

Board of Directors Meeting

AGENDA

December 12, 2013

2:45 p.m. – 5:00 p.m.



Call-In Information: 1-877-230-9053

(listen in only)

Meeting Locations:

Doubletree Hotel Sacramento
2001 Point West Way
Sacramento, CA 95815
(916) 929-8855

Ventura County Behavioral Health
1911 Williams Drive, Suite 200
Oxnard, CA 93036
(805) 981-2214

Madera County Behavioral Health Services
117 N. R Street, #101
Madera, CA 93637
(559) 673-3508

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

Thursday, December 12, 2013

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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.

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 twenty 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. CMHDA STANDING REPORT

- A. CMHDA Standing Report 6
Recommendation: None, information only.

5. STATEWIDE PEI PROGRAMS 7

- A. Program Partner Presentation – Disability Rights California –SDR Program Four: Advancing Policy to Eliminate Discrimination Program (APEDP)
Recommendation: None, information only.

6. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

7. CONSENT CALENDAR - 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 June 13, 2013 Board of Directors Meeting 39
 - B. Reports/Correspondence
 - 1. CalMHSA Goal Statements Grid 51
 - C. Investment
 - 1. Investment Update 52
- Recommendation: Staff recommends approval of the Consent Calendar.**

8. MEMBERSHIP

- A. County Outreach Report – Allan Rawland, Associate Administrator – Government Relations 11
Recommendation: None, information only.

9. ADMINISTRATIVE MATTERS

- A. Statewide PEI Sustainability Task Force 12
Recommendation: Adopt Phase One Sustainability Plan which is a one year continuation (July 1, 2014 – June 30, 2015) of CalMHSA PEI Statewide Implementation Plan Work Plan for sustaining necessary activities and projects using the rating criteria adopted by the CalMHSA Board in August 2013.
- B. Quorum Options for Board and Executive Committee 18
Recommendation: Present recommendation to CalMHSA Board of Directors Meeting to make changes to the current Executive Committee structure and continued review of options for the Board of Directors meetings.

10. FINANCIAL MATTERS

- A. Report from the CalMHSA Finance Committee – Scott Gruendl
Recommendation: None, information only.
- B. Financial Audit, June 30, 2013 21
Recommendation: None, information only.
- C. George Hills Company Contract With CalMHSA 22
Recommendation: Finance Committee recommends approval of the George Hills Contract extension which would be effective from July 1, 2014 to June 30, 2017.

11. PROGRAM MATTERS

- A. Report from CalMHSA Program Director – Ann Collentine 24
Recommendation: None, information only.
- B. Report from the CalMHSA Advisory Committee – Maureen Bauman 25
Recommendation: None, information only.
- C. New Behavioral Health Billing System Feasibility Study Update 26
Recommendation: None; information only.
- D. Department of State Hospitals Update 28
Recommendation: None; information only.
- E. World Psychiatric Association’s “Together Against Stigma” Conference (International Stigma and Discrimination Reduction Conference) 32
Recommendations:
1. Board approval for CalMHSA to access up to \$150,000 in planning funds in the event of revenue shortfall from the

World Psychiatric Association (WPA) the 2015 International Stigma and Discrimination Reduction (SDR) Conference.

2. Board approval for CalMHSA to enter into a contract with CiMH as the co-host and conference planner.

- F. Each Mind Matters Enhancement for Local Impact 35
Recommendation: Discussion and/or action as deemed appropriate.

12. GENERAL DISCUSSION

- A. Report from CalMHSA President – Wayne Clark 37
• Department of Health Care Services Contract Update
• General

Recommendation: Discussion and/or action as deemed appropriate.

- B. Report from CalMHSA Executive Director – John Chaquica 38
• JPA Agreement Update
• Executive Committee – Superior Regional Representative Vacancy
• General

Recommendation: Discussion and/or action as deemed appropriate.

13. 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 twenty minutes in total. The Board may also limit public comment time regarding agenda items, if necessary, due to a lengthy agenda.

14. NEW BUSINESS - General Discussion Regarding any New Business Topics for Future Meetings

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

- A. Board
B. Staff

16. ADJOURNMENT

CMHDA STANDING REPORT

Agenda Item 4

SUBJECT: CMHDA Standing Report

ACTION FOR CONSIDERATION:

None, information only.

BACKGROUND AND STATUS:

In discussions amongst CalMHSA and CMHDA staff, and later proposed to CalMHSA officers, there will be a standing agenda item for CMHDA staff to present items that are relevant to be discussed at CalMHSA Board meetings. To the extent there are such items, CMHDA will address CalMHSA at each Board meeting. Such discussions, unless otherwise known, are intended to be informational only and not subject to action.

FISCAL IMPACT:

None

RECOMMENDATION:

None, information only.

TYPE OF VOTE REQUIRED:

None

REFERENCE MATERIAL(S) ATTACHED:

- None

STATEWIDE PEI PROGRAMS

Agenda Item 5

**SUBJECT: Program Partner Presentation - Disability Rights California -SDR
Program Four: Advancing Policy to Eliminate Discrimination Program (APEDP)**

ACTION FOR CONSIDERATION:

None, information only.

BACKGROUND AND STATUS:

Disability Rights California (DRC) has over 20 years of experience in analyzing and development of white papers, fact sheets, training and pursuing policy initiatives. They have worked in the area of mental health and discrimination law in all areas that people with mental health challenges participate in, such as employment, housing and general community life.

As a CalMHSA Program Partner, DRC addresses systemic and institutionalized stigma and discrimination statewide by examining laws, policies, and practices; training community members on existing rights; and recommending needed policy changes. Specially, DRC does the following:

- Increase awareness of laws, policies and practices that address discrimination and support mental health services in non-traditional settings;
- Identify laws, policies and practices that contribute to stigma and discrimination and recommends changes;
- Disseminate culturally-relevant and age appropriate best practice policies; and
- Build capacity to continue the work after the CalMHSA funding term.

Accomplishments through September 2013:

Material Development

DRC has developed a number of materials, including “You Have the Power to Empower” poster, “Definitions of Stigma and Discrimination,” “Stereotypes that Harm People with Mental Health Challenges,” “Tips Towards Plain Language” and “People First Language in Mental Health,” as well as fact sheets on employment and housing rights, reducing restraints, peer support services, spirituality, and interpreter and translation rights.

Materials are translated into different languages, posted on our website and distributed through training and outreach.

Materials can be found

here: <http://www.disabilityrightsca.org/CalMHSA/CalMHSAfactsheets.html>

Training

DRC provides e training on a variety of issues. Training is geared towards gatekeepers, including attorneys, mental health providers, professionals, the business community and others who interact with people with mental health disabilities. Examples of trainings include: employment rights of people with mental health disabilities, ethical obligations of attorneys representing people with mental health disabilities, and rights under the Lanterman Petris Short Act. Newly developed trainings include: supporting rights of tenants with mental health disabilities/landlord and tenant obligations, strengthening learning environment in school settings and addressing challenges for youth with mental health disabilities transitioning from high school to college.

See here for training

materials: <http://www.disabilityrightsca.org/CalMHSA/CalMHSAtrainings.html>

Policy Papers

DRC has identified the following issues to address in policy papers which include recommended actions to reduce stigma and resulting discrimination. The following are in development: 1) recovery focused hospital diversion and aftercare, 2) NIMBY and supportive housing, 3) training for first responders, 4) supporting positive educational environments, 5) serving people in jails who are incompetent to stand trial, 6) supporting youth with mental health disabilities as they transition to post-secondary school, and 7) improvements for youth with mental health challenges in the juvenile justice system.

Program Impact to Date:

- 31 fact sheets of which
- 21 are translated into various languages, including Arabic, Armenian, Cambodian, Chinese, Hmong, Korean, Russian, Spanish, Tagalog, and Vietnamese
- A total of 47 trainings reaching roughly 1, 450 individuals such as public defenders.
- 8 different training modulus with materials have been developed on the following topics: stigma and discrimination in employment; supportive educational environments; Lanterman Petris Short Act for public defenders; discrimination in school against students with mental health needs; educationally related mental health services; protecting the fair housing rights of tenants with disabilities; and,

mental health parity, the Affordable Care Act and Californians with mental health challenges under Health Care Reform.

- Developing seven different policy papers with action recommendations in consultation with the SDR consortium

FISCAL IMPACT:

None

RECOMMENDATION:

None, information only.

TYPE OF VOTE REQUIRED:

None

REFERENCE MATERIAL(S) ATTACHED:

None

CONSENT CALENDAR
Agenda Item 7

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 June 13, 2013 Board of Directors Meeting

B. Reports/Correspondence

1. CalMHSA Goal Statements Grid

C. Investment

1. Investment Update

FISCAL IMPACT:

None

RECOMMENDATION:

Staff recommends approval of the Consent Calendar.

TYPE OF VOTE REQUIRED:

Majority of the Board of Directors.

REFERENCE MATERIAL(S) ATTACHED:

- Minutes from the June 13, 2013 Board of Directors Meeting
- CalMHSA Goal Statements Grid
- Account Executive Summary

MEMBERSHIP
Agenda Item 8

SUBJECT: County Outreach Report - Allan Rawland, Associate Administrator - Government Relations

ACTION FOR CONSIDERATION:

None, information only.

BACKGROUND AND STATUS:

During each Board of Directors meeting, Allan Rawland, Associate Administrator–Government Relations, will update the Board on the status of prospective new members. Staff has developed a spreadsheet to track activity of prospective members, which is attached as reference material.

FISCAL IMPACT:

None.

RECOMMENDATION:

None, information only.

