	\$ 30,754,951	-38%

Cash and cash equivalents decreased \$6.5 million, from \$14.2 million as of June 30, 2015, to \$7.7 million as of June 30, 2016. CalMHSA's investments of \$43.9 million as of June 30, 2014, matured during the year ended June 30, 2015.

Total assets decreased by \$6.2 million from \$15.0 million at June 30, 2015 to \$8.8 million at June 30, 2016. The assets were expected to decrease as payments to contractors for final deliverables and production of products for Phase I were made.

Liabilities decreased \$2.3 million over the prior year. Most of the final deliverables for Phase I were received and contracts were closed out during the fiscal year ended June 30, 2016. Since payments for these contracts were made during the year, it resulted in less amounts owed to contractors at year-end.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016 AND 2015

II. Statement of Revenues, Expenses and Changes in Net Assets

	2016	2015	2014	Change Over Prior Year
Operating revenues	\$ 8,553,192	\$ 7,095,078	\$ 1,462,874	21%
Operating expenses:				
Program expenses	11,827,894	26,200,594	60,500,806	-55%
Indirect expenses	689,831	1,336,150	1,089,271	-48%
Total operating expenses	<u>12,517,725</u>	<u>27,536,744</u>	<u>61,590,077</u>	-55%
Operating income/(loss)	(3,964,533)	(20,441,666)	(60,127,203)	81%
Nonoperating income	<u>50,573</u>	<u>91,473</u>	<u>304,498</u>	-45%
Increase/(decrease) in net assets	(3,913,960)	(20,350,193)	(59,822,705)	
Net position, beginning of year	10,404,758	30,754,951	90,577,656	-66%
Net position, end of year	<u>\$ 6,490,798</u>	<u>\$ 10,404,758</u>	<u>\$ 30,754,951</u>	-38%

For the fiscal year ended, June 30, 2016, total revenue (operating and non-operating) increased by \$1.4 million. Operating revenue increased over fiscal year 2015 primarily due to new funding for other strategic programs, notably the Plumas Wellness Center (\$1 million) and the Suicide Prevention Hotline (\$627 thousand) as well as an increase in State Hospital Bed funding (increase of \$468 thousand). These increases were offset by decreases in funding for current year Phase II versus prior year Phase I (\$331 thousand decrease) as well as revenue related to the 2015 International SDR Conference (\$367 thousand).

Operating expenses were \$12.5 million in fiscal year 2016. This was a \$15.0 million or 55% decrease compared to 2015. The budget for current year Phase II sustainability contracts was significantly less than prior year which reflected payments to contractors for final execution of deliverables from the initial PEI and Phase I programs.

Description of Facts or Conditions that are expected to have a Significant Effect on Financial Position or Results of Operations

While the CalMHSA Statewide PEI Project has made significant accomplishments since its inception in 2011, there continues to be a critical need to continue the investment over the long term. The CalMHSA Statewide PEI Project, Phase II Plan, adopted by the Board in August 2014, proposed diversifying the

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016 AND 2015

funding base for statewide projects to include private support. Additionally, the Board directed staff to seek private funding. While Staff worked diligently to seek private funding from foundations and donors, to date the effort has been unsuccessful. Thus, during 2016 a feasibility study was conducted for the purpose of ascertaining potential private interest and support of CalMHSA Statewide PEI Project via a subcontract with a known expert in fund raising.

Positive outcomes were derived from the feasibility study indicating there is private interest in possibly funding the Statewide PEI Project, and great interest in the development of a Leadership Council that would help guide efforts towards a fund-raising campaign. Additionally, the feasibility study has made it clear that private parties intend to only support activities, not supplant the current funding, and will supplement commensurate with county funding. This requires that counties commit to maintain and build a level of funding in order to secure and leverage those additional private funds—estimated county support to eventually reach \$15 million per year. Additionally, it will require county funding for an annual budget line item to for contract services for the purposes of fund development for the next three years.

The ultimate private funding goal is to obtain at minimum \$15 million per year, for five years, for a total of \$75 million, with similar leveraged amounts by county members. By doing so, staff expects that the relationships built during this effort will help maintain ongoing future funding.

Through implementation of the Phase III CalMHSA Statewide PEI Project Plan, CalMHSA and its member counties will embark on the 7th year of CalMHSA Statewide PEI Project activities. Building on the momentum of the current Phase II Plan, the Phase III Plan will extend key activities which have shown positive short-term outcomes while allowing CalMHSA the time necessary to again seek input from counties and other stakeholders (including from the new Leadership Council) to further refine a long-term Statewide PEI Plan to prevent mental illness from becoming severe and disabling. Prevention and public oriented efforts require long term investments and commitment to ensure the achievement of long term goals.

BASIC FINANCIAL STATEMENTS

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

**GOVERNMENTAL FUND BALANCE SHEET -
STATEMENT OF NET POSITION**

JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 7,713,846	\$ 14,220,664
Contractor prepayments	60,000	-
Receivables	1,039,048	788,380
Total Current Assets	<u>\$ 8,812,894</u>	<u>\$ 15,009,044</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 1,541,735	\$ 4,481,941
Unearned revenue	780,361	122,345
Total Current Liabilities	<u>2,322,096</u>	<u>4,604,286</u>
FUND BALANCE / NET POSITION		
Net Postion:		
Operations	776,519	823,361
Obligated Funds Under Contract:		
International SDR Conference	(50,113)	(26,578)
Tech Asst/Capacity Building	203,272	203,448
WET Program Funding	148,470	148,470
Fiscal Modernization	169,910	259,561
SHB Program Funding	1,347,309	540,032
Wellness Center	620,938	-
Suicide Prevention Hotline	34,015	-
Community Response Plan	10,749	-
PNWE	7,576	-
Drug Medi-Cal	(5,322)	-
Orange County	2,862	-
Education Development Center, Inc.	3,493	-
Statewide PEI Project	3,221,120	8,456,464
Total Restricted	<u>6,490,798</u>	<u>10,404,758</u>
Total Liabilities and Fund Balance/Net Position	<u>\$ 8,812,894</u>	<u>\$ 15,009,044</u>

The accompanying notes are an integral part of these financial statements.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES/NET POSITION –
STATEMENT OF ACTIVITIES**

FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

	Strategic Programs	Operations	PEI	2016	2015
REVENUES:					
Wellness Center Funding	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ -
Suicide Prevention Hotline Funding	627,642	-	-	627,642	-
Community Response Plan Funding	34,000	-	-	34,000	-
PNWE Funding	10,000	-	-	10,000	-
SHB Funding	905,508	-	-	905,508	437,943
PEI Funding	-	-	5,959,792	5,959,792	6,290,472
Orange County Funding	12,500	-	-	12,500	-
Conference Registration	(20,421)	-	-	(20,421)	326,663
Donations	-	-	-	-	40,000
EDC Funding	3,500	-	-	3,500	-
Application Fee	-	250	-	250	-
Investment Income	-	50,573	-	50,573	91,473
Total Revenue	<u>2,572,729</u>	<u>50,823</u>	<u>5,959,792</u>	<u>8,583,344</u>	<u>7,186,551</u>
EXPENDITURES/EXPENSES:					
Program Expenses					
SDR Conference	3,117	-	-	3,117	393,238
Technical Assistance/Capacity Building	-	-	-	-	36,149
Planning Expense	-	-	-	-	587,248
SHB Program Funding	9,963	-	-	9,963	92,221
Feasibility Study Funding	84,371	-	-	84,371	11,569
Program Expense	-	63,565	10,745,072	10,808,637	22,360,060
Evaluation Expense	-	-	-	-	2,720,109
Wellness Center Expense	370,262	-	-	370,262	-
Suicide Prevention Hotline Expense	499,481	-	-	499,481	-
Community Response Plan Expense	18,151	-	-	18,151	-
PNWE Expense	924	-	-	924	-
Drug Medi-Cal Expense	4,797	-	-	4,797	-
Orange County Expense	7,763	-	-	7,763	-
EDC Expense	7	-	-	7	-
Total Program Expense	<u>998,836</u>	<u>63,565</u>	<u>10,745,072</u>	<u>11,807,473</u>	<u>26,200,594</u>
General and Administration	<u>205,670</u>	<u>34,102</u>	<u>450,059</u>	<u>689,831</u>	<u>1,336,150</u>
Total Expenditures/Expenses	<u>1,204,506</u>	<u>97,667</u>	<u>11,195,131</u>	<u>12,497,304</u>	<u>27,536,744</u>
Change in Fund Balance/Net Position	1,368,223	(46,844)	(5,235,339)	(3,913,960)	(20,350,193)
FUND BALANCE/NET POSITION					
Beginning of year	<u>1,124,936</u>	<u>823,363</u>	<u>8,456,459</u>	<u>10,404,758</u>	<u>30,754,951</u>
End of year	<u>\$ 2,493,159</u>	<u>\$ 776,519</u>	<u>\$ 3,221,120</u>	<u>\$ 6,490,798</u>	<u>\$ 10,404,758</u>

The accompanying notes are an integral part of these financial statements.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

California Mental Health Services Authority ("CalMHSA") is an independent administrative and fiscal government agency focused on the efficient delivery of California Mental Health Projects. CalMHSA was established by a Joint Powers Agreement on July 1, 2009, under Government Code Section 6500 et seq. among California Counties to obtain and administer public funds to provide certain community mental health services to persons residing within the same counties and cities. Member counties jointly develop, fund and implement mental health services, projects, and educational programs at the state, regional, and local levels. CalMHSA is governed by a Board of Directors, which is composed of the local county or city mental health director from each member, appointed or designated. As of June 30, 2016 and 2015, there were 52 members (50 counties, one city and one JPA).

Admission

To be accepted for membership in CalMHSA, counties must complete an application form and submit the required application fee. The application fee ranges from \$250 - \$1,000 depending on the most recent county population figures published by the State Department of Finance. Counties must then submit a signed participation resolution to CalMHSA that has been approved by the county's Board of Supervisors, execute the Joint Powers Authority Agreement and agree to be bound by any subsequent amendments to the agreement, designate an alternate to the Board as representative and complete the required Fair Political Practices Commission (FPPC) forms.

Withdrawal

A member may withdraw from CalMHSA upon written notice no later than December 31 of the fiscal year if it has never become a participant in any program or if it had previously withdrawn from all programs in which it was a participant. A member who withdraws from CalMHSA is not entitled to the return of any payments to the Authority.

CalMHSA is not a legislative agency, nor an approval or advocacy body. CalMHSA is a best practice inter-governmental structure with growing capacity and capability to promote systems and services arising from a shared member commitment to community mental health. CalMHSA supports the values of the California Mental Health Services Act:

- Community collaboration
- Cultural competence
- Client/family-driven mental health system for children, transition age youth, adults, older adults
- Family-driven system of care for children and youth
- Wellness focus, including recovery and resilience
- Integrated mental health system service experiences and interactions

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

A. REPORTING ENTITY (Continued)

The Mental Health Services Act (Proposition 63), passed in November 2004, provides the first opportunity in many years for the California Department of Mental Health (DMH) to provide increased funding, personnel and other resources to support county mental health programs and monitor progress toward statewide goals for children, transition age youth, adults, older adults and families. This Act imposes a 1% income tax on personal income in excess of \$1 million and provides the counties of California the funds needed to set up contract services for strategies to reduce the following negative outcomes that may result from untreated mental illness:

- Suicide
- Incarcerations
- School failure or dropout
- Unemployment
- Prolonged suffering
- Homelessness
- Removal of children from their homes

As the counties are responsible to use these funds as stated, CalMHSA was established in 2009 to help with the contracting of these services.

B. BASIS OF PRESENTATION

The Statement of Net Position and the Statement of Activities display information about CalMHSA. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities.

The Government-Wide Statement of Net Position presents information on all of CalMHSA's assets and liabilities, with the difference between the two presented as net position. Net Position is reported as one of three categories: invested in capital assets, net of related debt; restricted or unrestricted. Restricted net position is further classified as either net position restricted by enabling legislation or net position that are otherwise restricted.

The Government-Wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of CalMHSA's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are, therefore, clearly identifiable to a particular function. CalMHSA does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of CalMHSA. CalMHSA reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

B. BASIS OF PRESENTATION (Continued)

Fund Financial Statements

Fund financial statements report detailed information about CalMHSA. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. CalMHSA has only one operating fund.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments and service charges are recognized as revenues in the year for which they are levied. Expenses are recorded when liabilities are incurred.

Governmental Fund Financial Statement

Governmental fund financial statements (i.e., Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

Non-exchange transactions, in which CalMHSA receives value without directly giving equal value in return, include program funding, assessments and interest income. Under the accrual basis, revenue from program funding and assessments is recognized in the fiscal year for which the program funding and assessments are levied. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

In August 2014, the CalMHSA Board approved a Phase II Funding Plan for purpose of continuing work related to PEI projects through June 30, 2017. Funding for Phase I and Phase II is derived from current county members committing a range of 1% to 7% funding from their local PEI funds for the next three fiscal years, in addition to CalMHSA seeking other funding to include state and federal resources.

In addition to the PEI program, the following strategic programs were also included in CalMHSA's operations during the fiscal year ended June 30, 2016:

- **Wellness program** – This program was funded by the County of Plumas. CalMHSA, acting as the contract administrator for the County of Plumas, has contracted with the Plumas Crisis Intervention Resource Center (PCIRC). PCIRC is tasked to establish Wellness Centers in the communities of Chester, Greenville, Portola and Quincy. These Wellness Center will

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

compliment and build on the existing Family Resource Center Model and will be developed with an understanding of best practices in the delivery of community mental health services and provide a consumer-driven, community based setting that offers a casual and friendly environment for community members to access mental health and other ancillary services.

- **Suicide Prevention Hotline** – CalMHSA contracted with Kings View Behavioral Health to operate the Central Valley Suicide Prevention Hotline with specialized support and outreach provided to the seven contributing counties of Fresno, Kings, Mariposa, Madera, Merced, Stanislaus and Tulare.
- **Community Response Plan** – CalMHSA contracted with subject matter experts to develop a comprehensive suicide response protocol/toolkit for the rural community of the Tahoe/Truckee area. Furthermore, they will develop a template and guidelines that can be used by other Central Region counties to replicate a suicide response protocol/toolkit that meets any Central Region rural community's needs.
- **Psychiatric Nurse Workforce Exploration (PNWE)** – CalMHSA will research and explore opportunities to increase the number of psychiatrists and/or psychiatric Nurse Practitioners in the Central Region. After sharing findings with county representatives on the Central Region sub-committee, CalMHSA may contract with subject matter experts to develop a program that meets the needs of the region.
- **Drug Medi-Cal** – CalMHSA provided Drug Medi-Cal Organized Delivery System (DMC-ODS) Waiver trainings to counties that opted into the DMC-ODS Waiver, counties that received approval to form a regional delivery system, and providers selected by counties to provide DMC-ODS Waiver services. CalMHSA will also provide technical assistance to counties and providers as required by the Department of Health Care Services (DHCS) and provide DHCS with monthly progress reports; trainings up to once quarterly and a final report.
- **Orange County** – Orange County, Member of CalMHSA, utilized CalMHSA for procuring consulting services, using various providers, for purposes related to completion of the California Health Facilities Financing Authority application and contract procurement for Crisis Stabilization Units.
- **Education Development Center (EDC)** – EDC's suicide prevention resource center is funded by the Substance Abuse and Mental Health Services Administration to provide suicide prevention services and resources to a variety of professionals. It is essential that this information be provided in a culturally appropriate manner. CalMHSA will create a brief set of guidelines to help staff in state and community programs develop culturally competent suicide prevention materials for the audiences they serve, drawing on CalMHSA's experience tailoring resources for California's diverse communities.

Expenditures were recorded under the modified accrual basis of accounting when the related liability was incurred.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

D. FUND ACCOUNTING

The accounts of CalMHSA are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. CalMHSA resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. CalMHSA has one governmental fund.

Governmental Fund:

The General Fund is the general operating fund of CalMHSA. It is used to account for all transactions except those required or permitted by law to be accounted for in another fund.

E. CASH AND CASH EQUIVALENTS

CalMHSA considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

F. INCOME TAXES

CalMHSA is a governmental entity and as such its income is exempt from taxation under Section 115(1) of the Internal Revenue Code and Section 23701d of the California and Taxation Code. Accordingly, no provision for federal or state income taxes has been made in the accompanying financial statements.

G. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

H. FUND BALANCE

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, *"Fund Balance Reporting and Governmental Fund Type Definitions"*, CalMHSA is required to report fund balances in the following categories, as applicable: Nonspendable, Restricted, Committed, Assigned and/or Unassigned.

Nonspendable Fund Balance reflects assets not in spendable form, either because they will never convert to cash (e.g. prepaid expense) or must remain intact pursuant to legal or contractual requirements.

Restricted Fund Balance reflects amounts that can be spent only for the *specific purposes* stipulated by constitution, external resource providers, or through enabling legislation.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

Committed Fund Balance reflects amounts that can be used only for the *specific purposes* determined by a formal action of the government's highest level of decision-making authority: the Board of Directors. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Directors.