TYPE OF VOTE REQUIRED:

None

REFERENCE MATERIAL(S) ATTACHED:

- CalMHSA Membership Roster
- County Outreach By Region

ADMINISTRATIVE MATTERS

Agenda 9.A

SUBJECT: Phase One Sustainability Plan

BACKGROUND

At its 2013 Strategic Planning Meeting, CalMHSA Board members validated their commitment to sustain PEI Statewide Projects and requested that a CalMHSA Taskforce be formed to develop a Sustainability Plan by December 2013. The Taskforce was formed and is made up of a CalMHSA board member representative from each of the 5 CMHDA regions of California (Donnell Ewert, Shasta, Alfredo Aguirre, San Diego, William Arroyo, Los Angeles, Jane Ann LeBlanc, Sacramento, Marty Malin, Napa) . The goal of the Task Force is to provide guidance on the programmatic elements of a PEI Statewide Project Sustainability Plan and vet milestones related to this plan prior to presentation to the full Board. The Taskforce has met monthly via teleconference since June. An update on Taskforce activities and milestones has been presented at every CalMHSA Board meeting, Executive Committee meeting, Advisory Committee meeting and Finance Committee meeting since June so that Board members and the public were allowed time to provide input on sustainability planning.

Since the formation of the Taskforce, two critical decisions have been adopted by the CalMHSA Board.

Criteria for rating projects and development of a phase two on August 15, 2013, the Board adopted the following criteria for rating projects to sustain, these are:

1. Statewideness:

- a. Demonstrates public health approach by increasing awareness—statewide campaign
- b. Policy recommendations
- c. Demonstrates linkage and/or adds value to national campaign; such as the role of prevention for ACA or CMS
- d. Ability to be done locally

2. Regional Value:

- a. Enhancing local activities with materials or resources for local county/stakeholders
- b. Procuring resources at lower cost—media buys
- c. Addresses unique regional need

3. Evidence of Impact to date:

- a. Meaningful Quantitative Information
- b. Meaningful Qualitative Information
- c. Cost effectiveness

4. **Evidence Based Practices from other states/localities or has potential to become an Evidence Based Practice (including based on community-defined evidence)**
5. **General Leveraging**
 - a. Current leveraging is strong
 - b. Future opportunity to leverage from additional funding sources
6. **Adverse consequence if discontinued**
 - a. Impact key to other projects
 - b. Long-term impact vs. short-term impact
7. **Is this a short-term statewide project that is ready to be discontinued due to:**
 - a. Demonstrated short-term impact
 - b. One time only
 - c. Local sustainability
8. **Performance to date: (internal use only) (based on CalMHSA staff analysis)**
 - a. Meets deliverables on time
 - b. Work products exhibit excellent quality
 - c. Demonstrate commitment to CalMHSA principles and mission
 - d. Few or no contract management issues

On October 10, 2013, the CalMHSA Board adopted for a two phase planning strategy for sustaining current CalMHSA PEI Statewide Projects and for developing a plan for future statewide projects. In response to feedback from the Board members, and stakeholders, CalMHSA staff determined that a strategy for both a short-term sustainability plan and a long-term sustainability plan needed to be developed. Taskforce members endorsed the concept of a two phase planning strategy and requested that a Two Phase Plan be brought to the full CalMHSA Board for discussion and action in December. This process is detailed below:

- 1) **Phase One – December 2013 PEI Statewide Sustainability Plan** will:
 - i) Apply approved rating criteria to existing projects
 - ii) Include a funding recommendation for projects through June 2015
- 2) **Phase Two – A New CalMHSA PEI Statewide Projects Plan** to be implemented July 1, 2015:
 - i) January 2014 – begin development of a New CalMHSA PEI Statewide Plan with a proposed implementation of July 1, 2015,
 - ii) Plan development to be funded with PEI Statewide Project Planning funds,
 - iii) New Plan will consider new statewide activities as well as those currently implemented,
 - iv) New Plan will explore diverse funding options, including MHSAs funds, other public and/or private funding streams for sustaining the plan,
 - v) Existing Sustainability Taskforce will continue to oversee plan development,
 - vi) Advisory Committee, Board and stakeholders will continue to provide feedback during development of the New Plan.

In December, the Board will consider whether to take action on adopting the Phase One PEI Sustainability Plan as outlined above. This is a critical decision. Staff recommends that the Phase One Plan continue the CalMHSA Statewide Prevention and Early Intervention Implementation Work Plan for one additional year, from July 1, 2014 – June 30, 2015 but with a reduced annual budget. Continuation and/or reduction of program activities will be based upon rating criteria adopted by the CalMHSA Board in August 20113. Adopting a one year continuation takes advantage of:

- initial start-up costs invested can now deliver services more efficiently
- minimal to no additional investment needed
- allows more time for additional evaluation data to inform future board decisions on effectiveness of statewide activities/programs and continuous planning
- providing program partners with an opportunity to build case statements and seek alternative funding for continuation of program activities
- ensuring county administration and oversight of statewide PEI programming through CalMHSA
- continuation of the vision of Statewideness for California leadership

Based on early evaluation information from RAND, there is no compelling reason to stop program partner's activities at the current time. RAND notes that while short-term outcomes are not available until the summer 2014 and long-term outcomes are not available until the summer of 2015, the statewide PEI activities are consistent with known best practices. As a result, investments to date allowed for promising results, but more time is needed to look critically at outcome data to uncover if practices are effective. Many PEI activities are so innovative that robust evaluation efforts have never been conducted before to this degree. Further evaluation of PEI activities as they are implemented in the CalMHSA statewide initiatives will be informative not only for California stakeholders, but more broadly for the field.

Key Arguments for Sustaining PEI Statewide Projects:

- A statewide administrative entity representing counties acting jointing (CalMHSA) exists and is currently implementing PEI statewide programs and activities swiftly.
- Investments have already been made by counties through the CalMHSA-administered PEI Statewide Programs, which have built capacities and resources, and fostered cross-system collaboration.
- Best practices in preventive medicine call for population-based strategies with a long-term resource commitment.
- With ACA implementation and requirements for parity of physical and mental health services, preventive strategies should be included in mental healthcare and have greater influence and impact on complete public health. Recent tragedies like Newtown and the Navy Yard incident have generated a national call for action to enhance prevention, early recognition and intervention efforts such as building capacities, screenings, education and crisis response training.

- Data driven decisions are critical and are lacking on a statewide basis. Benchmarks and accountability within an evaluation framework are essential and have been developed for PEI statewide programs. Reporting impact and effectiveness is critical to counties and their constituencies as well as oversight bodies to the community mental health system such as the Oversight and Accountability Commission and the Department of Health Care Services.

Key Criteria for Value in Sustainability of PEI statewide Projects, as informally suggested by RAND experts:

- Fills a strategic gap: important to PEI and not redundant with county-level efforts (e.g. Cross system collaboration in Higher Education, system wide policy work like Integrated behavior toolkit and Mental Health and Substance Use Parity Implementation))
- Population based strategies that can have larger social impact through broad population reach can often be implemented only at statewide level, given logistics and costs (e.g., social marketing campaigns)
- For some PEI efforts, there are efficiencies in scale (for example, more centralized capacities for training & fidelity monitoring)
- Take advantage of initial start-up cost investment when reach can be sustained at much lower cost (e.g., website development and sustainment)
- Ensure performance monitoring/improvement capacity in any sustained statewide effort so that programs can be refined/improved over time
- Consider the ways that statewide efforts can contribute to the development of local capacity (e.g., informational resources, networking, evaluation)

The CalMHSA Statewide Implementation Work Plan was approved by the MHSOAC in January, 2010, at that time, CalMHSA was a new organization formed by counties in July 2009, as a solution to providing fiscal and administrative support in the delivery of mental health services. At that time, CalMHSA had 29 county members. Today, CalMHSA has 51 county members. The original work plan and CalMHSA board membership have increased since this time. Allowing one more year, provides both the Board members and staff ample opportunity to determine the value of what should and should not be sustained in the long-term and how.

Notable Activities and Completed Deliverables

The implementation of CalMHSA PEI Statewide Projects has resulted in numerous of notable activities and completed deliverables. The impact of these activities will be independently evaluated as part of the RAND evaluation of the PEI Statewide projects. Staff selected a few completed activities which illustrate each of the six common core program activities from the PEI Statewide Projects Evaluation Logic Model developed by RAND. These are; 1) development of policies, protocols, and procedures; 2) networking and collaboration; 3) development of information resources; 4) training and education; 5)

media campaigns and interventions to influence media production; 6) and hotline and “warmline” operations. The activities were selected to show several from each initiative, and to highlight the breadth of activities being implemented:

- *Know the Signs* website, toolkit with printed materials available for county replication and /or enhancements.
- Common Metrics data collection protocol, training manual and report template were developed
- Three SP centers developed the necessary policies and procedures and obtained AAS accreditation
- Chat and text SP applications
- Increased SP services in Korean, Spanish
- PBS Documentary, *A New State of Mind*, highlighting local SDR activities accompanied by grants for local community dialogues and speakers bureaus
- Launch of Each Mind Matters, California’s Mental Health Awareness Campaign
- *Walk in Our Shoes*, SDR website, school-based performances throughout the state
- *Directing Change High School*, student video contest with training in SP and SDR for participating schools, culminating awards ceremony and legislative briefing in Sacramento, May 2013
- Associated Press adopting a Mental Health style guide on reporting stories related to Mental Health
- Adoption of inclusion of mental health in standards for Administrative Credential for California educators
- Candlelight Vigil in October adopted by 23 CSU campuses and 1 UC campus remembers those impacted by suicide and/or mental illness
- *Send Silence Packing*, Active Minds backpack exhibit reached thousands of higher education students throughout California
- A county by county list of ASIST/MHFA certified trainers

The above list is not inclusive of all deliverables completed to date but rather provides a limited view of the scope and breadth of activities. To date, more than 4,309 deliverable (or 86%) are completed (see dashboard). For more information, CalMHSA staff has prepared and distributed a comprehensive PowerPoint to all county liaisons and contract specialists which can be adopted for local presentations to county staff and/or stakeholders.

NEXT STEPS:

The closeout of the Phase One plan by June 30, 2015 will allow ample time for implementation of the Phase Two Plan to begin on July 1, 2015. An estimated timeline begins with Board approval of the Phase Two Plan in August of 2014, which allows for planning for implementation from August 2014-June 2015 to allow for full implementation to begin on July 1, 2015. Staff estimates that the implementation planning timeline will allow for development of RFP’s, selection of contractors, contract development, and

funding to obtain funding leverage from diverse sources. Simultaneously, staff will closeout Phase One and begin the implementation planning of Phase Two so that there is continuity between statewide projects while allowing CalMHSA to begin the administrative work to implement the Phase Two on July 1, 2015.

Based on the programs to be sustained, staff recommends, a funding level of \$26.364 million for the continuation of CalMHSA PEI projects for one more year. The estimated carryover of current CalMHSA funds is \$5 million which reduces the new funding requested from counties to \$21.364 million (\$26.364M less \$5M = \$21,364M). While the funding was a specific charge of the taskforce, it was discussed and full board input is needed. Staff is prepared to present options for funding review.

FISCAL IMPACT:

See proposed Phase One Plan

RECOMMENDATION:

Adopt Phase One Sustainability Plan which is a one year continuation (July 1, 2014 – June 30, 2015) of *CalMHSA PEI Statewide Implementation Plan Work Plan for sustaining necessary activities and projects using the rating criteria adopted by the CalMHSA Board in August 2013.*

TYPE OF VOTE REQUIRED:

Majority vote of the Board.

REFERENCE MATERIAL(S) ATTACHED:

- *CalMHSA, Sustainability of Prevention and Early Intervention Statewide Programs: Suicide Prevention, Stigma and Discrimination Reduction, and Student Mental Health, July 1, 2014 –June 30, 2015, revised.*
- Sustainability Timeline
- Estimated County New Funding Request for Phase One

ADMINISTRATIVE MATTERS

Agenda Item 9.B

SUBJECT: Quorum Options

ACTION FOR CONSIDERATION:

1. Amendment of Bylaws to make changes to the Executive Committee structure.
2. Continued review and discussion of options for future Board of Directors meetings.

BACKGROUND AND STATUS:

Reaching a quorum of the Board of Directors and the Executive Committee has continued to be difficult. At the October Board Meeting staff was asked to present options for consideration. Response from the board was that staff should seek further information with the goal to retain the same number of board meetings a year. Staff surveyed board members and collected feedback on the various options proposed at the October 10, 2013 meeting as well as receiving additional suggestions. In November, the Executive Committee (which did not initially reach a quorum) endorsed revising the composition of the Executive Committee as discussed below.

Executive Committee Change Through Bylaw Revision

To address CalMHSA's continued difficulties with assembling a quorum to act, staff proposed and the Executive Committee supported reducing the Executive Committee back to nine (9) members (not counting the tenth slot for Past President, which currently is not applicable), with the additional regional representative members elected last year to serve as alternates. In addition, they supported the addition of a tenth at-large member drawn from the roster of CMHDA officers. Maintaining ten members will prevent Friday agenda review calls from involving a quorum of the Executive Committee.

Composition of the Executive Committee is not dictated by the JPA Agreement, but is specified by Section 6.1 of the Bylaws as amended last year. Staff proposes amending the Bylaws as indicated below.

1. Section 4.1.3.1 was apparently deleted by accident in 2012, and is restored by this amendment. It provides that acceptance of a new member is for the full board.
2. Section 6.1 is revised as follows:
 - a. The Executive Committee will be composed of the four officers, a representative of each of the five CMHDA regions, a member-at-large, and the immediate past president if available.
 - b. Alternates for regional representatives can vote on the Executive Committee in the absence of the regional representative.

- c. The Bay Area, Los Angeles and Southern regions will elect representatives and alternates in even-numbered years, and the Superior and Central shall elect representatives and alternates in odd-numbered years.
- d. Each year after CMHDA elections, the member-at-large is elected.
- e. Minutes of Executive Committee meetings will be distributed within 30 days of the meeting, to facilitate timely appeals of Executive Committee action to the full Board. Drafts of the minutes are distributed within 14 days to attendees to allow corrections before the distribution at 30 days.
- f. The Executive Committee can act for the Board at a regular Board meeting where a quorum has failed to appear, even as to the actions reserved to the Board, subject to the appeal process.
- g. The appeal process can be initiated by any 5 members, acting together or individually, by a request that an action of the Executive Committee be put before the full Board. The Board can rescind, modify or ratify the Executive Committee's action. If the Board cannot muster a quorum to hear the appeal, a quorum of the Executive Committee can rescind, modify or affirm its prior action.

Board action is currently needed to amend the bylaws, per section 4.1.3 of the bylaws. Thus, this change would have to be approved by the Board. A "track changes" copy of the bylaws is attached.

Board Meeting Scheduling Options

Staff discussed the options for the board meetings with members. Some of the comments received include:

- a. All want to maintain six meetings and are committed to trying to make the meetings
- b. Staff to assist with reminder and more robust teleconference guidelines
- c. Better use of alternate members
- d. Tuesday and Wednesday evenings are not of interest
- e. In recognition of CalMHSA holding only five times per year (our planning meeting does not conflict) consider working with CMHDA with alternating with these options
 - 1. Wednesday afternoon
 - 2. Thursday morning
 - 3. Thursday during the lunch hour (CalMHSA could support cost of lunch as it will eliminate facility cost)

4. CMHDA ends their meeting at 1:00 p.m. so CalMHSA could end their meeting at 3:00 p.m.

FISCAL IMPACT:

Potential cost reductions for reduced meeting space and related expenses.

RECOMMENDATION:

Approve proposed amendment of bylaws.

TYPE OF VOTE REQUIRED:

Majority vote of the Board.

REFERENCE MATERIALS ATTACHED:

- Attendance Record: October 2012- October 2013
- Bylaws with proposed changes tracked
- Member Meeting Participation Options

FINANCIAL MATTERS

Agenda Item 10.B

SUBJECT: Financial Audit, June 30, 2013

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,” as such CalMHSA engaged James Marta & Company to perform the audit for the fiscal year ended June 30, 2013.

On November 25, 2013, the James Marta & Company presented the audit to the CalMHSA Finance Committee. After the committee conducted in-depth review and recommend that the Board file the CalMHSA Financial Audit for the Fiscal Year ended June 30, 2013.

RECOMMENDATION:

None, information only.

REFERENCE MATERIALS ATTACHED:

- James Marta & Company Financial Audit Engagement Letter, June 11, 2012
- Financial Audit of Fiscal Year ending June 30, 2013

FINANCIAL MATTERS

Agenda Item 10.C

SUBJECT: George Hills Company Contract with CalMHSA

BACKGROUND AND STATUS:

CalMHSA entered into contract originally on October 28, 2009. That contract was later amended upon the signing of the contract with the then Department of Mental Health on April 15, 2010. Subsequently the Finance Committee was asked to continually review the performance of the contract and the financial terms with George Hills Company, Incorporated (GHC) and report to the board. Subsequently a Task Force of the Finance Committee was formed to review and evaluate the GHC contract for purposes of contract extension, as the current contract is due to expire June 30, 2014.

At the June 13, 2013 Board of Directors Meeting, Mr. Gruendl gave an update on the Finance Committee Task Force's review of the George Hills Company contract. The current contract ends on June 30, 2014. The Task Force had two recommendations which would be considered for contract extension and action at a later date. The first would be based on CalMHSA administrative/indirect costs staying below 7.5% (they were 4.1% for FY 2013-2014). The second would be based on performance. Since then GHC was asked to present a proposed extension of contract terms.

At the Nov 25, 2013 Finance Committee meeting John Chaquica presented the terms of contract extension for both the run out of the operations of the JPA, through close of all contracts, and a trigger in the event new funds are provided for Statewide PEI. The extension is presented based on a three-year basis which would be the time necessary to close operations. In the event new funding is derived an annual amount is proposed based on the anticipated number of projects under management. Additionally the fee is inclusive of any and all future planning and development and is appended by projects other than Statewide Prevention and Early Intervention as provided through member Participation Agreements.

Attached is a red-line version of the contract to reflect update of services and terms. These have been reviewed and revised by counsel, Doug Alliston.

CalMHSA's Procurement Policy generally requires competitive selection processes but includes exceptions recognizing that noncompetitive contracting may better serve CalMHSA in some cases. The Procurement Policy lists factors that may justify sole source contracting, including the following: "Retaining professional services, such as but not limited to, an attorney, auditor, manager or administrator, to maintain expertise, continuity, consistency and knowledge of CalMHSA." (Underlining added.) In this case the extension of the GHC contract will allow continuation of the statewide PEI programs without disruption. GHC's involvement in CalMHSA's creation and operation of these programs has been instrumental and its knowledge and experience could not easily be

replaced. This includes retention of essential staff, relationships with stakeholders and program partners, and connections with key people at relevant state agencies. In addition, the Finance Committee has found the cost of GHC's services as a percentage of program dollars has been well within standards.