Assigned Fund Balance reflects amounts intended to be used by the government for *specific purposes* but do not meet the criteria to be classified as restricted or committed. In accordance with adopted policy, only the Board of Directors is authorized to assign amounts for specific purposes.

Unassigned Fund Balance represents the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

When expenditures are incurred for purposes of which restricted, committed, assigned and unassigned fund balances are available, CalMHSA considers restricted funds to have been spent first, followed by committed, assigned and unassigned, respectively.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2016 and 2015 consisted of the following:

	<u>2016</u>	<u>2015</u>
Cash in banks	\$ 57,875	\$ 245,647
Money Market Account	1,471	1,630
LAIF	7,654,500	13,973,387
	<u>\$ 7,713,846</u>	<u>\$ 14,220,664</u>

Cash in Bank

As of June 30, 2016 and 2015, CalMHSA's balances per the bank of \$261,500 and \$436,915 respectively, are insured by the Federal Depository Insurance Corporation up to \$250,000. Section 53652 of the California Governmental Code requires financial institutions to secure deposits made by governmental units in excess of insured amounts, by the pledging of governmental securities as collateral. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by governmental units.

Money Market Account

As of June 30, 2016, CalMHSA's had cash in a money fund managed by Morgan Stanley Smith Barney LLC.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

Local Agency Investment Fund

California Mental Health Services Authority places certain funds with the State of California's Local Agency Investment Fund (LAIF). The District is a voluntary participant in LAIF, which is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Pooled Money Investment Board. The State Treasurers Office pools these funds with those of other governmental agencies in the state and invests the cash. The fair value of the District's investment in this pool is reported in the accompanying financial statements based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The monies held in the pooled investment funds are not subject to categorization by risk category. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Funds are accessible and transferable to the master account with twenty-four hours' notice. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, and floating rate securities issued by federal agencies, government-sponsored enterprises and corporations. At June 30, 2016, the interest rate was 0.55%.

LAIF is administered by the State Treasurer and is audited annually by the Pooled Money Investment Board and the State Controller's Office. Copies of this audit may be obtained from the State Treasurer's Office: 915 Capitol Mall, Sacramento, California 95814. The Pooled Money Investment Board has established policies, goals, and objectives to make certain that their goal of safety, liquidity, and yield are not jeopardized. Pooled Money Investment Board has established policies, goals, and objectives to make certain that their goal of safety, liquidity, and yield are not jeopardized.
Local Agency Investment Fund Valuation

Investments, including derivative instruments that are not hedging derivatives, are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements are as follows at June 30, 2016:

Description	Level 1	Level 2	Level 3	Total
Total	\$ 4,517,538	\$ 3,136,962	\$ -	\$ 7,654,500

3. RECEIVABLES

The receivables balance represents funding revenue for programs that was billed prior to year end, but funds were not received until after year end. Due to the nature of the receivables and the likelihood of collection, no provision for uncollectible accounts has been made.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

4. CONTRACT SERVICES

CalMHSA does not have any employees and contracts for all necessary services. This includes contracts for the development and implementation of prevention and early intervention (PEI) programs on a statewide and regional basis. Currently, CalMHSA has awarded twenty eight contracts to twenty eight program partners. See www.calmhhsa.org for a complete list of the statewide PEI approved contractors.

5. SUBSEQUENT EVENTS

Department of Health Care Services Report on the Limited Review – California Mental Health Services Authority – Mental Health America of California as Subcontractor of CalMHSA.

On August 1, 2016, the California Department of Health Care Services (DHCS) issued a report on the limited review concerning the performance of Mental Health America of California (MHAC) under an expense-reimbursement contract with CalMHSA. The final audit report showed an adjustment of \$349,197.

On September 2, 2016, CalMHSA responded by letter, explaining it did not believe the audit report justified the adjustments it proposed. CalMHSA cited the absence of any published standards, application of unreasonable standards, citation to inapplicable Medicaid statutes, and consideration of only a part of the entire contract period. Should there be any attempt by DHCS to collect the adjustment amount from CalMHSA, CalMHSA will contest the claim vigorously. CalMHSA is unable to predict the outcome of this matter, and at this time cannot reasonably estimate the exposure on this matter. In its contract with CalMHSA, MHAC agreed to repay CalMHSA if the amounts paid to MHAC were determined not to be reimbursable by CalMHSA or an appropriate state agency. Further, the contract provided that if there is a conflict between a state audit and a CalMHSA audit, the state audit would take precedence.

On a letter dated October 26, 2016, DHCS made a demand of CalMHSA for \$349,197, which CalMHSA is disputing and taking to mediation.

CalMHSA's management evaluated its 2016 financial statements for subsequent events through **DATE**, the date the financial statements were available to be issued. Management is not aware of any other subsequent events, other than that noted above, that would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND**

FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Budget Variance Favorable (Unfavorable)
REVENUES:				
SHB Funding	\$ 438,642	\$ 438,642	\$ 905,508	\$ 466,866
Sustainability Funding	4,820,775	4,820,775	5,959,792	1,139,017
Wellness Center Funding	-	1,000,000	1,000,000	-
TTACB Contract	120,000	120,000	-	(120,000)
Fiscal Modernization	210,527	210,527	-	(210,527)
Amounts Not Budgeted	-	-	718,044	718,044
Total Revenue	<u>5,589,944</u>	<u>6,589,944</u>	<u>8,583,344</u>	<u>1,993,400</u>
EXPENDITURES/EXPENSES:				
Program Expenses				
PEI Program Services	8,099,737	8,299,737	10,808,637	(2,508,900)
SHB Program Funding	438,422	438,422	9,963	428,459
Fiscal Modernization	-	-	84,371	(84,371)
Amounts Not Budgeted	-	-	904,502	(904,502)
Total Project Expense	<u>8,538,159</u>	<u>8,738,159</u>	<u>11,807,473</u>	<u>(3,069,314)</u>
General and Administration	<u>522,907</u>	<u>522,907</u>	<u>689,831</u>	<u>(166,924)</u>
Total Expenditures/Expenses	<u>9,061,066</u>	<u>9,261,066</u>	<u>12,497,304</u>	<u>(3,236,238)</u>
Change in Fund Balance/Net Position	(3,471,122)	(2,671,122)	(3,913,960)	5,229,638
FUND BALANCE/NET POSITION				
Beginning of year	<u>10,404,759</u>	<u>10,404,759</u>	<u>10,404,759</u>	<u>-</u>
End of year	<u>\$ 6,933,637</u>	<u>\$ 7,733,637</u>	<u>\$ 6,490,799</u>	<u>\$ 5,229,638</u>

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND**

FOR THE YEAR ENDED JUNE 30, 2015

	Original and Final Budget	Actual	Budget Variance Favorable (Unfavorable)
REVENUES:			
SHB Funding	\$ 450,000	\$ 437,943	\$ (12,057)
Sustainability Funding	12,800,000	6,290,472	(6,509,528)
Conference Registration	-	326,663	326,663
Donations	-	40,000	40,000
Feasibility Study Funding	-	(1,763)	(1,763)
Investment Income	95,000	91,473	(3,527)
Total Revenue	<u>13,345,000</u>	<u>7,184,788</u>	<u>(6,160,212)</u>
EXPENDITURES/EXPENSES:			
Program Expenses			
SDR Conference	-	393,238	(393,238)
Technical Assistance/Capacity Building	-	36,149	(36,149)
SHB Program Funding	450,080	92,221	357,859
Feasibility Study Funding	248,703	9,806	238,897
Program Expenses	40,349,390	22,360,060	17,989,330
Evaluation Expense	2,326,733	2,720,109	(393,376)
Planning Expense	-	587,248	(587,248)
Total Project Expense	<u>43,374,906</u>	<u>26,198,831</u>	<u>17,176,075</u>
General and Administration	<u>3,155,583</u>	<u>1,336,150</u>	<u>1,819,433</u>
Total Expenditures/Expenses	<u>46,530,489</u>	<u>27,534,981</u>	<u>18,995,508</u>
Change in Fund Balance/Net Position	(33,185,489)	(20,350,193)	(25,155,720)
FUND BALANCE/NET POSITION			
Beginning of year	<u>30,754,951</u>	<u>30,754,951</u>	<u>-</u>
End of year	<u>\$ (2,430,538)</u>	<u>\$ 10,404,758</u>	<u>\$ (25,155,720)</u>

OTHER AUDITOR'S REPORT



James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

INDEPENDENT AUDITOR'S REPORT

Board of Directors
California Mental Health Services Authority
Rancho Cordova, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund, and the aggregate remaining information of California Mental Health Services Authority, as of and for the years ended June 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise California Mental Health Services Authority's basic financial statements, and have issued our report thereon dated **DATE**.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered California Mental Health Services Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the California Mental Health Services Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of California Mental Health Services Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether California Mental Health Services Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. This report is intended solely for the information and use of Management and the Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.

DRAFT

James Marta & Company LLP
Certified Public Accountants
Sacramento, California

DATE

Consent Calendar
Agenda Item 4.B.8

SUBJECT: RJP Agreement – Retention of Counsel for Administrative Hearing

ACTION FOR CONSIDERATION:

Approval of entering into an Agreement with Remcho, Johansen & Purcell, LLP (RJP) to represent CalMHSA in an administrative hearing.

BACKGROUND AND STATUS:

Per CalMHSA Bylaws, Article 4 – Board, Section 4.1.3, it requires that the Board approve contracts for Authority administrative services and legal counsel. The practice areas of CalMHSA's general counsel do not include administrative law. General counsel retained RJP as a consultant to assist with preparation of request for administrative hearing, and recommends that CalMHSA retain RJP directly to represent CalMHSA in the hearing process. RJP has previously represented county behavioral health departments in litigation with the state, and is familiar with county behavioral health issues.

FISCAL IMPACT:

Up to \$100,000.00

RECOMMENDATION:

Approval of entering into an Agreement with Remcho, Johansen & Purcell, LLP (RJP) to represent CalMHSA in an administrative hearing.

TYPE OF VOTE REQUIRED:

Majority vote of the Board of Directors.

REFERENCE MATERIAL(S) ATTACHED:

- REMCHO, JOHANSEN & PURCELL, LLP Agreement (*to be issued separately*)

PROGRAM MATTERS
Agenda Item 5.A.

SUBJECT: Phase III Plan

ACTION FOR CONSIDERATION:

1. Adopt the Sustainability Taskforce recommendation to approve the CalMHSA Statewide Prevention and Early Intervention (PEI) Project Phase III Implementation Plan: Forging California Culture of Mental Wellness, 2017-2020.
2. Authorize the staff, with the guidance of the Sustainability Taskforce, to further refine and operationalize the Phase III Implementation Plan based on the funding available.
3. Affirm the importance of counties collectively funding Phase III at an amount greater than \$5 million, with a goal of \$12.6 million which eventually will leverage county funding with an equal or greater level of private funding.

BACKGROUND AND STATUS:

Since CalMHSA's formation in 2009, there has been significant turnover in County Behavioral Health Directors. Staff is providing Directors with a brief chronology to provide a snapshot of the history of CalMHSA and the CalMHSA Statewide Prevention and Early Intervention (PEI) Project. This information is not meant to be exhaustive and more information can be found in the referenced documents which are attached to this report.

2009	<ul style="list-style-type: none"> o CalMHSA formed as a joint powers authority (JPA), with the support of CBHDA (then known as CMHDA), as an administrative vehicle for counties to work together on regional or statewide projects. o CalMHSA County Membership – 8
2010	<ul style="list-style-type: none"> o Due to delay and county opposition to the California Department of Mental Health's proposed use of MHSAs PEI onetime set-aside funds in the amount of \$160 million to reduce suicides, eliminate stigma and improve student mental health, Counties decide to pool funds and utilize CalMHSA to implement the PEI Statewide Project. (Known as Phase 1 of the Statewide PEI Project) o CalMHSA members hire George Hills Company to administer JPA. o CalMHSA County Membership – 30
2011	<ul style="list-style-type: none"> o Phase I Statewide PEI Project Plan submitted by CalMHSA to MHSOAC and approved for three year implementation (2011-2014). This plan allows for growth as new counties join the JPA and as additional county funding is committed. o Phase I implemented with the funding goal of \$132 million for three years. o CalMHSA County Membership - 42
2012 &	<ul style="list-style-type: none"> o Implemented Statewide PEI Project Phase I

2013	<ul style="list-style-type: none"> ○ CalMHSA County Membership (2012) - 50 ○ CalMHSA County Membership (2013) - 51
2014	<ul style="list-style-type: none"> ○ Phase I Plan extended for one year (FY 14/15). ○ RAND found significant outcomes achieved through statewide evaluation of the Statewide PEI Project during Phase I. CalMHSA Board convened 8 month stakeholder process to develop Phase II of the PEI Statewide Project. ○ Phase II Plan adopted for two year implementation FYs 2015/16-2016/17. Phase II Plan adopts public health population based approach to prevent suicide, eliminate stigma and improve student mental health, with annual funding target of \$20 million (\$10 million raised by county contributions, and \$10 million raised by private funds). ○ CalMHSA members adopt Letters of Acknowledgement (LOA) funding strategy with target of 3-7% from each county from local PEI funds to continue the CalMHSA Statewide PEI Project Phase II. ○ CalMHSA County Membership - 52
2015	<ul style="list-style-type: none"> ○ Phase I completed. Total funding for CalMHSA Phase I was \$147 million. ○ Phase II begins (15/16-16/17). RFPs released and contracts awarded for a total of \$11.4 million (which encompasses carryover from Phase I contracts) for two years. ○ CalMHSA County Membership - 53
2016	<ul style="list-style-type: none"> ○ Phase II continues. County funding received is lower than anticipated (county contributions received for FY 15/16 = \$5.9 million; county contributions received for FY 16/17 [as of December 2016] = \$4.9 million). Due to funding shortfall, existing Phase II programs are reduced by \$1.2 million. As a result, several Phase II contracts are terminated, CalMHSA Program Management & General Administration is reduced by \$523,000, and CalMHSA staffing is reduced by 2.5 FTE. ○ Formal private fundraising strategy is adopted by Board. ○ CalMHSA County Membership (as of December 2016) - 55

Looking Ahead: Phase III of the Statewide PEI Project

Sustainability of CalMHSA has been integrally tied to the CalMHSA Statewide PEI Project (SWP) – without robust funding of the CalMHSA Statewide PEI Project, CalMHSA in its current formation and staffing structure is becoming less viable. In October 2016, members recommitted to sustaining CalMHSA and to continue funding the CalMHSA Statewide PEI Project. On November 3, 2016, the Finance Committee **set a goal** of attaining \$12.6 million annually to sustain the Statewide PEI Project for the next three years through the implementation of the CalMHSA Statewide PEI Project Phase III Plan. To reach this goal, members are being asked to contribute 4% of their local PEI funding annually to support the Statewide PEI Project Phase III Plan with the understanding that messaging, policy and

education efforts need to be not only seen and applied locally but also contain consistent messages with broad and statewide context.

CalMHSA Statewide Prevention and Early Intervention (PEI) Project Phase III Implementation Plan: Forging California’s Culture of Mental Wellness, July 1, 2017- June 30, 2020, with a budget of \$12.6 million per year

Through the implementation of the CalMHSA Statewide PEI Project Phase III Plan, CalMHSA and its member counties will embark on the 7th year of CalMHSA Statewide PEI Project activities. While the CalMHSA Statewide PEI Project has made significant accomplishments since its inception in 2011, there continues to be a critical need to continue the investment over the long term. Prevention and public-health approach efforts require long term investments and commitment to ensure the achievement of long term goals. Recent Board action to launch a fund development campaign to leverage county contributions with private funds illustrates CalMHSA’s commitment to achieve long-term prevention goals through a public/private partnership.

The Phase III Plan will build upon the prevention and early intervention strategies of the Phase II Plan¹, which was developed with broad statewide stakeholder input and approved by the Board of Directors on August 14, 2014. Specifically, CalMHSA proposes that Phase III activities focus specifically on expanding the reach and capacity of the social marketing programs that were originally developed in Phase I, and maintaining statewide evaluation and surveillance.

Phase III Priority Audiences:

CalMHSA will continue to reach the general public, including diverse communities such as LGBTQ, API, African American, Native American, and immigrant communities, to ensure that the programs implemented under the Statewide PEI Project continue to have statewide presence. However, Phase III will primarily target English and Spanish-speaking Latino and/or Hispanic communities throughout California under the strategies of social marketing & informational resources and research, evaluation & surveillance.

With \$12.6 million per year for 3 years, CalMHSA proposes to implement the following activities as part of the Statewide PEI Project:

¹ Phase II Plan for Sustaining Statewide Prevention and Early Intervention Projects: http://calmhsa.org/wp-content/uploads/2014/10/8D1_Final-Phase-Two-Plan1.pdf

- **Update and refresh website content** of the following programs: Each Mind Matters, SanaMente, Know the Signs, Reconozca Las Senales, Walk In Our Shoes, Ponte En Mis Zapatos and Directing Change
- **Actively engage communities through social media** in Each Mind Matters, SanaMente, Know the Signs, Reconozca Las Senales, Walk In Our Shoes, Ponte En Mis Zapatos and Directing Change
- **Provide resource navigation** to each county through a designated Each Mind Matters contact person to support counties and CBOs in accessing and utilizing existing resources associated with those programs
- **Provide subject matter expertise and technical assistance** to counties and CBOs to support local suicide prevention and stigma reduction programs
- **Provide local integration support to counties** in order to incorporate statewide social marketing campaigns, brands and resources
- **Create new culturally-adapted Spanish-language stigma reduction and/or suicide prevention outreach materials** in collaboration with stakeholders, including counties and CBOs to (or other culturally adaptations, as determined by stakeholders, available research and best practices) reach Latino communities
- **Provide mini-grants to local CBOs serving Latino communities** to support the development, local integration and dissemination of new Latino-focused outreach materials, with a particular focus on communities with high Latino populations
- **Partner with Latino-focused regional or statewide agencies** that can collaborate on statewide dissemination of new Latino-focused outreach materials
- **Maintain partnerships with higher education school system partners & NAMI** with a focus on dissemination of Latino-focused outreach materials through their respective networks, ensuring thorough reach into higher education students and consumers and family members
- **Continue supporting Directing Change**, with a focus on reaching Spanish-speaking students, and provides counties and CBOs with technical assistance to engage schools to participate in Directing Change
- **Disseminate all other existing resource materials** including those reaching other diverse communities (such as LGBTQ, API, African American, Native American, etc.) created during Phase 2 of the Statewide PEI Project
- **Provide mini-grants to CBOs serving diverse communities** such as LGBTQ, African American, Native American, etc. communities throughout California to ensure local integration and dissemination of existing resource materials
- **Implement Walk In Our Shoes statewide tour** reaching at least 80 schools
- **Statewide evaluation & surveillance** to measure changes in changes in attitudes, knowledge and behavior regarding stigma, mental health and suicide

Alternative Plan: CalMHSA Statewide PEI Project Phase III Implementation Plan – Forging California’s Culture of Mental Wellness, July 1, 2017-June 30, 2020 with a budget of \$5 million per year

A funding level of \$5 million per year for 3 years is the minimum level required that allows CalMHSA to implement activities under the strategies of social marketing & informational resources and research, evaluation & surveillance for Phase III of the Statewide PEI Project. This funding level relies on the funds being matched with \$5 million or more in private funding, which is the goal of the formal private fundraising strategy adopted by the Board in October 2016. Through these fund development efforts, private funding is expected to be realized by FY 2020/2021 if private funders can leverage county contributions. However, if county contributions collectively amount to less than \$5 million per year, CalMHSA as an organization in its current structure may not be viable for long enough to realize private funding. In addition, if the private fund development campaign is not successful, the long-term continuance of PEI statewide projects and CalMHSA could be in jeopardy.

Phase III activities at \$5 million per year for 3 years may include:

- Moderate website maintenance for Each Mind Matters, Know the Signs and Directing Change
- Moderate social media presence to engage statewide audiences in Each Mind Matters, Know the Signs and Directing Change
- Minimal resource navigation to support counties and CBOs in accessing and utilizing existing resources associated with Each Mind Matters, Know the Signs and Directing Change
- Minimal development of new Latino-focused outreach materials
- Mini-grants to local CBOs to support the local integration and dissemination of new Latino-focused outreach materials, with a particular focus on communities with high Latino populations
- Maintain partnerships with school system partners & NAMI with a focus on dissemination of outreach materials through their respective networks
- Moderate support of Directing Change program implementation
- Dissemination of all other existing resource materials including those targeting other diverse communities
- Statewide evaluation & surveillance to measures changes in attitudes, knowledge and behavior regarding stigma, mental health and suicide

FISCAL IMPACT:

None

RECOMMENDATION:

1. Adopt the Sustainability Taskforce recommendation to approve the CalMHSA Statewide Prevention and Early Intervention (PEI) Project Phase III Implementation Plan: Forging California Culture of Mental Wellness, 2017-2020.
2. Authorize the staff, with the guidance of the Sustainability Taskforce, to further refine and operationalize the Phase III Implementation Plan based on the funding available.
3. Affirm the importance of counties collectively funding Phase III at an amount greater than \$5 million, with a goal of \$12.6 million which eventually will leverage county funding with an equal or greater level of private funding.

TYPE OF VOTE REQUIRED:

Majority vote.

REFERENCE MATERIAL(S) ATTACHED:

- FY 2015-2016 Statewide PEI Project California Impact Statement
- CalMHSA Statewide PEI Project Phase III PowerPoint
- Statewide PEI Project Phase III Plan
- RAND 2016 Report – On the Road to Mental Health: Highlights from Evaluations of California’s Statewide Mental Health Prevention & Early Intervention Initiatives (http://www.rand.org/pubs/research_briefs/RB9917.html)

CalMHSa Prevention and Early Intervention Project: STATEWIDE IMPACT REPORT 2015-2016

IN THE COMMUNITY

The California Mental Health Services Authority (CalMHSa) is committed to mental health promotion, prevention and early intervention for all Californians. Since 2011, CalMHSa has implemented a broad range of programs to change attitudes, knowledge and awareness about mental health throughout the state.

Each Mind Matters: California's Mental Health Movement is leading the effort to raise awareness and reduce stigma about mental health. The suicide prevention campaign, Know the Signs, encourages individuals to recognize the warning signs of suicide, find the words to talk to someone who may be at risk, and learn about resources. Through these social marketing efforts, CalMHSa is collaborating with community based organizations to engage California's diverse population.



Each Mind Matters & Know The Signs

Nearly **200,000** Each Mind Matters & Know The Signs materials and resources disseminated throughout the state.

Over **1,000** community based organizations, county health agencies and schools reached.

56,000 people accessed the Each Mind Matters & Know The Signs websites.

4.5 million people reached through Each Mind Matters' social media channels.

Outcomes



Each Mind Matters Movement

- **3.8 million** Californians recognized the Each Mind Matters lime green awareness ribbon.
- **1.6 million** people initiated a conversation about mental health after recognizing the lime green awareness ribbon.
- **15.4%** more Californians exposed to Each Mind Matters turn to help for mental health challenges.

Know the Signs Campaign

- Over **50%** of Californians were exposed to Know The Signs.
- Individuals exposed to the campaign report **higher levels of confidence to intervene** with someone at risk for suicide.
- The campaign was rated by experts to be aligned with **best practices** and one of the **best media campaigns** on the subject.



Funded by counties through the voter-approved Mental Health Services Act (Prop 63).

Program Reach

Outcomes

The **Walk In Our Shoes** (WIOS) Campaign educates 4th-6th graders through school plays and online engagement about individuals with mental health challenges, and helps develop compassion and acceptance.

- Nearly **50,000** WIOS materials & resources disseminated throughout the state
- Almost **24,000** students reached
- 80** campuses received educational performances and resources
- Over **14,000** website visits



- Students exposed to the **Walk In Our Shoes** website demonstrate significantly higher knowledge of mental health.
- 63%** of teachers and administrators who saw the performance started a conversation about mental health in the classroom.

The **Directing Change** program offers young people the opportunity to create 60-second films about suicide prevention and mental health that are used to support awareness, education, and advocacy efforts.

- Nearly **10,000** Directing Change materials & resources disseminated throughout the state
- 3,000** students participated
- 262** schools participated
- 1,200** films submitted
- 42,000** online film views



- 87%** of students have a better understanding of mental illness and suicide after participating in **Directing Change**.
- 95%** of students pledged to support a friend with a mental health challenge.

California's Community Colleges implemented Kognito suicide prevention training that positively impacts student mental health, reaching milestones such as:

- Nearly **12,000** people trained in Kognito throughout the state's community colleges.
- All **113** Community Colleges reached throughout the state with support and resources.



- 87%** of those who completed the **Kognito** training report that they are better prepared to identify, approach, and refer students exhibiting signs of psychological distress.
- 66%** of faculty who completed the **Kognito** training report an increase in the number of conversations they had with other faculty and staff about students they were concerned about.

WHAT'S TO COME

CalMHSA continues to expand California's mental health movement with the addition of new tools and resources, which include:

- Mental Health Awareness and Suicide Prevention Toolkits
- Diverse communities mental health promotion materials
- California Community Colleges Mental Health Webinars and Fact Sheets
- "The University of California: Promoting Student Mental Health Guide" to assist faculty and staff in supporting student mental health
- Directing Change Classroom Guide



CaMHSa Statewide PEI Project

Phase III: Forging California's Culture of Mental Wellness

December 15, 2016
Board of Directors Meeting



WELLNESS • RECOVERY • RESILIENCE





Recommended Action For Board Consideration

- 1. Adopt the Sustainability Taskforce recommendation to approve the CalMHSA Statewide Prevention and Early Intervention (PEI) Project Phase III Implementation Plan: Forging California Culture of Mental Wellness, 2017-2020.**
- 2. Authorize the staff, with the guidance of the Sustainability Taskforce, to further refine and operationalize the Phase III Implementation Plan based on the funding available.**
- 3. Affirm the importance of counties collectively funding Phase III at an amount greater than \$5 million, with a goal of \$12.6 million which eventually will leverage county funding with an equal or greater level of private funding.**



Background

- CalMHSA, a Joint Powers Authority, was **created by the counties in 2010**, to administer MHSA PEI projects on a statewide basis.
- Through the initial implementation and the second phase (Phase I: 2011-2015 and Phase II: 2015-2017) of the CalMHSA Statewide PEI Project, **CalMHSA developed and implemented population-based strategies.**
- **Strategies are aligned with Welfare and Institutions Code Section 5840: MHSA PEI Programs.**



Looking Ahead: Phase III

- **Sustainability of CalMHSA has been integrally tied to the CalMHSA Statewide PEI Project** – without robust funding of the CalMHSA Statewide PEI Project, CalMHSA in its current formation and staffing structure is not viable.
- In October 2016, members **recommitted to sustaining CalMHSA and to continue funding** the CalMHSA Statewide PEI Project.
- On November 3, 2016, the **Finance Committee set a goal of attaining \$12.6 million annually** to sustain the Statewide PEI Project for the next three years through the implementation of the Phase III.

To reach this goal, members are being asked to contribute 4% of their local PEI funding annually to support the Phase III Plan.



Goals of Phase III

- **Large social impact**
 - Changing attitudes
 - Increasing knowledge
 - Modifying behaviors
- **Benefit counties statewide**
- **Procuring resources at lower cost**
 - Cost efficiencies

Timeframe: FY 2017-2018 through FY 2019-2020
(July 1, 2017 through June 30, 2020)



Phase III Activities

- **Expanding the reach and capacity of the social marketing programs** that were originally developed in Phase I, and maintaining statewide evaluation and surveillance.
- **Reach the general public, including diverse communities** such as LGBTQ, API, African American, Native American, and immigrant communities, to ensure that the programs implemented continue to have **statewide presence**.
- **Primarily target English and Spanish-speaking Latino and/or Hispanic communities** throughout California with the strategies identified above.

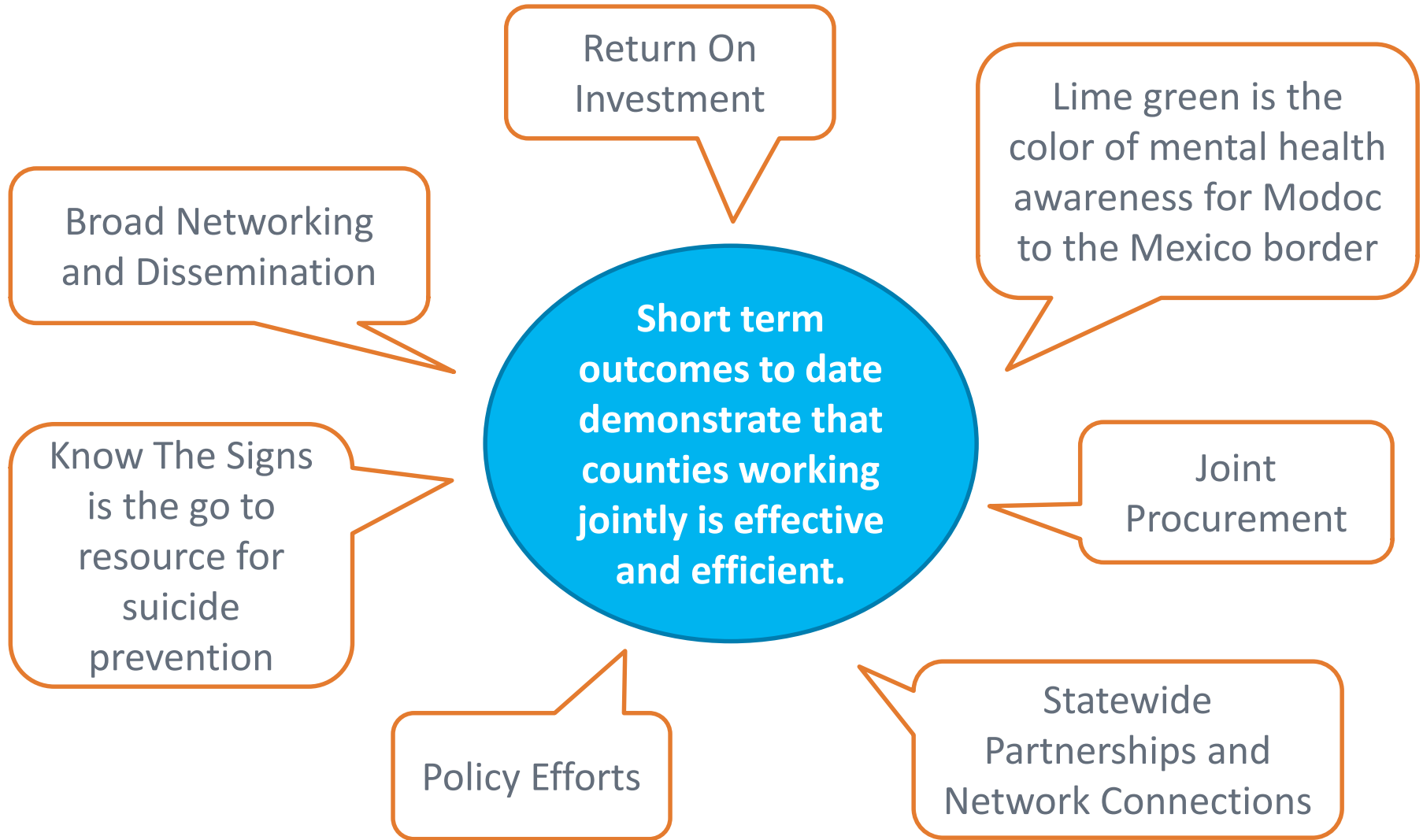


Phase III Activities

- Update and refresh website content
- Actively engage communities through social media
- Provide resource navigation
- Provide subject matter expertise and technical assistance
- Provide local integration support to counties
- Create new culturally-adapted Spanish-language stigma reduction and/or suicide prevention outreach materials
- Provide mini-grants to local CBOs serving Latino communities
- Partner with Latino-focused regional or statewide agencies
- Maintain partnerships with higher education school system partners and NAMI
- Continue supporting Directing Change
- Provide mini-grants to CBOs serving diverse communities
- Implement Walk In Our Shoes statewide performance tour
- Statewide evaluation and surveillance



Value of the Statewide PEI Project





Short Term Outcomes Achieved

Increased knowledge and skills for recognizing signs and facilitating help-seeking

Decreased stigma against persons with mental health challenges

Evidenced by Independent Evaluation:

- 81% of Californians are aware of brands created by Statewide PEI Projects
- After one year of SDR initiatives, nearly 1.5 million more Californians are socially inclusive with people with mental health challenges
- 15.4% more Californians exposed to Each Mind Matters turn to help for mental health challenges
- 13% of Californians have seen someone wearing a lime green ribbon and nearly half of those had a conversation about mental health because of it



Alternative: Proposed Phase III Activities at \$5 million annually for three years

- Moderate website maintenance for programs
- Moderate social media presence to engage statewide audiences
- Minimal resource navigation
- Minimal development of new Latino-focused outreach materials
- Mini-grants to local CBOs to support the local integration and dissemination
- Maintain partnerships with school system partners and NAMI for dissemination
- Dissemination of all other existing resource materials including those targeting other diverse communities
- Statewide evaluation and surveillance



Funding the Statewide PEI Project

Phase 3

2017-2020

Baseline Funding: \$5 Million Per Year

Approximate current level of funding



California's Mental Health Movement



KNOW THE SIGNS
Suicide is Preventable



DIVERSE COMMUNITIES



Movimiento de Salud Mental de California



RECONCIZCA LAS SEÑALES
E. Suicidio Es Prevenible



Directing Change
Student Video Contest

Phase 3

2017-2020

Target Goal Funding: \$12.6 Million Per Year

All counties contributing at 4% of local PEI funds



California's Mental Health Movement



DIVERSE COMMUNITIES



Directing Change
Student Video Contest



Movimiento de Salud Mental de California



WALK IN OUR SHOES!



PONTE EN MIS ZAPATOS



KNOW THE SIGNS
Suicide is Preventable



RECONCIZCA LAS SEÑALES
E. Suicidio Es Prevenible



此外, 你亦可瀏覽英文網站
suicideispreventable.org
上 "Reach Out" 專頁。
FOR MORE RESEARCH RESULTS.