The Procurement Policy requires that counsel must indicate whether the written justification for sole source procurement complies with the Policy. Counsel concludes that the stated justification is in compliance with the Policy.

RECOMMENDATION:

Finance Committee recommends approval of the George Hills Contract extension which would be effective from July 1, 2014 to June 30, 2017.

REFERENCE MATERIALS ATTACHED:

- George Hills Company Contract with CalMHSA

PROGRAM MATTERS

Agenda Item 11.A

SUBJECT: Report from CalMHSA Program Director – Ann Collentine

ACTION FOR CONSIDERATION:

None, information only.

BACKGROUND AND STATUS:

CalMHSA Program Director, Ann Collentine, will provide general information and updates regarding the Statewide Prevention and Early Intervention Projects.

Implementation Status

- Stigma and Discrimination Reduction
- Suicide Prevention
- Student Mental Health
- TTACB

Evaluation

FISCAL IMPACT:

None

RECOMMENDATION:

None, information only.

TYPE OF VOTE REQUIRED:

None

REFERENCE MATERIAL(S) ATTACHED:

- CalMHSA Program Director's Update Report
- Q1 Dashboard

PROGRAM MATTERS

Agenda Item 11.B

SUBJECT: Report from the CalMHSA Advisory Committee – Maureen Bauman

ACTION FOR CONSIDERATION:

None, information only.

BACKGROUND AND STATUS:

The CalMHSA Advisory Committee (AC) held a teleconference meeting on November 15, 2013. Committee discussion focused on the following:

- *Each Mind Matters Enhancement for Local Impact* — Stephanie Welch provided an update of The Each Mind Matters (EMM) Campaign. Feedback and impact has been used by counties and Higher Education partners to integrate EMM into local efforts in order to unify structure for California’s Mental Health Movement and stigma reduction activities taking place at the state, regional and local level. CalMHSA program partners - the SDR Consortium in collaboration with Runyon, Saltzman and Einhorn – have developed an EMM enhancement plan which would serve to fill the gap in technical assistance for localization, as well as provide an investment in sustaining the EMM campaign on the local, statewide and possibly national level.
- *Phase One Sustainability Plan* — CalMHSA’s Program Director Ann Collentine led the discussion regarding Sustainability Task Force activities and the proposed Phase One Sustainability Planning Process. After discussion, AC members endorsed the staff recommendation supporting the Phase One Plan includes a funding recommendation for projects through June 2015.
- *Man Therapy Suicide Prevention Program*— In follow up to the CalMHSA Board meeting of October 10, 2013, there was a raised concern of a Suicide Prevention program entitled Man Therapy for California. CalMHSA staff has addressed this concern in the attached memo.

FISCAL IMPACT:

None

RECOMMENDATION:

None, information only.

TYPE OF VOTE REQUIRED:

None

REFERENCE MATERIAL(S) ATTACHED:

- Man Therapy Suicide Prevention Memo

ADMINISTRATIVE MATTERS

Agenda Item 11.C

SUBJECT: New Behavioral Health Billing System Feasibility Study

ACTION FOR CONSIDERATION:

None

BACKGROUND AND STATUS:

The Department of Health Care Services (DHCS) has indicated the need to explore options to transition from Short-Doyle 2 to a new billing system. In response, the CMHDA Financial Services and Information Technology (IT) Committee members and staff proposed a migration from the state-operated Short-Doyle 2 system to HIPAA-compliant, county-based encounter data systems that use certified vendors/systems to collect and store encounter information in a HIPAA-compliant format locally. This solution is intended to simplify the federal reimbursement process for the state and counties, and allow counties and their vendors to fully implement the federal information coding and exchange requirements.

Counties have taken action on this topic through both CMHDA and CalMHSA: At the May 9, 2013 CMHDA All Directors Meeting, members voted to approve the IT Committee's CMHDA/DHCS Short-Doyle 3 Feasibility Study Partnership Proposal. At the July 25, 2013 CalMHSA Executive Committee Meeting, staff was authorized to work with CMHDA and DHCS to implement the Feasibility Study. At the August 15, 2013 CalMHSA Board Meeting, the allocation methodology outlined in MHS Information Notice 13-15 was approved as the methodology to be used in determining each county's share of the estimated \$300,000 cost for the feasibility study. CalMHSA invoiced counties for their estimated share of cost, should they wish to participate. Financial participation is not mandatory; however, if full participation is not achieved, counties may need to increase their level of funding. Staff calculated a possible range for the share of cost.

CMHDA and CalMHSA jointly sponsor conference calls in which counties may receive updates on the feasibility study and discuss any questions or concerns regarding the process. The most recent call was held on Monday, December 2nd.

NEXT STEPS:

In October and early November, Governance Council meetings were convened with leadership from DHCS and counties. These meetings are intended to allow the parties involved to articulate goals, outline state and federal billing requirements, and obtain consensus on the direction of the study. Presentations from CMHDA subject matter experts to the Governance Council can be accessed on the CMHDA Financial Services Committee website:

<http://www.cmhda.org/go/committees/financialservicescommittee/fschandouts.aspx>.

The goal of the next Governance Council meeting is to reach consensus on the direction of the claims system improvement efforts. Currently, opportunities for collaboration with DHCS are being explored, e.g. how counties could:

- Participate in the federally required Medicaid Information Technology Architecture (MITA) process to ensure that behavioral healthcare and county specific needs are documented, and technical requirements captured.
- Work to resolve current billing and claims system issues collaboratively with DHCS.
- Participate in larger system re-architecture and design processes occurring at the state level.

County input into these opportunities is welcomed. These opportunities will be discussed with counties and at upcoming Governance Council meetings.

FISCAL IMPACT:

The total cost of implementing the Feasibility Study is estimated to be up to \$300,000. This includes an estimated \$250,000 for the vendor contract. In addition, it is anticipated that CalMHSA will assume a substantial administrative and fiscal role in:

- Contracting with counties to participate in and fund the feasibility study,
- Planning and development of the procurement along with Steering Committee partners including DHCS and CMHDA,
- Competitively procuring, executing and managing the contract with Steering Committee input, and,
- Obtaining the advice of legal counsel in County participation agreements, Memorandums of Understanding with partners, procurement and contract documents.

As such, CalMHSA staff time, legal counsel and administrative expenses would need to be allocated across participating counties and align with the indirect and indirect cost guidelines determined by the CalMHSA Finance Committee. Any unused funds would be allocated to future program expenses.

RECOMMENDATIONS:

None, information only.

TYPE OF VOTE REQUIRED:

None

REFERENCE MATERIAL(S) ATTACHED:

- None

PROGRAM MATTERS
Agenda Item 11.D

SUBJECT: Department of State Hospitals Update

ACTION FOR CONSIDERATION:

Members are requested to execute the joint State Hospital Bed MOU for 2013-14 and the CalMHSA Participation Agreement for the State Hospital Bed Program.

BACKGROUND AND STATUS:

2013-2014 MOU

CalMHSA board directed and approved staff to work with CMHDA and Department State Hospital (DSH) at the June 14, 2012 board meeting. Since then there have been many developments, challenges, and successes. At the December 4, 2013 Work Group meeting with DSH, we reached agreement of moving forward with executing the revised MOU for FY 2013-14, which includes mutual indemnification language and licensing definitions to support payment of bed fees.

Due to the mutual agreement on the final MOU, Member Counties should move forward with executing the MOU as distributed by DSH and executing the CalMHSA Participation Agreement.

Summary of 18 Month Process and Conclusions

- Convened the State Hospital Bed Work Group, with Mary Marx, Los Angeles County, as Chair.
- Engaged in a joint negotiation with DSH with the intent for one contract/MOU for all participating counties.
- Negotiated mutual indemnification for MOU.
- Fix the rate for FY 13/14, whereas if the anticipated rate increase was an average of 3%, the rate relief would be greater than \$3 million, statewide.
- Attained agreement from Metro State Hospital to provide Intermediate Care Facilities (ICF) beds (to be available by January 2014), which will produce significant savings annually—approximately \$1 million per year for Los Angeles County.
- Developed a statewide bed pool concept to provide greater utilization and less bed cost—concept intact and ready to go if the proposed legislative changes do not occur.
- Initiated discussions that led to the development of draft trailer bill language for billing based on bed usage vs. guarantee.