Public/Private Partnership

2020-2025

Reach Goal Funding: \$25-30 Million Per Year

All Counties contributing and leveraged with



California's Mental Health Movement



Movimiento de Salud Mental de California



DIVERSE COMMUNITIES

Workplace

Healthcare



WALK IN OUR SHOES!



KNOW THE SIGNS
Suicide is Preventable



RECONCIZCA LAS SEÑALES
E. Suicidio Es Prevenible



此外, 你亦可瀏覽英文網站
suicideispreventable.org
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FOR MORE RESEARCH RESULTS.



Future of Phase III: Public & Private Partnership

- A funding level of \$5 million per year for 3 years is **the minimum level required that allows CalMHSA to implement activities** under the strategies of social marketing & informational resources and research, evaluation & surveillance for Phase III of the Statewide PEI Project.
- **If county contributions collectively amount to less than \$5 million per year, CalMHSA as an organization in its current structure may not be viable for long enough to realize private funding.**



Future of Phase III: Public & Private Partnership

- **If counties collectively reach the target goal of \$12.6 million per year**, funds will be leveraged with private funding to **result in an annual budget of approximately \$25 million per year.**
- It is expected that **seed funding from private parties will be realized by FY 2019-2020.** Full private funding campaign launches in FY 2020-2021, to leverage county funds with private contributions.
- \$25 million will **exponentially expands the reach and depth of activities** including **targeting healthcare systems and workplaces.**



Recommended Action For Board Consideration

- 1. Adopt the Sustainability Taskforce recommendation to approve the CalMHSa Statewide Prevention and Early Intervention (PEI) Project Phase III Implementation Plan: Forging California Culture of Mental Wellness, 2017-2020.**
- 2. Authorize the staff, with the guidance of the Sustainability Taskforce, to further refine and operationalize the Phase III Implementation Plan based on the funding available.**
- 3. Affirm the importance of counties collectively funding Phase III at an amount greater than \$5 million, with a goal of \$12.6 million which eventually will leverage county funding with an equal or greater level of private funding.**



CalMHSA Statewide Prevention and Early Intervention
(PEI) Project
Proposed Phase III Implementation Plan
July 1, 2017 - June 30, 2020

Forging California's Culture of Mental Wellness

Presented to the CalMHSA Board of Directors on December 15, 2016



Proposed Phase III CalMHSA Statewide PEI Project
Forging California's Culture of Mental Wellness

Background:

For the past decade, California has steadily grown a statewide movement toward prevention and early intervention underwritten by MHSAs. CalMHSA, a Joint Powers Authority, was created by the counties in 2010, to administer MHSAs PEI projects on a statewide basis. Through the initial implementation and the second phase (Phase I: 2011-2015 and Phase II: 2015-2017) of the CalMHSA Statewide PEI Project, CalMHSA developed and implemented population-based strategies aligned with Welfare and Institutions Code Section 5840: MHSAs PEI Programs designed to prevent mental illnesses from becoming severe and disabling through outreach to recognize the early signs of mental illness, reduce stigma associated with mental illness and service seeking, and reduce discrimination against people with mental health challenges. Furthermore, in addition to adhering to this WIC Code, CalMHSA also emphasizes an upstream public health prevention approach, promoting mental wellness as well as preventing the onset of severe and disabling consequences of untreated mental illness.

Goal of Phase III:

To continue the investment in PEI strategies that will result in larger social impact (e.g., changing attitudes, increasing knowledge, and modifying behaviors), implementing programs that can benefit counties regionally and statewide, procuring resources at lower cost (e.g., cost efficiencies), and ultimately making a significant impact on preventing mental illnesses from becoming severe. PEI strategies can accomplish these goals by improving access to necessary treatment services as early in the onset of conditions as practicable, reduce the duration of untreated severe mental illnesses and assist people in quickly regaining productive lives.

Phase III Timeframe:

FY 2017-2018 through FY 2019-2020 (July 1, 2017 through June 30, 2020)

Phase III Funding:

The Phase III Plan budget is \$12.6 million per year for 3 years. CalMHSA can reach the \$12.6 million per year budget as a result of each CalMHSA member county contributing 4% of their annual PEI funds to CalMHSA on an annual basis for 3 years¹. *This recommendation, from the CalMHSA Finance Committee, will be submitted to the CalMHSA Board of Directors for approval at the December 15th, 2016² meeting.*

¹ Alternatively, counties can contribute the *equivalent* of 4% of their annual PEI funds to CalMHSA through another local funding source that can be non-PEI or non-MHSA related.

² Furthermore Attachment 1 indicates activities that can be implemented at a lower funding level (\$5 million per year for 3 years) if the ideal budget of \$12.6 million cannot be achieved. Attachment 2 indicates activities that can be implemented at a higher funding level (\$25-30 million per year for 3 years) if CalMHSA is able to leverage county contributions with private funding, which is expected to occur in FY 2020-2021.

This ideal budget was chosen for three reasons:

1. It is a funding level that allows CalMHSA to robustly implement the Statewide PEI Project utilizing the strategies identified below.
2. As indicated by the Lester Consulting Group Feasibility Study, presented to the Board of Directors on August 11, 2016, CalMHSA may be able to raise at least \$15 million from private funders beginning in FY 2020-2021 if private funders find that the counties are collectively providing robust foundational funding for private funds to supplement. In order for \$15 million in private funds to be realized, CalMHSA members must a) all contribute to the Statewide PEI Project to establish foundational funding, and b) collectively contribute close to \$15 million in order for private funds to be maximized with a match of an additional \$15 million.
3. Since CalMHSA's viability as an organization is currently intrinsically tied to the funding of the Statewide PEI Project, this funding level allows CalMHSA to remain operational at its current staffing level. This staffing level is necessary for the oversight of the Statewide PEI Project as well as other member-supported projects, and allows CalMHSA to pursue other funding streams and statewide or regional projects on behalf of counties. It is also the funding level that allows CalMHSA to operate sufficiently until private funds are realized.

Proposed Phase III Plan:

The Phase III Plan builds upon the prevention and early intervention strategies of the Phase II Plan³, which were developed with broad statewide stakeholder input and approved by the Board of Directors on August 14, 2014.

Phase III Priority Audiences:

CalMHSA will continue to reach the general public, including diverse communities such as LGBTQ, API, African American, Native American, and immigrant communities, to ensure that the programs implemented under the Statewide PEI Project continue to have statewide presence. However, Phase III will primarily target English and Spanish-speaking Latino and/or Hispanic communities throughout California with the strategies identified above.

CalMHSA has identified English and Spanish-speaking Latino and/or Hispanic communities as the primary target audiences to focus on for Phase III for the following reasons:

- As of 2014, California has a total Hispanic population of nearly 15 million, ranking California highest in total Hispanic population compared to other states. California Hispanics account

³ Phase II Plan for Sustaining Statewide Prevention and Early Intervention Projects: http://calmhsa.org/wp-content/uploads/2014/10/8D1_Final-Phase-Two-Plan1.pdf

for 39% of the overall California population, 64% are U.S.-born, while 36% are foreign-born, 84% are of Mexican origin, and 74% of Hispanics in California speak a language other than English at home⁴.

- Every California County has a Hispanic community, from a low of 7% of total county population in Trinity County, to a high of 63% of total county population in Tulare County⁵.
- RAND's California Well Being Survey found that English-speaking Latinos have higher levels of self-stigma and were more likely to say that they would conceal a potential mental health problem from coworkers or classmates than Whites. In addition, Spanish-speaking Latinos were least likely to have used mental health services compared to Whites and Asian/Pacific Islanders⁶.
- SanaMente, the Spanish-language Each Mind Matters Campaign, will be relaunching in Spring 2017. Funding in Phase III will ensure that SanaMente's Spanish-language outreach is thorough throughout California.

Phase III Strategies:

CalMHSA recognizes the value of taking a **multi-faceted public health approach** towards addressing mental health promotion and mental illness prevention, as this approach has been found to effectively combat other public health issues such as tobacco cessation. In the Phase I implementation of the Statewide PEI Project, CalMHSA implemented a comprehensive public health approach, including unveiling social marketing campaigns, growing networks and collaborations, changing policy, supporting community education and trainings, and expanding the reach and capacity of local crisis support services, with promising results. With reduced funding in Phase II, CalMHSA implemented three strategies identified in the Phase II Plan – social marketing & informational resources, policy change, and research, evaluation & surveillance. With further funding reductions in Phase III, CalMHSA proposes that Phase III activities focus on expanding the reach, depth and capacity of the social marketing programs that were originally developed in Phase I, and maintaining statewide evaluation and surveillance. These particular strategies were chosen because of their ability to have statewide impact and because of the programs' proven effectiveness. If additional funding can be identified, CalMHSA will be able to implement a broader range of strategies under the public health approach, which will deepen and sustain the short and long term Statewide PEI Project outcomes and impacts.

Social Marketing and Informational Resources

- Utilize social change, social science and marketing concepts to change attitudes and behaviors regarding mental illness and accessing services.
- 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 materials include, but are not limited to, print, online, social media, and traditional media materials.

⁴ <http://www.pewhispanic.org/states/state/ca/>

⁵ <http://www.pewhispanic.org/states/state/ca/>

⁶ http://www.rand.org/pubs/research_reports/RR1441.html

- Utilize and leverage social marketing efforts and informational resources to further public health prevention approaches, which may include policy advocacy, crisis support, contact education and research.
- Provide outreach, engagement and technical assistance to counties, community-based organizations, and other key partners 1) to access, refine, tailor and use materials and 2) to achieve and ensure cultural relevance.

Research, Evaluation and Surveillance

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

Phase III Activities:

Following the identified Phase III strategies, Phase III activities will focus on the implementation of statewide social marketing campaigns and related programs, with an emphasis on reaching Latino communities throughout California.

With \$12.6 million (4% contribution from each county) per year for 3 years, CalMHSA proposes to implement the following activities as part of the Statewide PEI Project:

- **Update and refresh website content** of the following programs: Each Mind Matters, SanaMente, Know the Signs, Reconozca Las Senales, Walk In Our Shoes, Ponte En Mis Zapatos and Directing Change
- **Actively engage communities through social media** in Each Mind Matters, SanaMente, Know the Signs, Reconozca Las Senales, Walk In Our Shoes, Ponte En Mis Zapatos and Directing Change
- **Provide resource navigation** to each county through a designated Each Mind Matters contact person to support counties and CBOs in accessing and utilizing existing resources associated with those programs
- **Provide subject matter expertise and technical assistance** to counties and CBOs to support local suicide prevention and stigma reduction programs
- **Provide local integration support to counties** in order to incorporate statewide social marketing campaigns, brands and resources
- **Create new culturally-adapted Spanish-language stigma reduction and/or suicide prevention outreach materials** in collaboration with stakeholders, including counties and CBOs to (or other culturally adaptations, as determined by stakeholders, available research and best practices) reach Latino communities

- **Provide mini-grants to local CBOs serving Latino communities** to support the development, local integration and dissemination of new Latino-focused outreach materials, with a particular focus on communities with high Latino populations
- **Partner with Latino-focused regional or statewide agencies** that can collaborate on statewide dissemination of new Latino-focused outreach materials
- **Maintain partnerships with higher education school system partners & NAMI** with a focus on dissemination of Latino-focused outreach materials through their respective networks, ensuring thorough reach into higher education students and consumers and family members
- **Continue supporting Directing Change**, with a focus on reaching Spanish-speaking students, and provides counties and CBOs with technical assistance to engage schools to participate in Directing Change
- **Disseminate all other existing resource materials** including those reaching other diverse communities (such as LGBTQ, API, African American, Native American, etc.) created during Phase 2 of the Statewide PEI Project
- **Provide mini-grants to CBOs serving diverse communities** such as LGBTQ, African American, Native American, etc. communities throughout California to ensure local integration and dissemination of existing resource materials
- **Implement Walk In Our Shoes statewide tour** reaching at least 80 schools
- **Statewide evaluation & surveillance** to measure changes in changes in attitudes, knowledge and behavior regarding stigma, mental health and suicide

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

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

Rationale for Proposed Phase III CalMHSA Statewide PEI Project Plan

Through the implementation of the Phase III CalMHSA Statewide PEI Project Plan, CalMHSA and its member counties will embark on the 7th year of CalMHSA Statewide PEI Project activities. While the CalMHSA Statewide PEI Project has made significant accomplishments since its inception in 2011, there continues to be a critical need to continue the investment over the long term. Prevention and public

health-oriented efforts require long term investments and commitment to ensure the achievement of long term goals. The following outlines explicit rationales that support the continuation of CalMHSA Statewide PEI Project.

Rationale 1: The CalMHSA Statewide PEI Project is built upon the goals and strategies of the MHSA PEI Program

Phase III of the CalMHSA Statewide PEI Project is based on the strategies and activities of the Phase II Plan that was approved by the CalMHSA Board in August 2014. It is also projected to continue to fulfill the short term and long term outcomes also identified in the Phase II plan. The Phase II Plan aligns with the MHSA PEI Program goal to *prevent mental illness from becoming severe and disabling*. In addition, CalMHSA's Phase II Plan activities achieve the majority of the identified MHSA PEI Plan components and outcomes, including: 1) outreach to recognize the early signs of potentially severe and disabling mental illnesses; 2) reduction in stigma associated with either being diagnosed with a mental illness or seeking mental health services; and 3) reduction in discrimination against people with mental illness.

Successful implementation and execution of activities in Phase III will also significantly contribute to the achievement of the MHSA PEI Program's key outcomes which include the reduction of the following negative outcomes that may result from untreated mental illness: 1) suicide; 2) incarceration; 3) school failure/dropout; 4) unemployment; 5) prolonged suffering; 6) homelessness; and 7) removal of children from their home. Coinciding implementation of the CalMHSA Statewide PEI Project with local PEI efforts will ensure the accomplishment of these MHSA PEI Program components and outcomes.

Rationale 2: The CalMHSA Statewide PEI Project is built on an asset-based approach

The CalMHSA Statewide PEI Project is designed with the perspective of a strengths-based and recovery-oriented approach. The Phase III Plan will continue to take this approach. The strengths-based approach focuses on each individual's unique strengths and abilities as key to achieving recovery and wellness. This approach is in alignment with other local, national and international stigma reduction approaches.

Rationale 3: The social marketing campaigns developed under the CalMHSA Statewide PEI Project achieve significant economies of scale

These campaigns have the greatest statewide and local level impact, achieve the highest level of economies of scale, and can be customized and integrated for county-specific use. For example, implementing the Know the Signs Campaign on a statewide level allowed the campaign to leverage over \$3 million in pro bono media. These campaigns can also be expanded to incorporate new materials and reach new populations, depending on funding availability. Thus far, the campaign materials have been translated and culturally adapted into over 10 different languages.

Rationale 4: The CalMHSA Statewide PEI Project has placed California as a leader in the field of population-based public health approaches towards achieving mental health and suicide prevention

California's unique investment in mental health and wellness through the CalMHSA Statewide PEI Project has been recognized throughout the country. For example, the CalMHSA Statewide PEI Project was highlighted in a recent report by the National Academy of Sciences entitled *Ending the Discrimination Against People with Mental and Substance Use Disorders: The Evidence for Stigma Change* as a "notable-state-based initiative... to reduce mental health stigma and encourage treatment."

Rationale 5: There has been significant exposure and local integration of the social marketing campaigns and programs that were developed under the CalMHSA Statewide PEI Project

Among the CalMHSA Statewide PEI Project campaigns and programs of Each Mind Matters, Know the Signs, Walk In Our Shoes and Directing Change, tens of thousands of pieces of materials have been disseminated reaching nearly all county behavioral health agencies, as well as hundreds of other local government agencies, statewide agencies and associations and local community-based organizations. In addition, an internal RAND memo demonstrated that 81% of community respondents had heard of CalMHSA and/or at least one of the five brands/activities (Each Mind Matters, Know the Signs, Walk In Our Shoes, Applied Suicide Intervention Skills Training, and Directing Change) that are associated with the CalMHSA Statewide PEI Project. More specifically, over 50% of respondents recognized the Each Mind Matters and Know the Signs campaigns. It is critical to keep these partner agencies and organizations engaged in the Statewide PEI Project networks and programs.

The preliminary RAND report indicated that the CalMHSA Statewide PEI Project has been successful in reaching Advocacy/Council/Union and Homeless services/housing categories – 100% of respondents in these categories had heard of at least one of the programs associated with the Statewide PEI Projects. However, the RAND report also showed that CalMHSA still has significant work to do in reaching individuals within the mental health/physical health field. Only 56% of those in the mental health/physical health field were familiar with any programs associated with the CalMHSA Statewide PEI Project.

Rationale 6: The social marketing campaigns have demonstrated significant achievement of short term outcomes and indicate promise for achieving measurable long term outcomes.

In a relatively short period of time, CalMHSA Statewide PEI Project social marketing campaigns have demonstrated the ability to change attitudes and awareness. It is imperative that CalMHSA continue to invest in long term, surveillance-level evaluation to determine whether these changes are sustained and ultimately lead to behavior change that will result in reducing the negative outcomes identified for the MHS PEI Program. Without continued investment in evaluation and surveillance, the ultimate impact of the significant investment in the CalMHSA Statewide PEI Project will never be realized.

In conclusion, the Phase III Plan outlines strategies and projected outcomes that can be implemented at a funding level of \$12.6 million per year for three years, beginning in FY 2017-2018. The following attachments are reference documents to provide additional information, context and alternatives to the Phase III Plan, for Board consideration:

- Attachment 1: Describes reduced activities and consequences of implementing Phase III Statewide PEI Project with \$5 million per year for three years
- Attachment 2: Describes expanded strategies and activities for the Phase III Statewide PEI Project if CalMHSA leverages county contributions with private funding, projected at \$25-30 million per year for three years, beginning in FY 2020-2021
- Attachment 3: Provides a logic model of activities and outcomes for the Phase III Plan at \$12.6 million per year for three years, alternative Phase III Plan at \$5 million per year for three years and Phase III Plan at \$25-30 million per year for three years.

Attachment 1: Proposed Phase III activities at \$5 million per year for 3 years

At a reduced funding level of \$5 million per year for 3 years, CalMHSA can continue to implement limited activities under the strategies of social marketing & informational resources and even more limited research, evaluation & surveillance. However, at less than \$5 million per year, CalMHSA cannot sustain itself as a viable organization⁷.

Phase III activities at \$5 million per year for 3 years may include:

- Moderate website maintenance for Each Mind Matters, Know the Signs and Directing Change
- Moderate social media presence to engage statewide audiences in Each Mind Matters, Know the Signs and Directing Change
- Minimal resource navigation to support counties and CBOs in accessing and utilizing existing resources associated with Each Mind Matters, Know the Signs and Directing Change
- Minimal development of new Latino-focused outreach materials
- Mini-grants to local CBOs to support the local integration and dissemination of new Latino-focused outreach materials, with a particular focus on communities with high Latino populations
- Maintain partnerships with school system partners & NAMI with a focus on dissemination of outreach materials through their respective networks
- Moderate support of Directing Change program implementation
- Dissemination of all other existing resource materials including those targeting other diverse communities
- Statewide evaluation & surveillance to measures changes in attitudes, knowledge and behavior regarding stigma, mental health and suicide

⁷ At the October 2016 CalMHSA Board of Directors Meeting, members authorized a sole source agreement with Lester Consulting Group for the purpose of fund development for a 3 year term, and that members would collectively contribute \$500,000 as an annual budget for 3 years to pay for Lester Consulting Group consulting services, fund development staff and all associated costs. Through these fund development efforts, private funding is expected to be realized in FY 2020/2021 at the very latest if private funders can leverage county contributions. However, if county contributions collectively amount to less than \$5 million per year, CalMHSA as an organization in its current structure may not be viable for long enough to realize private funding.

Attachment 2: Proposed Phase III activities at \$25-30 million per year for 3 years

At the October 13, 2016 CalMHSA Board of Directors meeting, Board members passed the motion to authorize staff to enter into a sole source agreement with Lester Consulting Group (LCG) for the purpose of Fund Development for a three year term. In addition, Board members approved a \$500,000 annual budget for this project for each of the next 3 years, which pay for LCG consulting services, fund development staff and all associated costs, via a special member fee. The special member fee was assessed to counties in November 2016.

As discussed at the October 2016 CalMHSA Board of Directors meeting, the Fund Development project with LCG is intended to raise funds from private parties to support activities implemented under the Statewide PEI Project, not supplant the current funding by counties. It is expected that private parties will provide supplemental funding, at the end of the three year Fund Development project, commensurate with county funding. Therefore, if counties collectively contribute \$12.6 million per year for 3 years, private parties are expected to supplement county contributions at a commensurate level, resulting in an annual budget of approximately \$25-30 million per year to support the Statewide PEI Project. It is expected that funding from private parties will be realized between FY 2019-2020 and FY 2020-2021.

Phase III activities at \$25-30 million per year for 3 years will exponentially expand the reach and depth of activities implemented under the Phase III \$12.6 million per year plan, to ensure saturation of Statewide PEI Project reach throughout California. Under a \$25-30 million per year plan, CalMHSA Statewide PEI Project plans to focus on creating new social marketing campaigns, associated programs and outreach materials to target healthcare systems and workplaces. CalMHSA may also consider implementing other strategies identified in the Phase II Plan, including activities to address policy change, training and education and crisis support. In doing so, CalMHSA will have thoroughly addressed all strategies and Wellness Areas⁸ identified in the Phase II Plan for Sustaining Statewide Prevention and Early Intervention Projects.

⁸ Wellness Areas identified in the Phase II Plan include Diverse Communities, Schools, Health Care and Workplace.

Attachment 3: Proposed Statewide PEI Project Phase III Implementation Plan Logic Model

	Projected Statewide PEI Project Phase III Activities:	Short Term Outcomes Achieved:	Projected 10 Year Outcomes:	Projected 20 Year Outcomes:	Projected Societal Return on Investment:
Phase III Plan	<p><i>Proposed County funding at 4% (\$12.6 million):</i></p>	<ol style="list-style-type: none"> 1) Increased knowledge and skills for recognizing signs and facilitating help-seeking 2) Decreased stigma against persons with mental health challenges 			
Attachment 1	<p><i>County funding at \$5 million:</i></p>	<p>Independent evaluation shows:</p> <p>81% of Californians are aware of brands created by Statewide PEI Projects</p> <p>After one year of SDR initiatives, nearly 1.5 million more Californians are socially inclusive with people with mental health challenges</p> <p>15.4% more Californians exposed to Each Mind Matters turn to help for mental health challenges</p>	<ul style="list-style-type: none"> • 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 signs and facilitating help seeking 	<ul style="list-style-type: none"> • 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 	<p>County funding at \$12.6 million per year result in over \$12 billion return to society*</p> <p>County funding at \$5 million per year result in over \$6 billion return to society*</p>
Attachment 2	<p><i>County & private funding at \$25-30 million:</i></p>	<p>Adults exposed to the Know The Signs campaign report gains in confidence to intervene with those who might be at risk of suicide</p> <p>13% of Californians have seen someone wearing a lime green ribbon and nearly half of those had a conversation about mental health because of it</p>	<p><i>Increased investment in programs will lead to commensurate increase in impact. Investment in ongoing and robust evaluation & surveillance efforts throughout Phase III will allow CalMHSa to capture and project expected impact.</i></p>		<p>County and private funding at \$25 million per year will result in over \$31 billion return to society*</p>

* RAND analyses have demonstrated that for every \$1 invested in Each Mind Matters, there is a corresponding **\$1,251 return to society** through higher wages and lower social costs each year.



On the Road to Mental Health

Highlights from Evaluations of California’s Statewide Mental Health Prevention and

Early Intervention Initiatives

The California Mental Health Services Authority (CalMHSA)—a coalition of nearly all of California’s counties—has implemented an ambitious, first-of-its-kind set of statewide prevention and early intervention (PEI) initiatives with the broad goals of reducing mental illness stigma and discrimination, preventing suicide, and improving student mental health. The initiatives took a public health, population-based approach to developing and implementing many PEI resources and programs, beginning in 2011. This implementation was guided by a comprehensive strategic plan informed by evidence regarding the effectiveness of PEI approaches and carefully developed through a process that involved diverse stakeholders. The CalMHSA PEI initiatives were funded by Proposition 63, the Mental Health Services Act.

CalMHSA selected the RAND Corporation to conduct an independent evaluation of the PEI initiatives. This brief reviews RAND’s key evaluation findings. Overall, results show that many program components were successfully implemented and achieved their intended impacts in the short term. Continued dissemination and support of effective programs will be required to sustain short-term gains and to observe longer-term impacts on the mental health, quality of life, and productivity of Californians.

Social Marketing Campaigns Were Associated with Reduced Mental Illness Stigma and Increased Confidence to Intervene

CalMHSA implemented two campaigns: “Each Mind Matters” is a stigma-reduction social marketing campaign that includes branded promotional items (ribbons, bracelets, etc.) that aim to get Californians talking about mental illness; documentary screenings; the EachMindMatters.org website, which provides stigma-reduction resources; the ReachOut.com online forum, which provides support for teens and young adults; and theatrical productions for youth. “Know the Signs” is a mass media suicide-prevention effort

that uses billboards and advertisements to encourage people to visit the campaign website (www.suicideispreventable.org) to learn about suicide warning signs and resources.

Key findings:

- California has implemented an ambitious set of statewide prevention and early intervention initiatives focused on reducing mental illness stigma and discrimination, preventing suicide, and improving student mental health.
- Programs were successfully implemented and had positive short-term outcomes.
- Continued dissemination and support of programs will be required to sustain short-term gains and to observe longer-term impacts on Californians’ mental health and quality of life.

“Each Mind Matters” and other stigma-reduction campaign activities targeted at adults reached 45 percent of California adults in 2013 or 2014, and reach is growing. Over the two years evaluated, more Californians said that they were willing to socialize with, live next door to, or work closely with people experiencing mental illness, and those experiencing mental illness symptoms were more likely to receive treatment.

“Know the Signs” reached 56 percent of adults in California. Those who were exposed to the campaign reported being more confident in intervening with those at risk of suicide. An expert panel found that the campaign is aligned with best practices and holds it in high regard.

Trainings Increased Knowledge and Improved Attitudes Toward Mental Illness

Training efforts targeted many different kinds of audiences, such as community members; K–12 and higher-education students, parents, and educational staff; health care providers; and other “gatekeepers” who interact with those with mental illness. Goals included providing social contact with people with mental illness to reduce stigma and providing knowledge, such as skills needed to intervene with those with mental health needs. For instance, one program trained individuals to deliver Applied Suicide Intervention Skills Training (ASIST), who in turn trained gatekeepers—those whose jobs may put them in a position to interact with people at risk for suicide—in how to recognize and help those at risk. RAND observed some ASIST training sessions and found that new trainers demonstrated high fidelity to the prescribed training. Tens of thousands of trainings were conducted, with positive results, including the following:

- Participants in educational training programs conducted by the National Alliance on Mental Illness reported immediate improvements in knowledge about mental health and attitudes toward people with mental health challenges, including greater willingness to socialize with, live next door to, and work closely with individuals with mental illness.
- Other training programs aimed at reducing stigma and discrimination, such as those carried out by Mental Health America of California and Disability Rights California, similarly influenced a variety of stigma-related attitudes, beliefs, and intentions among attendees.
- Attendees at educational trainings for faculty, students, and staff at the K–12 and higher-education levels reported improvements in their confidence to refer and intervene with students who appeared to be emotionally distressed.

Hotlines Provided Support to Those at Risk for Suicide

CalMHSA invested in 12 suicide-prevention hotlines to support improvements in their reach and capacity. For example:

- One suicide-prevention hotline was created; one was rebranded to accept calls from a larger geographic region; three “warmlines” services for noncrisis calls were created or expanded; and chat or text crisis support was created or expanded by three crisis centers.
- Live monitoring of 241 calls made to ten suicide-prevention hotlines showed that those answering the calls exhibited predominantly positive behaviors with callers and that 43 percent of callers experienced reductions in distress, as measured by an objective rater, over the course of the calls (the remainder did not experience any

change or were not in distress at the beginning of the call).

PEI Programs Had a Positive Return on Investment The evidence suggests that some PEI programming not only pays for itself but also yields money back to the state, when future economic benefits are projected.

- The training of ASIST trainers was projected to prevent suicide attempts and deaths and return money to the state through averted Medi-Cal health care costs and increased state income tax revenue.
- Distressed individuals who were exposed to the “Each Mind Matters” campaign were more likely to seek treatment, which should produce a positive return on investment for the state in terms of higher productivity and employment.
- PEI programs in California’s public universities and colleges are projected to increase engagement in mental health treatment and thus increase graduation rates, in turn leading to higher lifetime earnings and a high return on investment to the state.

Evaluation Findings Enhanced Understanding of California’s Mental Health PEI Needs and Priorities for Ongoing Intervention Although CalMHSA’s programs have made a great deal of progress thus far, there is an ongoing need for mental health PEI efforts in California. RAND’s evaluation identified areas in which continued, targeted efforts are needed:

- Mental illness stigma and discrimination remain widespread. Among those who have recently experienced symptoms of mental illness, more than two-thirds would definitely or probably hide a mental health problem from coworkers or classmates, and more than one-third would hide it from family or friends. Nine out of ten of those who reported a mental health problem in the past year reported experiencing discrimination as a result.
- Asian American adults reported relatively high levels of stigmatizing attitudes toward individuals with mental illness and low rates of mental health treatment.
- Latinos were also in relatively high need of efforts to reduce mental illness stigma. In particular, Latinos with mental illness who primarily speak Spanish need encouragement to get into treatment.
- Young adults hold some of the least-stigmatizing attitudes toward mental illness and are more likely to know someone with mental illness, but they are less likely to feel that they know how to help, suggesting the importance of programming that educates this group about how to be supportive and how to connect people to the resources that they need.

- The highest suicide rates are in California’s rural counties in the northern region, but the burden, measured by the number of lives lost to suicide, is highest in the more populous southern counties, suggesting that suicide prevention approaches need to focus on the entire state.
- One out of five higher-education students reported probable serious psychological distress, and high numbers of students reported impairment in academic performance associated with anxiety or depression. However, four out of ten higher education faculty and staff did not know how to help connect distressed students to the services that they needed.
- On campuses that are perceived to be supportive of mental health issues, rather than stigmatizing, students were over 20 percent more likely to receive treatment.

Summary and Considerations for the Future

RAND’s evaluation of CalMHSA’s statewide PEI initiatives to date shows that extensive programmatic capacities and resources were successfully developed and rolled out. Implementation included dissemination of two major social marketing campaigns, numerous trainings throughout the state, distribution of extensive online and print materials, and regionally tailored improvements in hotline capacity.

The evaluation examined short-term impacts of key program activities and generally found that individuals reached by programs showed changes in attitudes, knowledge, or behavior consistent with the intent of the program. Furthermore, the reach to target audiences was impressive, given the relatively short period over which the programs were developed and implemented. For some program activities, RAND used evaluation findings and prior literature to project future societal benefits and costs; these simulations suggest a positive return on California’s

RAND Health

This research was conducted in RAND Health, a division of the RAND Corporation. A profile of RAND Health, abstracts of its publications, and ordering information can be found at www.rand.org/health.

CalMHSA

The California Mental Health Services Authority (CalMHSA) is an organization of county governments working to improve mental health outcomes for individuals, families, and communities. Prevention and early intervention programs implemented by CalMHSA are funded by counties through the voter-approved Mental Health Services Act (Prop. 63). Prop. 63 provides the funding and framework needed to expand mental health services to previously underserved populations and all of California’s diverse communities.

About RAND

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investment in the PEI programs, even under conservative assumptions.

Statewide PEI programs provide an important opportunity for California to move toward a comprehensive population-based public health approach to mental health, as recommended by the Centers for Disease Control and Prevention and the President’s New Freedom Commission on Mental Health. To inform planning and improve PEI programs over time, ongoing population surveillance and performance monitoring are essential. Public health literature and experience suggest that coordinated and sustained PEI efforts over several decades are often required to substantially effect changes in public knowledge, attitudes, and behavior and create shifts in social norms and institutions that improve health (e.g., regarding HIV/AIDS, cigarette smoking, and mental illness stigma).

The CalMHSA statewide PEI initiatives represent a first step toward a strategic and effective public health approach to mental health in California. RAND’s evaluations of these initiatives so far has found that many programs show promise toward achieving the initiatives’ broader goals, and the evaluations have highlighted several important targets for outreach and education in California’s diverse communities. However, RAND evaluators suggest that California’s progress toward broader goals—including reducing suicide, improving early receipt of needed services, reducing discrimination, and avoiding some of the negative social and economic consequences associated with mental illness— will require a long-term commitment to a coordinated PEI strategy that is continuously informed by population needs, evidence regarding promising and best practices, and indicators of program performance and quality.

This brief describes work done in RAND Health. To view this brief online, visit www.rand.org/t/RB9917. This research brief highlights findings from a number of previously published RAND reports. We list here the documents' publication numbers and years of publication: RB-9737-CMHSA (2014), RB-9904-CMHSA (2016), RR-438/1-CMHSA (2014), RR-438/4-CMHSA (2014), RR-684-CMHSA (2014), RR-685-CMHSA (2014), RR-686-CMHSA (2014), RR-755-CMHSA (2014), RR-818-CMHSA (2014), RR-819-CMHSA (2014), RR-953-CMHSA (2015), RR-954-CMHSA (2015), RR-1073-CMHSA (2015), RR-1074-CMHSA (2015), RR-1115-CMHSA (2015), RR-1134-CMHSA (2015), RR-1139-CMHSA (2015), RR-1240-CMHSA (2015), RR-1247/1-CMHSA (2015), RR-1370-CMHSA (2015), RR-1441-CMHSA (2016), and RR-1491-CMHSA (2016). Complete citation information is available at <http://www.rand.org/health/projects/calmhsa/publications.html>. In addition, this brief references a forthcoming publication: Rajeev Ramchand, Lisa H. Jaycox, Patricia Ebener, Mary Lou Gilbert, Dionne Barnes-Proby, and Prodyumna Goutam, "Characteristics and Proximal Outcomes of Calls Made to Suicide Crisis Hotlines in California: Variability Across Centers," *Crisis: The Journal of Crisis Intervention and Suicide Prevention* (in press).