- Obtained relief from guarantee of Penal Code beds.
- Designated a point of contact for contract compliance and issues involving care.
- Pursued and will continue to pursue the WIC 17601 election and third-party pay with Department of Finance.
- Significant discussion points from Workgroup meeting with DSH on December 4, 2013:
 - Extensive discussion regarding the potential of a blended rate and application for 2014-15;
 - Received information from DSH regarding operational and financial audits;
 - We continue to work together towards creating more efficiencies and innovative patient management techniques;
 - Trailer Bill language to be delayed until 2015-16 due to DSH internal process; (bed pool, back in picture)
 - DSH indicated a potential for rate reduction and will be informed of such rates in March/April 2014;
 - The following participated in the meeting:
 - DSH:** Director Allenby, Mark Beckley, Irene Briggs, Dr. Katherine Warburton, Ashley Breth, Dr. Patricia Tyler-Napa, Dr. Michael Barsom-Metro
 - Counties:** Mary Marx-Los Angeles, Deborah Lent, Dawn Smith-Orange, Maureen Bauman-Placer, Chris Kughn-Marin, Sharon Nevins, Maria Coronado-San Bernardino, Larry Hairston-Riverside, Doug Hawker-Napa
 - CalMHSA:** John Chaquica, Allan Rawland, Laura Li

NEXT STEPS:

The State Hospital Bed Work Group has identified the following next steps:

1. Counties who wish to continue to be involved in this joint operation are to execute Participating Agreement, submitted in June of 2013. Several counties have this in process already. Operations to begin January 2014.
2. CalMHSA has or will invoice for FY 2013-2014 operations at a prorated rate—six months.
3. List of activities--* denotes priorities establish by Work Group
 - a. Begin negotiating terms for 2014-15*
 - b. Review of alternatives – Subject Matter Expertise (SME) will be required*

- c. Pursue WIC 17601 election with DOF*
- d. Pursue Medicare reimbursement with DOF (*Litigation may be required*)*
- e. Contract Management (Compliance/Conflict Resolution w/terms of MOU)
 - i. Admissions and discharge compliance
 - ii. Coordination and case management
 - iii. Rate Negotiations (*Rate change is equivalent to bed use and medical necessity – plus bed transfers*)*
 - iv. Review of cost reports*
 - v. Payment issues*
 - vi. Utilization review
 - vii. Financial records – Oct. financial filings (*CalMHSA to review, analyze and inquire*)*
- f. Development of Best Practices*
- g. Database (*need to balance this with what DSH Portal now has populated*)*
 - i. Creation based on benefit—as alternative considered control and custody of joint data will be critical
 - ii. Bed usage—type, length of stay, hospital
 - iii. Records of services
 - iv. Repository and hub for information sharing
- h. Continue to hold Hospital Bed Work Group*
- i. Coordination of County/State Collaborative Meetings

Doug Alliston, counsel for CalMHSA, continues to have ongoing discussions with the County Counsel Association in an effort to receive their input on recommended changes to the MOU.

FISCAL IMPACT:

- \$50,000 –Planning and development costs for FY 2013-14. Invoiced in August 2013 to participating counties.
- \$225,000 – Operation costs for FY 2013-14, which will be prorated.
- \$450,000 – Estimated Annual Operations for FY 2014-15, 2015-16, 2016-17.

RECOMMENDATION:

None, information only.

TYPE OF VOTE REQUIRED:

None

REFERENCE MATERIAL(S) ATTACHED:

- Department of State Hospital MOU *(to be distributed under separate cover)*

PROGRAM MATTERS

Agenda Item 11.E

**SUBJECT: World Psychiatric Association “Together Against Stigma” Conference
(International Stigma and Discrimination Reduction Conference)**

ACTION FOR CONSIDERATION:

1. Board approval for CalMHSA to access up to \$150,000 in planning funds in the event of revenue shortfall from the World Psychiatric Association (WPA) the 2015 International Stigma and Discrimination Reduction (SDR) Conference.
2. Board approval for CalMHSA to enter into a contract with CiMH as the co-host and conference planner.

BACKGROUND AND STATUS:

In October the CalMHSA Board approved that CalMHSA co-host with CiMH and the WPA the next International “Together Against Stigma” conference tentatively scheduled for February 2015 in San Francisco. The last international conference was hosted in June 2012 in Canada, with nearly 700 delegates from 29 different countries. The international character of the conference underscored the fact that stigma is not exclusive to any one country or culture: it is pervasive, encountered at all levels of society, institutions, among families and within the healthcare profession itself. Core values of the “Together Against Stigma” conferences are consistent with CalMHSA values and the values reflected in our programs approach to eliminating stigma, which include:

- Efforts to reduce stigma must include those who experience it firsthand
- Rigorously studying stigma and discrimination reduction efforts and applying findings to future efforts is essential
- Sharing, exchanging, and disseminating knowledge of best practices is cost effective
- Efforts should be more than cultural competent and should reflect cultural humility and responsiveness while striving for equity
- Efforts should promote hope, resilience, recovery, and wellness

This conference would be the first to be hosted in the United States. CalMHSA and CiMH would involve key national partners in developing conference content like SAMHSA, NACBHDD, The Carter Center Mental Health Program, and the CDC. Since the October board meeting, several of these conversations have taken place due to recent staff participation at the Annual Rosalynn Carter Symposium on Mental Health Policy and at the American Public Health Association’s annual conference. The above organizations, including Mental Health America, have expressed interest in being involved.

The conference would be an excellent forum to disseminate findings on short-term outcomes and projected long-term outcomes from RAND's independent evaluation of the statewide projects. The conference could also provide an opportunity to share findings and strategies from both statewide and local SDR efforts, and explore how SDR work is critical to the successful implementation of the Affordable Care Act (ACA).

The current chair of the WPA Stigma Reduction Scientific Committee, Heather Stuart of the Canadian Mental Health Commission, has expressed her support in writing for California to move forward with planning. Other supporters would have expressed an interested in being involved include the SDR research leads at RAND, and Dr. Patrick Corrigan and Dr. Bernice Pescolido, both of whom the leading U.S. researchers in this arena and who participate on the WPA Stigma Reduction Scientific Committee.

The conference would take place in February 2015 in San Francisco possibly in lieu of—or in conjunction with—the CA Mental Health Policy Forum. Staff has preliminary discussed the importance of the conference including a lens of meeting the objectives of ACA reforms through the following tracks:

- Research and Evaluation,
- Policy and Advocacy, and
- Best practices in SDR efforts in “to be determined” areas such as across the lifespan or with special populations including underserved ethnic and racial communities, veterans, and foster youth.

In addition, opportunities for knowledge exchange, networking and training for consumers and family members and those with lived experience to take home and incorporate locally would be essential. The WPA Stigma Reduction Scientific Committee would assist with reviewing and selecting research and workshop abstracts.

Due to the draw of San Francisco, and that fact that this conference has never taken place in the United States before and would draw national attendance, it could be possible to have up to 1,000 attendees.

NEXT STEPS:

Staff has been working with CIMH, and we have developed a preliminary conference budget. This draft budget has been prepared using various scenarios of attendance and sponsorship. A worst case , in the event of revenue shortfall, may likely be in the range of a \$300,000. Staff is requesting that CalMHSA contribute up to \$150,000 in funds needed. CiMH and CalMHSA, however are hopeful reaching our targets which would not result in any revenue shortfall.

FISCAL IMPACT:

None

RECOMMENDATION:

1. Board approval for CalMHSA to access up to \$150,000 in planning funds in the event of revenue shortfall from the World Psychiatric Association (WPA) the 2015 International Stigma and Discrimination Reduction (SDR) Conference.
2. Board approval for CalMHSA to enter into a contract with CiMH as the co-host and conference planner.

TYPE OF VOTE REQUIRED:

Majority vote of the Board.

REFERENCE MATERIAL(S) ATTACHED:

- None

ADMINISTRATIVE MATTERS

Agenda Item 11.F

SUBJECT: Each Mind Matters Enhancement for Local Impact

ACTION FOR CONSIDERATION:

None, information only.

BACKGROUND:

The Each Mind Matters (EMM) Campaign emerged rather organically to meet the demand for a unifying structure for California's Mental Health Movement and stigma reduction activities taking place at the state, regional and local level. The messages embodied in the EMM campaign promote hope, acceptance, inclusion, and equity for individuals living with mental health challenges. The lime green ribbon, which accompanies the EMM campaign, provides opportunities for communities across the state to build mental health awareness and reduce stigma through localizing activities and messages.

Since May 2013, the EMM website has had over 34,000 visits, and more than 70,000 page views. Additionally, the website has attracted bi-coastal attention from states such as New York, Florida, Virginia, and Texas, as well as international attention from the United Kingdom. This increased interest in the campaign has also created a surge in demand for lime green ribbons and EMM educational materials, which are now hard to keep in stock.

STATUS:

Informal feedback from counties has been supportive of EMM, the lime green ribbons, and EMM's Spanish counterpart, Sana Mente. At the recent Statewide Coordination Workgroup (SCW) counties shared their ideas for local activities and integration, but also expressed a need for technical assistance to adapt or integrate EMM into local efforts. In addition, other local agencies and entities, particularly Higher Education partners, have expressed support and have begun to integrate EMM locally (e.g., Each Aggie Matters at UC Davis) but would also benefit from assistance to maximize impact of EMM.

UPDATE:

To address this growing unmet need and to seize this opportunity to support an emerging grassroots movement, two CalMHSA program partners—the SDR Consortium in collaboration with Runyon, Saltzman and Einhorn—have developed an EMM enhancement plan which would serve to fill the gap in technical assistance for localization, as well as provide an investment in sustaining the EMM campaign on the local, statewide and possibly national level.

Plan activities include:

- Designing, producing, and disseminating resources that assist counties in integrating EMM into local efforts
- Offer training and technical assistance to counties and constituencies on how to integrate efforts
- Enhance and update EachMindMatters.org Website, create an e-newsletter, grow social media efforts and followers, highlight EMM and Lime Green Ribbons stories and events across the state, strengthen dissemination efforts for all PEI statewide projects
- Refine EMM message platform to resonate with the general public
- Launch a public-facing campaign in May 2014

The proposal was presented to the Advisory Committee on November 15th and the committee unanimously voted to endorse the proposal. On November 18, 2013 CalMHSA Executive Committee also provided their support for the proposal.

FISCAL IMPACT:

The plan will be supported with already approved funds as directed by the CalMHSA board through action on the PEI statewide projects workplan in 2012. Recall that on August 9, 2012 the CalMHSA Board approved a shift \$14.2 million into program activities available from previously approved contingency/operating reserves, planning funds, and new county/city CalMHSA participation. In December 2012 the CalMHSA Board authorized CalMHSA staff to negotiate amended contracts for expanded services consistent with direction provided by the approved workplan and amendment principles. During these negotiations not all of the approved funds were obligated in contracts. This action will direct \$675,000.00 in already approved but not obligated funds, to enhance EMM activities and support local impact.