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RB-9917-CMHSA (2016)

PROGRAM MATTERS
Agenda Item 5.B.

SUBJECT: State Hospital Bed Program Update and Approval of MOU with Correct Care

ACTION FOR CONSIDERATION:

Approve to proceed with Correct Care Services (CCS) via an Amended MOU, that includes an approved reimbursement travel per diem of \$500.00 for each CCS representative that travels for purposes covered under the Agreement.

BACKGROUND AND STATUS:

June 14, 2012 – Staff proceeded with direction provided at the April 23, 2012 Strategic Planning Session, where staff was to work with CMHDA in exploring the JPA acting on behalf of member counties in the negotiations of the annual procurement contract with the Department of State Hospitals (DSH), for state hospital beds.

Memorandum of Understanding (MOU) Amendment:

For the past three fiscal years CalMHSA, in collaboration with counties, has negotiated the terms of the MOU for procurement of state hospital beds, which has resulted in significant benefits to all counties procuring beds. The CalMHSA State Hospital Bed Workgroup was formed to direct and advise CalMHSA staff on this project. *(See workgroup roster)*

Due to the FY 14/15 & FY 15/16 MOU being finalized late in this multi-year term, DSH has recommended an Amendment to the MOU be issued that extends the term for an additional two (2) years through June 30, 2018. This extension will only affect the term of the contract as all other terms remain in effect. This extension would allow all parties a reasonable amount of time to review and modify the MOU, as deemed appropriate, for the upcoming year(s). The Committee has reviewed the draft MOU Amendment and supports.

Alternative to State Hospital Beds:

On August 13, 2015 CalMHSA and the CalMHSA State Hospital Bed Workgroup received approval from this board to proceed in working with **Correct Care Solutions (CCS)** on alternatives to State Hospitals.

Southern California Efforts – Since then, CalMHSA staff and CCS have had the opportunity to meet with Los Angeles County and are currently working with Southern Counties to assess potential sites. In addition, staff is working with Los Angeles County and CDCR to schedule a site visit of a potential site in Southern California.

Northern California Efforts – CalMHSA and CCS performed a site visit in Fresno County and are working to schedule a second visit in January, with continued efforts to assess other potential sites.

DSH Collaboration Efforts:

Staff has been in regular communication with DSH, primarily to discuss how to best proceed with addressing the standing issues (MOU Amendment, Capacity and Third Party Pay) and coming up with solutions. We agreed in the formation of an ad hoc state hospitals committee consisting of counties, DSH and CalMHSA staff, which would meet on a scheduled basis. At the first committee meeting of June 30, 2016, it was evident that in order to move swifter and be effective, it would be best to form workgroups that would focus on specific issues, and then report back to the committee for updates, guidance, etc. As such, the following workgroups were formed:

1. Data Workgroup – Focus on working on reconciling patient wait times and placements by developing a gap analysis of current issues.
2. Standardization of Admissions & Discharge – Focus on assessment and development of standardization of admissions criteria and access to treatment, along with standardization of discharge and transfer processes.
3. Capacity Workgroup – Focus on brainstorming alternatives for capacity (e.g. Procurement of land, buildings, etc.)
4. Third Party Pay Workgroup – Focus on assessment of issues and development of a simplistic and logical solution to third party payments.

The Workgroups met on August 10, 2016 and each have scheduled standard meetings/conference calls in an effort to commence addressing issues.

Program Cost Benefit(s):

Given the work that has been done by the workgroup and staff, at the direction of the CalMHSA Board of Directors in 2012, it has been projected a \$20 million cost savings to counties between FY 13/14 to date.

The projected cost savings are estimated as follows:

- Freezing of Rates (*approx. \$6 million cost savings*) – Acknowledging the DSH was unable to provide counties with “actual cost accounting” for each hospital, as required by statute, it was agreed the DSH would freeze the rates until such time they are able to comply with the statute. It was estimated that every year DSH would impose a 3% rate increase.
- Blended Rate (*approx. \$2 million cost savings*) - Moved from a three rate structure (Acute \$646, ICF \$617, SNF \$775), to a two rate (Acute/ICF \$626, SNF \$775 (blended rate)).
- Billing Based on Actual Usage (*approx. \$12 million cost savings*) - Moved from a commitment based billing to actual use; therefore, counties are no longer paying for beds not used.

CORRECT CARE SERVICES (CCS) – MOU

At the August 13, 2015 Board meeting, the CalMHSA State Bed Hospital Workgroup presented CCS as the most qualified entity to perform the same types of services as current California state hospitals and made a recommendation, which the board approved, to enter into a no cost MOU with CCS as they invest their time and resources into research and development.

Since this time, CCS has traveled to California numerous times for the purpose of providing expertise during site visits, attending meetings with counties in an effort to explain our efforts and address questions, attended CalMHSA Board meeting, etc., with no cost to CalMHSA. Currently that MOU has termed out and given the workgroup continues efforts in this research and development phase, the workgroup desires to continue working with CCS under an Amendment to the MOU. The proposed Amendment, amends Section E – Compensation to reimburse CCS a per diem amount of \$500.00 for each representative of CCS that travels to California for the purposes covered under the Agreement.

The State Hospital Bed Program is currently in the position to support the proposed cost, as it was developed with the intent of maintaining a fund balance to allow the workgroup to accomplish its established goals.

This Amendment also requires the CCS collaborate with CalMHSA in addressing any and all media and public inquiries.

Staff and Workgroup seeks the approval of the CalMSHA Board to proceed with Correct Care Services via an Amended MOU, that includes an approved reimbursement travel per diem of \$500.00 for each CCS representative that travels for purposes covered under the Agreement, for a 24 month term, unless terminated earlier by either party as defined in the Amendment. (*See attached*)

FISCAL IMPACT:

\$500.00 for each CCS presentative traveling to California as requested by CalMHSA.

RECOMMENDATION:

Approve to proceed with Correct Care Services (CCS) via an Amended MOU, that includes an approved reimbursement travel per diem of \$500.00 for each CCS representative that travels for purposes covered under the Agreement.

TYPE OF VOTE REQUIRED:

Majority vote.

REFERENCE MATERIAL(S) ATTACHED:

- State Hospitals Program Overview
- State Hospitals Work Group Roster
- State Hospitals Committee Roster
- Correct Care Services MOU



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CALMHSА STATE HOSPITAL PROGRAM OVERVIEW

BACKGROUND

On April 13, 2012 at the CalMHSА All Member Strategic Planning Session, staff was given direction as one of the priority items, to work with CBHDA and exploring the JPA acting on behalf member counties (and possibly non-member counties via a contract) in the annual purchase contract for State Hospital Beds (as provided under sections 4330 et seq. of WIC).

Following that initial meeting, CalMHSА had been working collaboratively with counties to move this forward by acting on behalf of participating counties in the negotiations of the State Hospital Bed Contract/Memorandum of Understanding (MOU).

Since then, CalMHSА – in collaboration with Counties – has successfully negotiated a FY 2013- 14 MOU, which included the transition from three rates to two, frozen rates, and billing on a usage basis, amongst other things. The multi-year MOU (FY 14-15 & 15-16) is currently being finalized for execution.

REQUEST FOR INFORMATION (RFI)

Given the state hospitals' lack of capacity and diminished quality of care, in February 2014, CalMHSА and Counties determined a need to seek alternatives to state hospitals, at the national level.

As such, CalMHSА developed and release a Request for Information (RFI) to elicit responses from interested entities who have the experience and capability to provide inpatient services at the same levels of care as existing State Hospitals to persons with mental disorders, in accordance with Welfare & Institutions Code (WIC) Section 4100 et. eq.

All such entities must be compliant with all applicable federal and state laws and licensing regulations, and must provide acute/long term inpatient and skilled nursing services in accordance with generally accepted practices and standards prevailing in the professional community at the time of the treatment.

Services are to be provided statewide, in an effort to support the needs of California's diverse geographical regions.

Upon releasing the RFI, three responses – (2) proposals and one (1) letter of interest – were

received. On March 24, 2015, the SHB Committee held interviews with all three interested.

The following committee members/staff formed part of the interview panel:

Mary Marx – Los Angeles County, Deborah Lent – Orange County, Maria Coronado – San Bernardino County, Doug Hawker – Napa County, Roderick Verbeck – Riverside County, Maureen Bauman – Placer County, John Chaquica – CalMHSA, Laura Li – CalMHSA, and Tami Cowgill - CalMHSA.

Entities Interviewed:

Crestwood

Present: Maria Stefanou – CFO, Patty Blum -VP, Bob Macaluso – Dir. Of Gov. Affairs

Correct Care (Based Out of Florida)

Present: Dr. Karen Galin –VP of Clinical Programs, Craig Jenkins – Chief Financial Officer, Jeremy Barr - Director of Business Development

Telecare

Present: Faith Richie -Senior VP, Development, Cameron Coltharp - Director of Real Estate and Facilities, David Damschen –Regional Administrator, Dwain Connolly –Director of Financial Planning and Analysis, Shelagh Little -Director Business Development

Summary of Interviews: The committee was in full agreement that Correct Care was most qualified, possessing the experience and expertise required to meet the needs of California counties. Prior to the interviews, Correct Care had already visited California several times to research political challenges, do a needs assessment, and develop options for funding. They fully understand they would need to purchase the intelligence needed to be successful in this highly regulated state.

Although Correct Care has been identified as the lead entity, there is still a strong desire for collaborative efforts between all three entities in order to be effective throughout the state.

CORRECT CARE SOLUTIONS (CCS) SITE VISIT

Site Visit

CalMHSA and both the Chair and Vice Chair of the Committee (Los Angeles and Orange Counties) completed site visits to various Correct Care facilities as part of the due diligence plan. A project report and supplemental documents related to the site visits and Correct Care Services as a whole are attached for your review. Mary Marx, Committee Chair, will be reporting on outcomes of these visits.

Commitment

Given there is a demand for the types of services currently provided by the state hospitals, it will be necessary to have critical conversations with counties as to the level of financial commitment required in order to secure alternatives to state hospital beds. This is necessary to clarify the commitment required to be successful; the process will require a long term commitment.

CSS Value-Added Benefits:

- Pure bed rate reduction
- Full control of the management of hospital operations
- Improved patient care
- Reduced length of stay – resulting in potential savings
- Create an alternative to DSH and competitive environment
- Ability to manage third party pay billing and collections
- Increase bed availability
- Enhancements of Accountability
 - Face Check
 - Performance Dashboards
 - Video Monitoring
 - Key Control System
 - Fleet Tracking Management System
 - Management by Walking Around
- Increased Efficiencies
 - Krons®
 - Remote Physician Assessments
 - Automated Policy Management
 - Learning Management System (LMS)
 - Online Credentialing Software
 - Electronic Medical Records
 - Electronic Applicant Tracking
 - eCommerce Foodservice Procurement
- Improvements in Quality of Care
 - Aftercare Team
 - Recovery Plan Coordinator
 - Employee Assistance Program

CALMHSa STATE HOSPITAL BED WORKGROUP ROSTER

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DSH-CaIMHSA STATE HOSPITALS WORKGROUP(S) ROSTER

WORK GROUP	OTHER WORKGROUP MEMBERS	LEAD(S)	TITLE	DEPARTMENT/UNIT	EMAIL
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DSH-CalMHSA STATE HOSPITALS WORKGROUP(S) ROSTER

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	Janna Lowder		Chief	Fiscal and Program Research	Janna.Lowder@dsh.ca.gov
	2 Clinical Administrator Reps (TBD)				
	Deborah Lent		Program Manager II	Orange Co Adult and Older Adult Behavioral Health	dlent@ochca.com
	Roderick Verbeck		Mental Health Services Administrator	Riverside Co - Riverside University Health System Behavioral Health	rwverbeck@rcmhd.org
	Mary Marx		Clinical District Chief	Los Angeles Co Dept. of Mental Health	mmarx@dmh.lacounty.gov
	Kelli Weaver		Division Manager, Behavioral Health	Sacramento County	weaverk@saccounty.net
	Stephanie Kelly		Health Program Manager	Sacramento County	kellyst@saccounty.net
#3 Capacity	Chris Edens	DSH LEAD	Assistant Deputy Director	Forensics Services Division	Christina.Edens@dsh.ca.gov
	Mary Marx	CalMHSA LEAD	Clinical District Chief	Los Angeles Co Dept. of Mental Health	Mmarx@dmh.lacounty.gov
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	Lydia Smith		Research Manager	Fiscal and Program Research	Lydia.Smith@dsh.ca.gov
	Dennalee Folks		Assistant Deputy Director	Hospital Strategic Planning & Implementation	Dennalee.Folks@dsh.ca.gov
	Candius Burgess		Chief	Patient Management Unit	Candius.Burgess@dsh.ca.gov
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	Robert De Ruyter		Attorney	Legal Services Division	Robert.Deruyter@dsh.ca.gov
	John Chaquica		Chief Operating Officer	CalMHSA	John.Chaquica@calmhsa.org
	Debbie Lent		Program Manager II	Orange Co Adult and Older Adult Behavioral Health	dlent@ochca.com
	Laura Li		JPA/Administrative Manager	CalMHSA	Laura.Li@calmhsa.org
#4 Third Party Billing	Angela Griffith	LEAD	Chief (A)	Patient Cost Recovery Section	Angela.Griffith@dsh.ca.gov

DSH-CalMHSA STATE HOSPITALS WORKGROUP(S) ROSTER

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Doug Hawker		Mental Health Manager	Napa County Health and Human Services	doug.hawker@countyofnapa.org
Laura Li		JPA Administrative Manager	CalMHSA	laura.li@calmhsa.org

**FIRST AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING
(Effective June 23, 2016)**

This First Amendment, effective June 23, 2016 (this “Amendment”), to the Memorandum of Understanding, dated June 22, 2015 (the “Agreement”), is by and between Correct Care, LLC, (“Correct Care”) and the California Mental Health Services Authority (“CalMHSA”).

WHEREAS, the Parties agree to extend the Agreement for an additional 12 month period;
and

WHEREAS, the Parties agree to add compensation for pre-approved travel; and

WHEREAS, in accordance with Section G, the Parties desire to amend the Agreement to memorialize such changes.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **RECITALS.** The Parties hereto incorporate the foregoing recitals as a material portion of this Amendment.
2. **AMENDMENT TO SECTION E OF AGREEMENT.** The Agreement shall be amended by inserting the following language as a new Section E and re-lettering the Sections that follow accordingly:

E. Compensation

CalMHSA shall reimburse Correct Care a per diem amount of \$500.00 for each representative of Correct Care that travels to California for purposes covered under this Agreement, provided said travel has been pre-approved by CalMHSA.

3. **AMENDMENT TO SECTION F OF AGREEMENT.** The Agreement shall be amended by deleting Section F (previously Section E) and inserting the following language in lieu thereof:

F. 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 24 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; or
2. The Parties terminate this Agreement by mutual written consent; or

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 purchased by another company or is dissolved.
4. **PUBLICITY.** Correct Care shall collaborate with CalMHSA in responding to any media or public interest related inquiries.
 5. **SEVERABILITY.** If any terms or provisions of this Amendment or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Amendment or the application of such term or provision to person or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each term and provision of this Amendment shall be valid and enforceable to the fullest extent permitted by law.
 6. **DEFINITIONS.** Capitalized terms used but not defined herein shall have the meaning ascribed to them under the Agreement.
 7. **REMAINING PROVISIONS.** The remaining provisions of the Agreement not amended by this Amendment shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed in their names or their official acts by their respective representatives, each of whom is duly authorized to execute the same.

AGREED TO AND ACCEPTED AS STATED ABOVE:

California Mental Health Services Authority

By: _____
Wayne Clark, PhD
Title: Executive Director

Correct Care, LLC

By: _____
Marta Prado
Title: President

FINANCIAL MATTERS
Agenda Item 6.A.

SUBJECT: New Three Year Financial Sustainability Plan for the Statewide PEI Project

ACTION FOR CONSIDERATION:

Approve the three year financial sustainability plan, which sets a goal of each county contributing 4% of their annual PEI local funds to CalMHSA on an annual basis for three (3) years, or the equivalent amount through another local funding source that can be non-PEI or non-MHSA related and direct staff to explore funding Statewide PEI Projects from the 1% distribution formula off the top of MHSA funds.

BACKGROUND AND STATUS:

In 2013 CalMHSA members developed a three year plan for sustaining the \$147 million County investment in Statewide PEI Project to reduce stigma, prevent suicides and improve student mental health. The plan called for direct County contributions with a range between four and seven percent of a County's annual PEI funds. This funding would generate approximately \$15-20 million annually to sustain the projects. Many members participated at the 4-7% range; however, some contributed less, and others did not contribute at all. The current funding dilemma that CalMHSA is experiencing is in large part due to the wide discrepancy in County financial participation. CalMHSA staff were directed to develop a new three year plan to attempt to resolve this problem and stabilize the CalMHSA funding. As a result, CalMHSA staff is proposing for counties to contribute a minimum of an equivalent of 4% of their annual MHSA PEI funds for the next three years beginning in FY 2017/2018. Counties can use non MHSA funds for this contribution if other funding is available and is better suited for the counties fiscal needs.

The attached excel workbook presents a three year history of the amount each county has been contributing, an average amount of the dollars contributed, an estimate of the contribution if it were to be at 4% or 7%, a target set at the 4% range, and a total contributed over three years. If the proposed three year 4% target is adopted by all counties, then CalMHSA would have approximately \$13 million dollars to continue the implementation of the Statewide PEI Project. Activities implemented under the Statewide PEI Project beginning in FY 2017/2018 was discussed at the Sustainability Task Force Meeting in December 2016, and now presented to the Board for discussion. CalMHSA staff expects the implementation of the statewide social marketing campaigns as well as statewide evaluation to be top priorities. This funding plan establishes foundational county contributions to the Statewide PEI Project that will later be leveraged to encourage private sector contributions.

FISCAL IMPACT:

Annual contribution by each County.

RECOMMENDATION:

Approve the three year financial sustainability plan, which sets a goal of each county contributing 4% of their annual PEI local funds to CalMHSA on an annual basis for three (3) years, or the equivalent amount through another local funding source that can be non-PEI or non-MHSA related and direct staff to explore funding Statewide PEI Projects from the 1% distribution formula off the top of MHSA funds.

TYPE OF VOTE REQUIRED:

Majority of Board of Directors.

REFERENCE MATERIAL(S) ATTACHED:

- Three year financial plan for Statewide Prevention (SWP)
- Funding Task Force Meeting January 9, 2014 Staff Report
- CalMHSA Executive Committee January 30, 2014 Minutes

Three Year Plan for Sustaining CalMHSAs Statewide PEI programs

County	Average LOA 3 yrs (a)	Average % (b)	4% of 307M (County Contribution) (c)	7% of 307M (County Contribution) (c)	Target Funding Level (1 Year) (d)	Target Funding Level for 3 Years (e)
Alameda County	\$ 337,779.33	3%	\$ 439,935.36	\$ 769,886.88	\$ 439,935.36	\$ 1,319,806.09
Alpine County	\$ 15,000.00	7%	\$ 12,672.26	\$ 22,176.45	\$ 15,000.00	\$ 45,000.00
*Amador County	\$ 8,000.00	4%	\$ 21,818.10	\$ 38,181.68	\$ 21,818.10	\$ 65,454.31
Butte County	\$ 21,666.67	4%	\$ 37,262.85	\$ 65,209.98	\$ 37,262.85	\$ 111,788.54
*Calaveras County	\$ 2,694.00	1%	\$ 72,066.15	\$ 126,115.77	\$ 72,066.15	\$ 216,198.46
City of Berkeley	\$ -	0%	\$ 23,272.23	\$ 40,726.40	\$ 23,272.23	\$ 69,816.69
Colusa County	\$ 11,413.86	7%	\$ 19,912.82	\$ 34,847.44	\$ 19,912.82	\$ 59,738.46
Contra Costa County	\$ -	0%	\$ 278,079.34	\$ 486,638.84	\$ 278,079.34	\$ 834,238.02
Del Norte County	\$ -	0%	\$ 20,688.17	\$ 36,204.30	\$ 20,688.17	\$ 62,064.51
El Dorado County	\$ 9,471.00	1%	\$ 50,839.08	\$ 88,968.39	\$ 50,839.08	\$ 152,517.24
Fresno County	\$ 455,864.01	7%	\$ 296,412.45	\$ 518,721.79	\$ 455,864.01	\$ 1,367,592.03
Glenn County	\$ 13,112.00	4%	\$ 20,712.98	\$ 36,247.71	\$ 20,712.98	\$ 62,138.93
Humboldt County	\$ 8,198.00	1%	\$ 44,514.50	\$ 77,900.38	\$ 44,514.50	\$ 133,543.51
Imperial County	\$ 48,915.00	4%	\$ 61,543.83	\$ 107,701.71	\$ 61,543.83	\$ 184,631.50
Inyo County	\$ -	0%	\$ 14,153.76	\$ 24,769.08	\$ 14,153.76	\$ 42,461.28
Kern County	\$ 120,019.19	2%	\$ 257,369.21	\$ 450,396.12	\$ 257,369.21	\$ 772,107.64
Kings County	\$ 48,553.87	5%	\$ 52,057.83	\$ 91,101.20	\$ 52,057.83	\$ 156,173.49
Lake County	\$ 27,028.00	7%	\$ 25,927.60	\$ 45,373.30	\$ 27,028.00	\$ 81,084.00
Lassen County	\$ 11,000.00	4%	\$ 20,839.16	\$ 36,468.53	\$ 20,839.16	\$ 62,517.49
Los Angeles County	\$ -	0%	\$ 3,508,409.71	\$ 6,139,717.00	\$ 3,508,409.71	\$ 10,525,229.14
Madera County	\$ 15,200.00	2%	\$ 54,205.25	\$ 94,859.18	\$ 54,205.25	\$ 162,615.74
Marin County	\$ 83,845.33	6%	\$ 69,799.43	\$ 122,149.00	\$ 83,845.33	\$ 251,535.99
Mariposa County	\$ 11,414.00	7%	\$ 14,297.45	\$ 25,020.55	\$ 14,297.45	\$ 42,892.36
Mendocino County	\$ 7,051.00	1%	\$ 31,517.98	\$ 55,156.46	\$ 31,517.98	\$ 94,553.93
Merced County	\$ 40,000.00	4%	\$ 90,137.91	\$ 157,741.35	\$ 90,137.91	\$ 270,413.74
Modoc County	\$ 6,522.00	4%	\$ 13,502.70	\$ 23,629.72	\$ 13,502.70	\$ 40,508.09
Mono County	\$ -	0%	\$ 13,966.13	\$ 24,440.73	\$ 13,966.13	\$ 41,898.40
Monterey County	\$ 237,486.73	7%	\$ 144,808.70	\$ 253,415.22	\$ 237,486.00	\$ 712,458.00
Napa County	\$ 10,137.67	1%	\$ 42,225.41	\$ 73,894.46	\$ 42,225.41	\$ 126,676.23
Nevada County	\$ 5,000.00	1%	\$ 35,097.08	\$ 61,419.89	\$ 35,097.08	\$ 105,291.24
Orange County	\$ 900,000.00	4%	\$ 996,850.95	\$ 1,744,489.16	\$ 996,850.95	\$ 2,990,552.85
Placer County	\$ 162,000.00	6%	\$ 82,780.38	\$ 144,865.66	\$ 162,000.00	\$ 486,000.00
Plumas County	\$ 23,333.33	6%	\$ 19,374.48	\$ 33,905.34	\$ 25,000.00	\$ 75,000.00
Riverside County	\$ 512,377.33	4%	\$ 629,263.41	\$ 1,101,210.97	\$ 629,263.41	\$ 1,887,790.24
Sacramento County	\$ 374,371.00	4%	\$ 389,308.88	\$ 681,290.55	\$ 389,308.88	\$ 1,167,926.65
San Benito County	\$ 25,000.00	5%	\$ 25,573.77	\$ 44,754.09	\$ 25,573.77	\$ 76,721.30
San Bernardino County	\$ 561,894.00	4%	\$ 644,175.81	\$ 1,127,307.67	\$ 644,175.81	\$ 1,932,527.43
San Diego County	\$ 566,666.67	2%	\$ 1,008,224.62	\$ 1,764,393.08	\$ 1,008,224.62	\$ 3,024,673.86
San Francisco City And County	\$ 100,000.00	2%	\$ 226,444.26	\$ 396,277.46	\$ 226,444.26	\$ 679,332.78
San Joaquin County	\$ 174,662.69	4%	\$ 205,691.36	\$ 359,959.88	\$ 205,691.36	\$ 617,074.08

Three Year Plan for Sustaining CalMHSAs Statewide PEI programs

San Luis Obispo County	\$ 67,308.00	4%	\$ 84,419.44	\$ 147,734.02	\$ 84,419.44	\$ 253,258.33
San Mateo County	\$ 97,112.00	2%	\$ 200,422.83	\$ 350,739.96	\$ 200,422.83	\$ 601,268.49
Santa Barbara County	\$ 5,000.00	0%	\$ 143,036.53	\$ 250,313.92	\$ 143,036.53	\$ 429,109.58
Santa Clara County	\$ 451,299.50	4%	\$ 570,774.32	\$ 998,855.06	\$ 570,774.32	\$ 1,712,322.95
Santa Cruz County	\$ -	0%	\$ 91,537.20	\$ 160,190.09	\$ 91,537.20	\$ 274,611.59
Shasta County	\$ 11,990.00	1%	\$ 60,215.41	\$ 105,376.96	\$ 60,215.41	\$ 180,646.22
*Sierra County	\$ -	0%	\$ 12,885.07	\$ 22,548.86	\$ 12,885.07	\$ 38,655.20
Siskiyou County	\$ 11,674.00	5%	\$ 22,357.95	\$ 39,126.42	\$ 22,357.95	\$ 67,073.86
Solano County	\$ 56,487.67	2%	\$ 125,748.94	\$ 220,060.65	\$ 125,748.94	\$ 377,246.82
Sonoma County	\$ 91,852.00	3%	\$ 140,436.27	\$ 245,763.47	\$ 140,436.27	\$ 421,308.81
Stanislaus County	\$ 161,465.50	4%	\$ 156,982.39	\$ 274,719.18	\$ 156,982.39	\$ 470,947.17
Sutter/Yuba County	\$ 39,185.00	4%	\$ 60,003.66	\$ 105,006.40	\$ 60,003.66	\$ 180,010.97
*Tehama County	\$ -	0%	\$ 25,297.42	\$ 44,270.48	\$ 25,297.42	\$ 75,892.25
Tri-City Mental Health Center	\$ 11,922.50	1%	\$ 68,269.17	\$ 119,471.04	\$ 68,269.17	\$ 204,807.50
Trinity County	\$ 8,840.71	5%	\$ 13,897.24	\$ 24,320.17	\$ 13,897.24	\$ 41,691.71
Tulare County	\$ 31,439.78	1%	\$ 148,893.34	\$ 260,563.35	\$ 148,893.34	\$ 446,680.03
Tuolumne County	\$ 16,393.65	5%	\$ 24,844.60	\$ 43,478.04	\$ 24,844.60	\$ 74,533.79
Ventura County	\$ 53,666.67	1%	\$ 258,477.03	\$ 452,334.80	\$ 258,477.03	\$ 775,431.09
Yolo County	\$ 70,000.00	3%	\$ 66,167.85	\$ 115,793.74	\$ 66,167.85	\$ 198,503.56
TOTAL	\$ 6,141,313.65	3%	\$ 12,290,400.00	\$ 21,508,200.00	\$ 12,644,848.05	\$ 37,934,544.15
Counties have not contributed 1 or more years						
Counties have not contributed.						
County is missing payments.						
* Non Member Counties						
If all 58 counties and 2 cities participate, target amount will remain, if not, target amount will increase for those participating.						

A The average **funding amount** identified by county via Letter of Acknowledgment for FY 14/15, 15/16, 16/17--please see tab with detail for each year

B The average **percent** a county has identified via Letter of Acknowledgment for FY 14/15, 15/16, 16/17 --please note that the average is calculated by the number of years an LOA was provided, as several counties did not participate all three years

C The average DHCS Allocation of total MHSA Funds for FY 14/15, 15/16, 16/17 equals \$1.53B, 20% PEI is \$307M of total MHSA (\$1.53B) funds. County Contribution columns demonstrates an option of 4% or 7% of local MHSA PEI funds. The 4-7% was derived through from CalMHSA Executive Committee action in 2014.

D The target funding level for 1 year is an average of 4% (MHSA PEI funds) or sustaining previous commitment which ever is greater for a total of \$12.6M for CalMHSA Statewide PEI programs.

E The target funding level for 3 years is approx. \$37.9M for CalMHSA Statewide PEI programs

County	PHASE I FUNDING FY 14-15 Funding		PHASE II FUNDING FY 15-16 LOA Rcvd		PHASE II FUNDING FY 16-17 LOA Rcvd	
	\$	%	\$	%	\$	%
Alameda County	\$ 380,240.00	4%	\$ 342,215.00	3%	\$ 290,883.00	3%
Alpine County					\$ 15,000.00	7%
*Amador County	\$ 8,000.00	4%				
Butte County	\$ 15,000.00	2%	\$ 25,000.00	6%	\$ 25,000.00	6%
*Calaveras County	\$ 2,694.00	1%				
City of Berkeley						
Colusa County	\$ 11,414.00	7%	\$ 11,414.00		\$ 11,414.00	7%
Contra Costa County						
Del Norte County						
El Dorado County			\$ 9,471.00	1%	\$ 9,471.00	1%
Fresno County	\$ 455,864.00	7%	\$ 455,864.00	7%	\$ 455,864.02	7%
Glenn County	\$ 8,800.00	5%	\$ 12,536.00	3%	\$ 18,000.00	3%
Humboldt County	\$8,198.31	1%	\$ 8,198.31		\$ 8,198.31	
Imperial County	\$ 48,915.00	4%	\$ 48,915.00	4%	\$ 48,915.00	4%
Inyo County						
Kern County	\$ 120,019.19	2%	\$ 120,019.19	2%	\$ 120,019.19	2%
Kings County	\$ 48,916.00	5%	\$ 48,373.00	5%	\$ 48,373.00	5%
Lake County	\$ 27,028.00	7%	\$ 27,028.00	7%		
Lassen County					\$ 11,000.00	4%
Los Angeles County						
Madera County			\$15,200	2%	\$ 15,200.00	2%
Marin County	\$ 101,536.00	7%	\$ 75,000.00	5%	\$ 75,000.00	5%
Mariposa County	\$ 11,414.00	7%				
Mendocino County	\$ 5,348.00	1%	\$ 7,180.00	1%	\$ 8,625.00	1%
Merced County	\$ 40,000.00	4%				
Modoc County	\$ 6,522.00	4%	\$ 6,522.00	4%	\$ 6,522.00	4%
Mono County						
Monterey County	\$ 208,460.00	7%	\$ 252,000.00	7%	\$ 252,000.00	7%
Napa County	\$ 10,551.00	1%	\$ 9,391.00	1%	\$ 10,471.00	1%
Nevada County	\$ 5,000.00	1%	\$ 5,000.00	1%	\$ 5,000.00	1%
Orange County	\$ 900,000.00	4%	\$ 900,000.00	4%	\$ 900,000.00	4%
Placer County	\$ 162,000.00	6%	\$ 162,000.00	6%	\$ 162,000.00	6%
Plumas County	\$ 20,000.00	5%	\$ 25,000.00	6%	\$ 25,000.00	6%
Riverside County	\$ 494,695.00	4%	\$ 516,058.00	4%	\$ 526,379.00	4%
Sacramento County	\$ 460,302.00	5%	\$ 342,486.00	3%	\$ 320,325.00	3%
San Benito County			\$ 25,000.00	5%		
San Bernardino County	\$ 561,894.00	4%	\$ 561,894.00	4%	\$ 561,894.00	4%
San Diego County	\$ 650,000.00	3%	\$ 650,000.00	3%	\$ 400,000.00	1%
San Francisco City And County	\$ 100,000.00	2%	\$ 100,000.00	2%	\$100,000.00	2%
San Joaquin County	\$ 174,663.00	4%	\$ 174,662.54	4%		4%
San Luis Obispo County	\$ 67,308.00	4%	\$ 67,308.00	4%	\$ 67,308.00	4%
San Mateo County	\$ 104,863.00	2%	\$ 90,508.00	2%	\$ 95,965.00	2%
Santa Barbara County					\$ 5,000.00	0.10%
Santa Clara County	\$ 502,699.00	4%	\$ 400,000.00	4%		
Santa Cruz County						
Shasta County	\$ 11,485.00	1%	\$ 11,485.00	1%	\$ 13,000.00	1%
*Sierra County						
Siskiyou County	\$ 11,674.00	5%				
Solano County	\$ 54,922.00	2%	\$ 53,930.00	2%	\$ 60,611.00	2%
Sonoma County	\$ 57,356.00	2%	\$ 109,000.00	4%	\$ 109,200.00	2.78%
Stanislaus County	\$ 232,931.00	7%	\$ 90,000.00	1%		
Sutter/Yuba County	\$ 39,185.00	4%	\$ 39,185.00	4%	\$ 39,185.00	4%
*Tehama County						
Tri-City Mental Health Center	\$ 13,325.00	1%	\$ 14,852.00	1%	\$ 7,590.50	1%
Trinity County	\$ 6,522.13	6%	\$ 10,000.00	4%	\$ 10,000.00	4%
Tulare County	\$ 31,443.00	1%	\$ 31,443.17	1%	\$ 31,443.17	1%
Tuolumne County	\$ 15,751.00	5%	\$ 16,715.00	5%	\$ 16,715.00	5%
Ventura County	\$ 55,000.00	1%	\$ 52,500.00	1%	\$ 53,500.00	1%
Yolo County	\$ 70,000.00	5%	\$ 35,000.00	2.2%	\$ 35,000.00	2.2%
TOTAL	\$ 6,321,937.63	4%	\$ 5,958,353.21	3%	\$ 4,975,071.19	3%

PROGRAM MATTERS
Agenda Item 5.A

SUBJECT: Funding Task Force Meeting January 9, 2014

ACTION FOR CONSIDERATION:

The CalMHSA Sustainability Funding Task Force seeks endorsement by the Executive Committee of the funding recommendation from the Funding Task Force and approval to seek further action on the recommendation for Board action at the February 13, 2014 Board Meeting. The Funding Task

Force recommendation is:

- The local (county) annual funding will have a flat rate range of 4-7% of annual local PEI MHSA funding for each county from FY 2014-2015 through FY 2016-2017, with exceptions for both lower than 4% and higher than 7%. All exception requests shall be submitted by May 1st, to the Finance Committee for approval.