RECOMMENDATION:

Discussion and/or action as deemed appropriate.

TYPE OF VOTE REQUIRED:

None

REFERENCE MATERIAL(S) ATTACHED:

- EMM/ Lime Green Ribbon Enhancement Proposal Key Project Areas for January– June 2014

GENERAL DISCUSSION

Agenda Item 12.A

SUBJECT: Report from CalMHSA President – Wayne Clark

ACTION FOR CONSIDERATION:

Discussion and/or action as deemed appropriate.

BACKGROUND AND STATUS:

CalMHSA President Wayne Clark, will provide general information and updates regarding the JPA.

- Department of Health Care Services Contract Update
- Other

FISCAL IMPACT:

None

RECOMMENDATION:

Discussion and/or action as deemed appropriate.

TYPE OF VOTE REQUIRED:

Majority vote of the Board.

REFERENCE MATERIALS ATTACHED:

- None

GENERAL DISCUSSION

Agenda Item 12.B

SUBJECT: Report from CalMHSA Executive Director – John Chaquica

ACTION FOR CONSIDERATION:

Discussion and/or action as deemed appropriate.

BACKGROUND AND STATUS:

CalMHSA Executive Director, John Chaquica, will provide general information and updates regarding the JPA.

- JPA Agreement—update of counties response
- Executive Committee— Superior Regional Representative Vacancy
- General

FISCAL IMPACT:

None

RECOMMENDATION:

Discussion and/or action as deemed appropriate.

TYPE OF VOTE REQUIRED:

Majority vote of the Board.

REFERENCE MATERIALS ATTACHED:

- JPA Agreement Tracker

MINUTES

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY (CaMHSA) STRATEGIC PLANNING SESSION AND BOARD OF DIRECTORS MEETING

Sacramento, California

June 13, 2013

MEMBERS PRESENT

Wayne Clark, PhD, CalMHSA President, Monterey County
Maureen F. Baumann, LCSW, CalMHSA Vice President, Placer County
Karen Baylor, PhD, MFT, CalMHSA Secretary, San Luis Obispo County
Scott Gruendl, MPA, CalMHSA Treasurer, Glenn County
Brad Luz, PhD, Central Region Representative, Sutter/Yuba County
Rita Austin, LCSW, Central Region Representative, Tuolumne County
William Arroyo, MD, Los Angeles Region Representative, Los Angeles County
CaSonya Thomas, MPA, CHC, Southern Region Representative, San Bernardino County
Karen Stockton, PhD, MSW, Superior Region Representative, Modoc County
Anne Robin, MFT, Superior Region Representative, Butte County
Terence M. Rooney, PhD, Colusa County
Patricia Charles-Heathers, El Dorado County
Dawan Utecht, Fresno County
Barbara LaHaie, Humboldt County
Kristy Kelly, MFT, Lake County
John Lawless, LCSW, Mariposa County (alternate)
Tom Pinizzotto, Mendocino County (alternate)
Jaye Vanderhurst, LCSW, Napa County
Jenny Qian, MA, Orange County (alternate)
Jerry Wengerd, LCSW, Riverside County
Mary Ann Carrasco, Sacramento County
Nancy Pena, PhD, Santa Clara County
Donnell Ewert, MPH, Shasta County
Madelyn Schlaepfer, PhD, Stanislaus County
Noel J. O'Neill, MFT, Trinity County
Meloney Roy, LCSW, Ventura County
Kim Suderman, Yolo County

MEMBERS/ALTERNATES LISTENING IN

Debby Estes, LCSW, Madera County (alternate)

ALTERNATES PRESENT

Tom Sherry, Sutter/Yuba (alternate)

MEMBERS ABSENT

Michael Kennedy, MFT, Sonoma County
Jo Robinson, Bay Area Region Representative, San Francisco City and County
Karyn Tribble, PsyD, LCSW, City of Berkeley
Mary Roy, MFT, Contra Costa County
Gary R. Blatnick, Del Norte County
Michael Horn, MFT, Imperial County
Gail Zwier, PhD, Inyo County
Jim Waterman, PhD, Kern County
Mary Ann Ford Sherman, MA, Kings County
Barbara Pierson, Lassen County
Margaret Kisliuk, HHS, Marin County
Robin Roberts, MFT, Mono County
Michael Heggarty, MFT, Nevada County
Alan Yamamoto, LCSW, San Benito County
Stephen Kaplan, San Mateo County
Alfredo Aguirre, San Diego County
Vic Singh, LCSW, San Joaquin County
Stephen Kaplan, San Mateo County
Rama Khalsa, PhD, Santa Cruz County
Terry Barber, Siskiyou County
Halsey Simmons, MFT, Solano County
Jesse Duff, Tri-City Mental Health Center
Timothy Durick, PsyD, Tulare County

STAFF PRESENT

John Chaquica, CPA, MBA, ARM, CalMHSA Executive Director
Doug Alliston, Legal Counsel, Murphy Campbell Guthrie & Alliston
Kim Santin, CPA, CalMHSA Finance and Administration Director
Ann Collentine, MPPA, CalMHSA Program Director
Allan Rawland, Associate Administrator – Government Relations
Stephanie Welch, MSW, CalMHSA Senior Program Manager
Sarah Brichler, MEd, CalMHSA Program Manager
Maya Maas, CalMHSA Executive Assistant
Michelle Yang, CalMHSA Executive Assistant
Jaikelle Meeks, CalMHSA Executive Assistant

MEMBERS OF THE PUBLIC

Stacie Hiramoto, Racial and Ethnic Mental Health Disparities Coalition (REMHDCO)

John T. Liddle, Morgan Stanley Smith Barney
Susan Gallagher, Mental Health America of Northern California (MHANCA)
Anara Guard, Education Development Center (EDC)
Autumn Valero, California Institute for Mental Health (CiMH)
Pat Ryan, California Mental Health Directors Association (CMHDA)
Taisha Caldwell, UC Office of the President

1. CALL TO ORDER

The regular meeting of the Board of Directors of the California Mental Health Services Authority (CalMHSA) was called to order by President Wayne Clark, PhD, Monterey County, at 2:46 p.m. on June 13, 2013, at the Doubletree Hotel Sacramento, located at 2001 Point West Way, Sacramento, California. President Clark welcomed those in attendance as well as those listening in on the phone.

President Clark asked Doug Alliston, Legal Counsel, Murphy Campbell Guthrie & Alliston, to call roll in order to confirm a quorum of the Board.

2. ROLL CALL AND INTRODUCTIONS

Mr. Alliston called roll and informed President Clark and fellow Board members a quorum had been met.

3. INSTRUCTIONS FOR PUBLIC COMMENT AND STAKEHOLDER INPUT

Mr. Alliston reviewed the instructions for public comment, including the process of public comment cards, and noted items not on the agenda would be reserved for public comment at the end of the agenda.

President Clark presented Karen Baylor, San Luis Obispo County, who has served as a CalMHSA officer since the JPA's inception, with a plaque acknowledging her dedication and service to mental health services in California as well as the development of CalMHSA.

4. CMHDA STANDING REPORT

President Clark invited Pat Ryan, CMHDA Executive Director, to provide a report on CMHDA. Ms. Ryan gave a quick overview of CMHDA's budget review noting the 1991 realignment revenue sources remain stable and unchanged. The Steinberg Mental Health Wellness Proposal has been included in the budget (AB 82).

CMHDA has been approached by the Department of Health Care Services to participate and contribute financially in a feasibility study to change the current Short-Doyle 2 claims processing system. One alternative being considered is having CalMHSA administer the study on behalf of the counties.

Work continues on the state hospital beds project and staff will be meeting soon with the Department of State Hospitals (DSH) and the Department of Finance. DSH has informed CMHDA they will provide an opportunity for feedback on any language put forth for future legislation.

Action: *None, information only.*

5. STATEWIDE PEI PROGRAMS

A. Program Partner Presentation – University of California Office of the President – Student Mental Health Initiative: University of California Student Mental Health Program (UCSMHP)

Ann Collentine, CalMHSA Program Director, introduced Dr. Taisha Caldwell, University of California Office of the President. Dr. Caldwell provided the Board with an overview of the UC's projects throughout the state. The UC team is committed to prevention and early intervention, focusing on resilience and overall wellness. She reviewed some of the collaboration and networking efforts between the UC campuses and counties as well as the resources made available to UC staff and students. Dr. Caldwell screened a public service announcement (PSA) focusing on veterans—one of the customizable PSAs being provided to the campuses and counties. The PSAs will be hosted on Vimeo.

Action: *None, information only.*

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

Susan Gallagher, Mental Health America of Northern California (MHANCA)

6. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

President Clark called for approval of the agenda as posted and asked for comment from Board members. Hearing none, President Clark entertained a motion to approve the agenda as posted.

Action: *A motion was made to approve the agenda as posted.*

Motion: *William Arroyo, Los Angeles County*

Second: *Karen Stockton, Modoc County*

Motion carried by unanimous consent.

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

None

7. CONSENT CALENDAR

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

Action: *A motion was made to approve the consent calendar.*

Motion: *Kristy Kelly, Lake County*

Second: *Jaye Vanderhurst, Napa County*

Motion carried unanimously.

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

8. MEMBERSHIP

A. CalMHSA New County Membership Application(s)

President Clark called on Maureen Bauman, Placer County, to announce the membership application of Alameda County. They will be the 51st member of CalMHSA.

Action: *A motion was made to approve CalMHSA membership for Alameda County.*

Motion: *Brad Luz, Sutter/Yuba County*

Second: *Karen Stockton, Modoc County*

Motion carried unanimously.