BACKGROUND AND STATUS:

The recommendation of the Funding Task Force is the most recent step in the effort to continue PEI Statewide Projects. Since the adoption and implementation of the existing CalMHSA PEI Statewide Implementation Plan in 2011, the investment by counties and the impact of the projects resulted in Board actions to continue to find a funding solution for continuing PEI Statewide Projects.

Summary of CalMHSA Board Actions:

April 2013 – Board validates the continuation of Statewide PEI Projects past June 2014, at its Strategic Planning meeting.

June 2013 – CalMHSA Board forms a Sustainability Task Force to make programmatic recommendation to the Board on PEI Statewide projects. This Task Force meets monthly, is chaired by Alfredo Aguirre, and has county representation from each CMHDA region. Recommendations from the Task Force are vetted (as possible) with CalMHSA Advisory Committee and then presented to the Board.

August 2013 – Board adopts Task Force recommendation on Criteria and Rating for Current and Future PEI projects.

October 2013 – Board adopts Task Force recommendation for development of a Phase One Plan for FY 14/15 and development of a Phase Two Plan to be implemented beginning in FY 15/16.

– Board approves the use of up to \$250,000 in planning funds for development of a draft Phase Two plan by July 2014 for presentation to the Board at the August Board meeting.

December 2013 - Board approves the Phase One Plan without a funding recommendation and forms the Sustainability Funding Task Force. The goal of the Task Force is to: determine a county funding model for PEI Statewide Initiatives and address FY 2014-2015 funding solution.

Current Activity:

On January 9, 2014, the Funding Task Force met and discussed a funding framework and three different funding levels prepared by CalMHSA staff. Each model included the same proposed funding framework but showed a varying funding level for FY14/15 and beyond. The framework and funding framework were developed from prior feedback received from Board members through prior meetings and discussions. The funding framework:

1. Utilizes carryover, unspent, and interest earned funds,
2. Initializes the need for partnering which requires match contributions from program partners,
3. Recognizes and establishes the need for private/federal/foundation funds and builds toward a diverse funding stream to sustain future projects,
4. Creates direct funding relationship between State and JPA—similar to CiMH, and
5. Aligns CalMHSA JPA PEI funding with local funding by:
 - a. Establishing three year plans
 - b. Establishing minimum member funding participation
 - c. Allowing for county flexibility and choice
 - d. Continuing stakeholder involvement.

Following discussion by Taskforce members, additional parameters of the final recommendation include:

1. One-time funds (contingency, unspent and interest) to be fully utilized in the first three year plan and split equally over the three years
2. Matching funds required from program partners ranging from 10-50% match, with emphasis on education
3. Private funding to include all other funding beyond State and County—i.e. private, foundation, endowment, grant, federal
4. State funding sought annually ranging from \$5-10M (if none attained the first year due to time or other constraints, current program partner contracts with unexpended funds shall be inserted)
5. Local Funding
 - a. All members to annually fund PEI Statewide Plans within the target range of 4-7% of local annual PEI funds.
 - b. Minimum annual funding shall be established at 1%
 - c. Exception requests below 4% or above 7%, shall be submitted to CalMHSA by May 1st and reviewed by the Finance Committee with recommendations to the CalMHSA Board each June with the approval of the annual budget.

The Task Force passed the following motion:

- The local (county) annual funding will have a flat rate range of 4-7% for each county from FY 2014-2015 through FY 2016-2017, with exceptions for both lower than 4% and higher than 7%. All exception requests will be made by May 1st, submitted to the Finance Committee for approval.

Operationalizing this recommendation will require:

1. Applying the rating and priority criteria adopted by the Board
2. Funding for each initiatives based will be contingent on county investment in each initiative
3. Contingency plans in the event of funding shortfalls
4. Recognition that annual local funding contributions will fluctuate based in fluctuations in the local revenues received from the MHSA fund

CalMHSA staff prepared revised draft models based on the recommendation approved by the Task Force which are attached for reference.

FISCAL IMPACT:

Funding for Phase One Plan – FY 2014-2015

RECOMMENDATION:

The CalMHSA Executive Committee to endorse the recommendation as follows:

- The local (county) annual funding will have a flat rate range of 4-7% for each county from FY 2014-2015 through FY 2016-2017, with exceptions for both lower than 4% and higher than 7%. Criteria for exceptions will be developed, which will be vetted through the Task Force. Exception requests will be made by May 1st, submitted to the Finance Committee for approval.

TYPE OF VOTE REQUIRED:

Majority vote of the Executive Committee.

REFERENCE MATERIAL(S) ATTACHED:

- Model 2 – Funding Components
- Model 2 – Source of Funds
- Model 2 – Local Annual Funding
- Model 2 – Appendix 1
- Rating Criteria for prioritizing projects



"A George Hills Company Administered JPA"

CalMHSAs Executive Committee Meeting Minutes from January 30, 2014

MEMBERS PRESENT:

Wayne Clark, PhD, CalMHSAs President, Monterey County
Maureen Bauman, LCSW, CalMHSAs Vice President, Placer County
CaSonya Thomas, MPA, CHC, CalMHSAs Secretary, San Bernardino County,
William Arroyo, MD, Los Angeles County, Los Angeles Region
Alfredo Aguirre, San Diego County, Southern Region
Karen Stockton, PhD, MSW, Modoc County, Superior Region
Rita Austin, LCSW, Tuolumne County, Central Region

MEMBERS ABSENT:

Scott Gruendl, MPA, CalMHSAs Treasurer, Glenn County, Superior Region
Michael Kennedy, MFT, Sonoma County, Bay Area Region
Jo Robinson, San Francisco City & County, Bay Area Region
Vic Singh, San Joaquin County, Central Region
Mary Hale Orange County, Southern Region
Marvin Southard, DSW, Los Angeles County, Los Angeles Region

STAFF:

John Chaquica, CalMHSAs Executive Director
Ann Collentine, CalMHSAs Program Director
Stephanie Welch, CalMHSAs Senior Program Manager
Sarah Brichler, CalMHSAs Program Manager
Doug Alliston, Murphy, Campbell, Alliston & Quinn
Laura Li, CalMHSAs JPA Administrative Manager
Michelle Yang, CalMHSAs Executive Assistant

OTHERS:

Karen Lyle, Long Beach
Anara Guard, Education Development Center – Know the Signs Campaign

1. CALL TO ORDER

Wayne Clark, PhD, Monterey County, CalMHSAs President, Executive Committee Chair, called the teleconference to order at 3:30 p.m.

2. ROLL CALL AND INTRODUCTIONS

Laura Li, CalMHSA, called roll and a quorum was established at 3:32 p.m. President Clark asked for members of the public and staff to introduce themselves.

3. INSTRUCTIONS FOR PUBLIC COMMENT AND STAKEHOLDER IMPUT

Doug Alliston, Legal Counsel, reviewed the meeting process, noting changes in the Brown Act require all voting matters to have roll call moving forward. The Chair will take comment from members first. Once members have commented, he will open the subject up for public comment by call-in location followed by comment by those calling in from unposted locations.

4. CONSENT CALENDAR

President Clark acknowledged the consent calendar and asked for comment from Committee members. Hearing none, President Clark entertained a motion to approve the consent calendar.

Action: *Staff recommends approval of the consent calendar.*

Motion: *Maureen Bauman, Placer County*

Second: *William Arroyo, Los Angeles County*

Member		Alternate	
Wayne Clark, Monterey County	YES		
Maureen Bauman, Placer County	YES		
CaSonya Thomas, San Bernardino County	YES		
Scott Gruendl, Glenn County			
Michael Kennedy, Sonoma County		Jo Robinson, San Francisco City & County	
Vic Singh, San Joaquin County		Rita Austin, Tuolumne County	YES
Marvin Southard, Los Angeles County		William Arroyo, Los Angeles County	YES
Mary Hale, Orange County		Alfredo Aguirre, San Diego County	YES
Karen Stockton, Modoc County	YES	<i>VACANT, Superior Region</i>	
<i>At large Member</i>			

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

None

5. PROGRAM MATTERS

A. Sustainability Plan Funding Task Force Meeting January 9, 2014

Maureen Bauman, Vice President, Placer County, gave a brief overview regarding the background of the Sustainability Funding Task Force. Ms. Bauman stated the Board had decided to move forward with sustaining the current projects, and during the August Board meeting, had approved the criteria through which programs would be vetted to decide on sustainability. Staff had requested developing a funding task force during the October Board meeting, asking for guidance from the Board members.

Ms. Bauman stated the initial recommendation to have a target range of an annual flat rate of 4-7% of local PEI funds be dedicated towards statewide PEI projects, with a minimum of 1% required from all member counties. Any exceptions below 4% or above 7% would be reviewed by the Finance Committee annually. William Arroyo, Los Angeles County, asked if the recommendation could be replaced by the parameter #5 listed in the agenda packet. John Chaquica, CalMHSA Executive Director, stated the motion may be more comprehensive if parameters #1-5 were all included. Alfredo Aguirre, San Diego County, voiced his concern regarding counties seeking exceptions, stating the recommendation did not state the ability that counties can and will use the exception clause to seek and invest in one initiative. President Clark responded, stating it was assumed that counties had options.

Dr. Arroyo mentioned the parameters #1-5, stating the criteria for exceptions should be included within the recommendation, and that despite this recommendation and what the Board approves, the local processes will still need to ensure alignment with the Mental Health Services Act (MHSA). Karen Stockton, Modoc County, expressed her great concern with the exception statement and approval of the Finance Committee for exceptions. Ms. Stockton stated the approval process goes against what the MHSA stands for, and it would affect the credibility and operationalization of the JPA. The counties should have the choice and option to participate in the different programs recommended and offered by the JPA. Ms. Bauman responded, saying the Funding Task Force has had extensive discussion regarding the issue of county option and control over funds being spent.

Mr. Aguirre stated the exception clause should be consistent with the MHSA, with the right to submit exceptions. Ms. Stockton requested change in the language, stating the word exception was unnecessary. Ms. Bauman suggested a waiver, as the Finance Committee would like a process in place to track approximately how much would be available in funding. Ms. Stockton recommended asking counties for a statement or letter of intent, to avoid implying counties need permission to vary from the recommended 4-7% funding level. The letter would be submitted to the Finance Committee by the May 1st deadline, so the Committee could inform the Board of the funding available. Ms. Bauman confirmed her support for having counties submit a letter, stating the letter would be for every member, not just the counties funding the JPA under 4% or above 7%. Dr. Arroyo also confirmed his support of amending the recommendation, and the Executive Committee endorsed the following motion:

Action: ***Approval of a Plan to Sustain PEI Statewide Programs with funding as follows:***

- 1. One-time funds (contingency, unspent, and interest) to be fully utilized in the first three-year plan, and split equally over the three years.***
- 2. Matching funds required from Program Partners ranging from 10-50% match, with emphasis on education***
- 3. Private funding to include all other funding beyond State and County – i.e. private, foundation, endowment, grant, federal***

4. State funding sought annually ranging from \$5-\$10M (if none attained the first year due to time or other constraints, current program partner contracts with unexpended funds shall be inserted)

5. Local Funding

A. All members to annually fund PEI Statewide Plans within the target range of 4-7% of local annual PEI funds

B. Minimum annual funding shall be established at 1%

C. Letters of Commitment shall be submitted by May 1st, in accordance with regulations and statutes that govern the Mental Health Services Act.

Motion: **Maureen Bauman, Placer County**

Second: **William Arroyo, Los Angeles County**

Member		Alternate	
Wayne Clark, Monterey County	YES		
Maureen Bauman, Placer County	YES		
CaSonya Thomas, San Bernardino County	YES		
Scott Gruendl, Glenn County			
Michael Kennedy, Sonoma County		Jo Robinson, San Francisco City & County	
Vic Singh, San Joaquin County		Rita Austin, Tuolumne County	YES
Marvin Southard, Los Angeles County		William Arroyo, Los Angeles County	YES
Mary Hale, Orange County		Alfredo Aguirre, San Diego County	YES
Karen Stockton, Modoc County	YES	VACANT, Superior Region	
<i>At large Member</i>			

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

None

B. State Hospital Beds

John Chaquica, CalMHSA Executive Director, updated the Committee, stating CalMHSA had a productive meeting with the Department of State Hospitals (DSH) discussing what will be important for FY 2014-2015. The 2013-2014 MOU is finalized, and will be sent out to all 58 counties very soon. Mr. Chaquica stated the next DSH meeting will be held on February 28th, prompting a meeting with the State Hospital Beds Work Group on either February 18th or 20th. The Work Group has stated its recommendation to move to become an advisory Committee, subject to the Brown Act. Mr. Chaquica stated the Work Group is in the process of developing the charter, and will be presenting it to the Board soon. The Work Group has also discussed at length various alternatives, and will be presenting its recommendations and suggestions to the Board soon.

Mr. Chaquica discussed the bed pooling concept, stating the plan is for it to become live on July 1st. Rita Austin, Tuolumne County, asked if all counties would be required to sign the MOU. Mr. Chaquica stated only the participating counties will need to sign and return the MOU to CalMHSA for execution.

Action: *None, information only.*

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

None

C. Alternatives to Short – Doyle 2

Sarah Brichler, CalMHSA Program Manager, gave a brief update to the Committee regarding the billing feasibility study. Ms. Brichler informed the Committee that CalMHSA has continued to work with CMHDA staff to represent counties. There have been several governing council meetings to share perspectives from both the counties and the state. Ms. Brichler stated possible opportunities and alternatives to the D-2 system are developing, and CalMHSA & CMHDA are currently working with Department of Health Care Services (DHCS) to develop the process to carry out the efforts. The feasibility study is moving towards consensus, attempting to finalize the broader details.

Action: *None, information only.*

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

None

6. GENERAL DISCUSSION

A. Report from CalMHSA President – Wayne Clark

President Clark gave a brief report regarding the meeting with Senator Pro Tem Darrell Steinberg and Kiyomi Burchill of the California Health and Human Services Agency, stating both meetings were well received.

Action: *None, information only.*

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

None

B. Report from CalMHSA Executive Director – John Chaquica

Mr. Chaquica provided a quick general update on several topics. CalMHSA staff is working with the California Institute for Mental Health (CiMH) regarding the International Stigma Conference, taking place in San Francisco in February, 2015. Mr. Chaquica stated staff is working with the third draft of the contract with CiMH, and will be finalizing it soon. Staff is also recommending development of various committees to bring feedback and input into organizing and structuring this conference.

Mr. Chaquica called upon Ann Collentine, CalMHSA Program Director, to give an update regarding the Phase 2 Sustainability Steering Committee Representatives. Ms. Collentine requested any Committee member who would be interested being a part of the Steering Committee to reach out to her, stating she was looking for at least 6 county representatives from across the state of California.

Mr. Chaquica gave a brief overview regarding the FPPC (Form 700) that all Board members and Alternates are required to complete annually. CalMHSA staff has procured a software program to make it more efficient and will be in touch with Board members soon regarding the process.

Mr. Chaquica updated the Executive Committee, stating CMHDA has confirmed an at-large member who will be a part of the Executive Committee to bring the total to 10 members, including the alternates.

Action: None, information only.

7. CLOSING COMMENTS

President Clark asked the Committee if there was any closing comments.

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

None

8. ADJOURNMENT

Hearing no further comments, the meeting was adjourned at 4:22 p.m.

GENERAL DISCUSSION
Agenda Item 7.A.

SUBJECT: Report from CalMHSA President – Terence M. Rooney

ACTION FOR CONSIDERATION:

Discussion and/or action as deemed appropriate.

BACKGROUND AND STATUS:

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

- General

FISCAL IMPACT:

None.

RECOMMENDATION:

Discussion and/or action as deemed appropriate.

TYPE OF VOTE REQUIRED:

Majority vote.

REFERENCE MATERIAL(S) ATTACHED:

- None.

GENERAL DISCUSSION
Agenda Item 7.B.

SUBJECT: Report from CalMHSA Executive Director – Wayne Clark

ACTION FOR CONSIDERATION:

Discussion and/or action on items below, as deemed appropriate.

BACKGROUND AND STATUS:

CalMHSA Executive Director, Wayne Clark, will be presenting a State of the Authority and will be reporting on the following items.

- CSAC Conference
- San Bernardino County – Fiscal Admin
- CalMHSA Video
- Other

FISCAL IMPACT:

None.

RECOMMENDATION:

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

TYPE OF VOTE REQUIRED:

Majority vote.

REFERENCE MATERIAL(S) ATTACHED:

- None.