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

B. County Outreach Report

Allan Rawland, CalMHSA Associate Administrator – Government Relations, provided an update on outreach efforts. Eight counties have yet to pursue membership with two in the queue—Sierra and Merced counties.

Mr. Rawland reminded the Board of the amended JPA agreement. Staff have received 18 signed agreements with 13 in the queue.

Action: *None, information only.*

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

9. FINANCIAL MATTERS

A. Report from the CalMHSA Finance Committee – Scott Gruendl

Scott Gruendl, CalMHSA Treasurer, introduced John T. Liddle, Morgan Stanley Smith Barney (MSSB), who gave an update on the CalMHSA investments. The goal was to have a conservative portfolio while outperforming riskless investments within the Local

Agency Investment Fund (LAIF). MSSB has done this successfully with \$1.3 million in net income, almost double what has been achieved in LAIF. At the Finance Committee meeting, maturities were extended to mid June 2015 based on extension of projects.

Mr. Gruendl gave an update on the Finance Committee Task Force's review of the George Hills Company contract. The current contract ends on June 30, 2014. The Task Force has two recommendations to be presented for action at a later date. The first would be based on administrative cost staying below 7.5% (4.1% for FY 2013-2014). The second would be based on performance.

Action: *None, information only.*

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

B. CalMHSA Annual Revenue and Expenditure Report – Proposed Budget June 30, 2014

Mr. Gruendl directed the Board to the proposed budget for the upcoming year provided in the agenda packet and asked Kim Santin, CalMHSA Finance Director, to review the budget as well as the allocation form presented on page 109. Statewide PEI Programs make up 97% of the CalMHSA budget. The budget is built on the Implementation Plan and addendums approved by the Mental Health Services Oversight and Accountability Commission (MHSOAC). Ms. Santin reviewed the funds, which include various projects being implemented by CalMHSA, project planning and development dues, and interest earnings. The estimated carryover of funds from the previous fiscal year is \$90 million due to Programs have been slower to expend than anticipated. CalMHSA estimates ending the 2013-2014 fiscal year with a carryover of \$30 million. Originally \$10.8 million was designated for administrative costs, but it has been determined, based on expenditure pattern that amount is not needed and can be reduced in half. This budget reflects \$5 million, currently in administrative costs to be moved into program funds. This reduces the administrative costs percentage to 4.1% from 7.5%. The remaining balance is shown at \$2.8 million, which represents the interest earnings.

Mr. Gruendl then provided a background on the project planning development dues line item of \$300,000. This line item was placed in the budget to start a conversation.

Following discussion at the April 12, 2013 Strategic Planning Session, the Board voted for the development of a process for counties to be able to act jointly. Following the planning session, the Finance Committee took up the topic of a general funding process for how to fund the development of programs beyond PEI Statewide efforts. There was general agreement as to the need to plan for and develop projects prior to them being presented to the JPA for implementation. The cost of program planning and development could be allocated based on PEI assignment percentage or other provisions. A mechanism is needed to fund project planning and development as well as

basic ongoing operation costs. A thoughtful discussion ensued regarding how to fund program planning and development. As a result, the Finance Committee was directed to go back, look at the various alternatives, and come up with a more specific process for Board members to consider. President Clark added that this discussion flows from the Strategic Planning Session discussion and will be focused on various options for pursuing potential projects in the future—FTE assigned solely to development, revolving pre-fund approach, county staff assigned, CMHDA staff developing project concept papers for potential projects. Mr. Gruendl will take the Board’s feedback to the Finance Committee for further discussion and development of reasonable options to be presented at a future Board meeting.

Action: *Adopt the Annual Revenue and Expenditure Report – Proposed Budget, June 30, 2014 without the \$300,000 dues structure.*

Motion: *Brad Luz, Sutter/Yuba County*

Second: *Kim Suderman, Yolo County*

Motion carried unanimously.

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

10. PROGRAM MATTERS

A. Report from CalMHSA Program Director – Ann Collentine

President Clark called on Ann Collentine, CalMHSA Program Director, for a review of program activities. Ms. Collentine stated all regional contract specialist positions have been filled to assist with connecting the regional and local projects with the statewide projects and thanked the Board for authorizing the extension of their contracts through June 2014. Each Mind Matters was launched during May with Mental Health Month activities. September is Suicide Prevention Month. The higher education program partners are working with the county liaisons to enhance collaboration and participation through the Send Silence Packing exhibit.

Action: *None, information only.*

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

B. Report from the CalMHSA Advisory Committee – Maureen Bauman

Maureen Bauman, CalMHSA Vice President, Placer County, who serves as CalMHSA Advisory Committee Co-chair, gave an update on the Committee’s May 9, 2013 meeting. The Committee reviewed the continuation of the Stigma and Discrimination Reduction (SDR) Consortium (Item 10.C), the plan update (Item 10.D), the efforts to reduce disparities (Item 10.E), planning framework, and levels for sustainability.

The Committee has lost Joseph Robinson as the Stakeholder Co-chair of the Committee. He has joined the SDR Consortium project as Project Manager.

Action: *None, information only.*

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

C. SDR Consortium Administration

Stephanie Welch, CalMHSA Senior Program Manager, updated the Board on the administration of the SDR Consortium. Following direction given by the CalMHSA Executive Committee, a contract has been executed with George Hills Company. Several staff positions have been filled and Adele James has been hired to facilitate Consortium meetings.

Action: *None, information only.*

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

D. Plan Update Contract Amendments

Ms. Welch presented the two contract amendments, which have both been vetted by the review committee process as well as the Advisory Committee. Following the approval of the Plan Update on August 9, 2012, CalMHSA's Program Partners had the opportunity to ask for more funding to improve their geographic and cultural reach. The amendments are for the Mental Health Association in California (to expand the number of Wellness Works trainings their regional hubs offer and adapt their tools for Spanish and Chinese employers) and for the Community Care Initiative – Integrated Behavioral Health Project (to partner with CASRA to enhance the integrated behavioral health toolkit).

Recommendation: *Authorize staff to negotiate amended contracts for Program Partners, as recommended by the Advisory Committee, and authorize the Executive Director and President to execute such amendments on behalf of CalMHSA.*

Motion: *Karen Stockton, Modoc County*

Second: *Jerry Wengerd, Riverside County*

Motion carried unanimously.

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

E. Enhancing Efforts to Reduce Disparities – Supporting Cultural Responsiveness

Ms. Welch provided a quick background on enhancing efforts to reduce disparities and supporting cultural responsiveness. A needs assessment of the Program Partners was conducted by CiMH to help identify areas of strength and areas where technical assistance is needed. The recommendation supports the next phase of this process. CiMH will provide technical assistance in the areas of improving strategies for collecting and analyzing demographic data by race, ethnicity, sexual orientation and gender identity; enhancing linguistic competency and language access; strengthening skills in terms of culturally appropriate community defined practices and learning how to adapt those practices for particular racial and ethnic populations; adapting the work our Partners do for traditionally underserved communities. Trainings would begin in the new fiscal year.

CaSonya Thomas, San Bernardino County, recommended staff work with the CMHDA Committee that includes Ethnic Services Manger to provide guidance on the project with CRDP partners.

Recommendations:

- 1. Approval to extend contract with CiMH for up to \$100,000 to coordinate and deliver expedited training and technical assistance based on findings from the assessment to enhance efforts to reduce disparities.***
- 2. Approve contracting with interested California Reducing Disparities Project (CRDP) contractors, or their identified partners, to develop tool kits or other relevant resources, based on the findings of their population reports and extensive knowledge of underserved communities, that identify key cultural considerations for Suicide Prevention, Stigma and Discrimination Reduction, and Student Mental Health efforts no later than the third quarter of FY 13-14 for a total of no more than \$150,000.***

Motion: CaSonya Thomas, San Bernardino County

Second: William Arroyo, Los Angeles County

Motion carried unanimously.

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

Stacie Hiramoto, Racial and Ethnic Mental Health Disparities Coalition (REMHDCO)

Susan Gallagher, Mental Health America of Northern California (MHANCA)

F. State Hospital Beds

John Chaquica, CalMHSA Executive Director, provided an update on the state hospital beds project. CalMHSA has been working on this project for one year and since January has been meeting with DSH. The five critical areas are bed type, bed payment (WIC 17601), bed commitment, Medicare, and indemnification. Mr. Chaquica emphasized the

importance of the counties acting jointly. Documents have been provided for counties to take this item to Boards of Supervisors.

Recommendation: *Approval to continue negotiations for a joint contract and operationalize the DSH Beds with CalMHSA for FY 2013-14.*

Motion: *William Arroyo, Los Angeles County*
Second: *Jerry Wengerd, Riverside County*
Abstain: *Barbara LaHaie, Humboldt County*
Kristy Kelly, Lake County
Karen Stockton, Modoc County
Mary Ann Carrasco, Sacramento County
Madelyn Schlaepfer, Stanislaus County

Motion carried unanimously.

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

11. ADMINISTRATIVE MATTERS

A. Executive Committee Election

President Clark explained the nominating committee process used to determine the Executive Committee slate being presented. Nominations were requested from the Board, which the Committee used to create the slate. Ms. Bauman noted President Clark has agreed to a one year term instead of the allotted two year term.

President	Wayne Clark, Monterey County
Vice President	Maureen Bauman, Placer County
Secretary	CaSonya Thomas, San Bernardino County
Treasurer	Scott Gruendl, Glenn County
Bay Area	Jo Robinson, San Francisco City & County
Central	Brad Luz, Sutter/Yuba Counties
Los Angeles	Marvin Southard, Los Angeles County
Southern	Alfredo Aguirre, San Diego County
Superior	Karen Stockton, Modoc County

Action: *Approve recommended slate of officers and Executive Committee members representing the five CMHDA regions.*

Motion: *Jerry Wengerd, Riverside County*
Second: *William Arroyo, Los Angeles County*

Motion carried unanimously.

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

B. Strategic Planning Session Follow-up

Ms. Collentine presented on the Strategic Planning Task Force, made up of Board members. President Clark will appoint the members during his report. At the request of Board members during the Strategic Planning meeting, staff created a document which showed preliminary funding needed from each county to sustain PEI Statewide projects at half the current funding. The goal of the Task Force will be to discuss development of a PEI Statewide Projects Sustainability Plan and vet milestones related to this plan prior to presentation to the full Board.

At the April Strategic Planning Session, a return on investment document was presented to the Board. The Task Force, along with the RAND Corporation, will assist with refining that document to show the local impact and/or outcomes of PEI Statewide Project dollars.

Mr. Chaquica directed the Board to the project vote conducted at the April Strategic Planning Session. The Agenda Review team has created a list of the top seven projects based on those votes.

Action: *No action needed.*

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

12. GENERAL DISCUSSION

A. Report from CalMHSA President – Wayne Clark

President Clark presented the members of the Strategic Planning Task Force:

William Arroyo, Los Angeles County, Los Angeles Region
Martin Malin, Napa County, Bay Area Region
Alfredo Aguirre, San Diego County, Southern Region
Jane Anne LeBlanc, Sacramento County, Central Region
Donnell Ewert, Shasta County, Superior Region

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

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

B. Report from CalMHSA Executive Director – John Chaquica

Mr. Chaquica reported while a verbal extension of the DHCS has been given, nothing in writing has been obtained. The CalMHSA website now includes a Media page for any articles or media postings related to CalMHSA projects.

Recommendation: *None, information only.*

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

President Clark called on Mr. Gruendl to provide an alternative to the closed session originally planned to follow the meeting. The closed session was to discuss the evaluation process for the administration contract. In place of the closed session, Mr. Gruendl requested the officers create a template to be distributed to the Board the results of which will be discussed at a future meeting.

13. PUBLIC COMMENTS

A. Public Comments – Non-Agenda Items

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

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

14. NEW BUSINESS AND CLOSING COMMENTS

President Clark asked the Board if there was any new business or closing comments. Hearing none, he entertained a motion to adjourn.

15. ADJOURNMENT

There being no further comments, the meeting was adjourned at 5:01 p.m.

Action: *To adjourn meeting.*

Motion: *Kim Suderman, Yolo County*

Second: *Karen Stockton, Modoc County*

Motion carried unanimously.

Respectfully submitted,

CaSonya Thomas, MPA, CHC
Secretary, CalMHSA

Date

2013 STRATEGIC PLANNING SESSION

RECOMMENDATION 1: Renew Commitment to Statewide PEI.

Strategies	Progress	Target Completion Date	Status
<p>The SPTF is recommending as its number one priority that the members of CalMHSA renew their commitment to Statewide and regional PEI. As such, the task force is recommending the CalMHSA board approve and authorize staff to begin the development of a PEI Strategic Plan, which will come back to the board for approval and funding. This development shall be funded by the Statewide PEI planning funds. Task force members and staff will present a status update of the Statewide PEI Initiatives and drafts of the Strategic Planning Process and Timeline, Strategic Plan Framework and Return on Investment (ROI).</p>	<p>Task Force meeting monthly with criteria for sustaining program approved</p>	<p>12/2013</p>	<p>PEI Task Force to present a plan at the 12/12/2013 Board Meeting</p>

RECOMMENDATION 2: A mechanism and process for counties to fund projects jointly.

Strategies	Progress	Target Completion Date	Status
<p>CalMHSA members have inquired as to the methodology and process of members funding approved projects where members act jointly to achieve overall efficiencies. The SPTF has developed a conceptual process that members may use as a template for local approval. Since members have varied methodologies and process, the task force is seeking input and alternatives to ensure the template is as broad as necessary. The task force is recommending approval of funding and a general process for future projects. This process for funding is critical for CalMHSA to consider performing other projects, including expanding into other non-MHSA initiatives. Task force members and staff will present a draft JPA Funding Process for discussion, as well as example documents for members to take to their BOS for approval.</p>	<p>At the August 15, 2013 Board meeting, the board approved option 1 concept no amount yet.</p>	<p>12/2013</p>	<p>Fund process approved 8/15/13</p>

RECOMMENDATION 3: Approve methodologies in selection of additional projects for counties to act jointly.

Strategies	Progress	Target Completion Date	Status
<p>At previous Strategic Planning meetings, CalMHSA had identified several ideas for projects for CalMHSA to engage in. The task force recommended the board approve a process that not only identifies projects for consideration but a selection for staff planning and development. The concept is for the board to agree annually in the selection of the highest priorities for staff to analyze and report findings for approval of funding the project or abandon the idea. This will be done at the annual Strategic Planning meeting. It is anticipated that the board may select up to three projects. However, if during the course of the year, a more immediate project is identified, the board or Executive Committee may add or replace projects.</p>	<p>Discussed at the Agenda Review Call and June 13, 2013 Board meeting. On hold until funding resolved.</p>	<p>8/2013</p>	<p>Refinement of project continues to be discussed</p>

Morgan Stanley

CalMHSA Account Review

Tuesday, November 19, 2013

Prepared for: CalMHSA November 25, 2013 Finance Committee Meeting

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John T. Liddle
Sr. Vice President
Sr. Investment Management Consultant

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Balances
As of 11/18/2013

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Acct. 178-116821-451

	Market Value	% Of Assets**
MMF And Bank Deposits	\$182,837.91	0.29%
Corporate Fixed Income	38,628,652.77	62.30
Government Securities	22,925,854.40	36.97
Accrued Interest	268,773.60	0.43
Total Account Value	\$62,006,118.68	100.00%

** % of Assets reflects account balances as a percentage of long position & cash rounded to the nearest hundredth. As a result the total may not equal 100%.

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Holdings
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Quantity	Symbol/CUSIP	Description	MS Rating	Price	Market Value
182,837.910	AAMT	MS ACTIVE ASSETS MONEY TRUST	—	\$1.00	\$182,837.91
2,760,000.000	06406HBL2	BANK OF NEW YORK MELLON Coupon 4.30% Maturity Date 05/15/14 Accrued Int. \$988.99	—	101.97	2,814,372.00
5,000,000.000	0556N1C35	BNP PARIBAS FINANCE INC C/P Coupon 0.00% Maturity Date 03/03/14	—	99.94	4,996,800.00
4,667,000.000	191216AX8	COCA-COLA CO Coupon 0.75% Maturity Date 03/13/15 Accrued Int. \$6,319.86	—	100.54	4,692,248.47
2,820,000.000	36962GK86	GENERAL ELECTRIC CAPTIAL CORP Coupon 4.75% Maturity Date 09/15/14 Accrued Int. \$23,441.25	—	103.64	2,922,535.20
2,275,000.000	24422ERA9	JOHN DEERE CAP CORP MTN Coupon 1.60% Maturity Date 03/03/14 Accrued Int. \$7,583.33	—	100.39	2,283,895.25
2,795,000.000	46625HHN3	JP MORGAN CHASE & CO Coupon 4.65% Maturity Date 06/01/14 Accrued Int. \$60,290.47	—	102.24	2,857,691.85
5,000,000.000	78009NMK9	ROYAL BANK OF CANADA NY YCD Coupon 0.29% Maturity Date 04/17/14 Accrued Int. \$1,248.60	—	100.05	5,002,600.00
4,000,000.000	25468PCQ7	WALT DISNEY COMPANY Coupon 0.88% Maturity Date 12/01/14 Accrued Int. \$16,236.08	—	100.55	4,022,080.00
4,000,000.000	94974BFA3	WELLS FARGO & COMPANY Coupon 1.25% Maturity Date 02/13/15 Accrued Int. \$13,194.44	—	100.90	4,035,880.00
5,000,000.000	96121TRH3	WESTPAC BANKING CORP NY YCD Coupon 0.38% Maturity Date 12/03/13 Accrued Int. \$18,208.30	—	100.01	5,000,550.00
3,100,000.000	313381YP4	FED HOME LN BK Coupon 0.25% Maturity Date 02/20/15 Accrued Int. \$1,894.44	—	100.03	3,100,930.00

Please refer to the end of this report for a guide to Morgan Stanley Research Ratings.

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Quantity	Symbol/CUSIP	Description	MS Rating	Price	Market Value
2,695,000.000	3134A4UU6	FED HOME LN MTG CORP Coupon 5.00% Maturity Date 07/15/14 Accrued Int. \$46,039.57	—	\$103.15	\$2,779,892.50
2,940,000.000	3137EACU1	FED HOME LN MTG CORP MED TERM NOTE Coupon 1.00% Maturity Date 07/30/14 Accrued Int. \$8,820.00	—	100.58	2,956,934.40
2,740,000.000	31359MUT8	FED NATL MTG ASSN Coupon 4.13% Maturity Date 04/15/14 Accrued Int. \$10,360.63	—	101.62	2,784,251.00
2,785,000.000	31398AAY2	FED NATL MTG ASSN Coupon 3.00% Maturity Date 09/16/14 Accrued Int. \$14,389.15	—	102.35	2,850,419.65
5,610,000.000	31398A5W8	FED NATL MTG ASSN Coupon 0.75% Maturity Date 12/18/13 Accrued Int. \$17,531.25	—	100.05	5,612,861.10
2,825,000.000	31398AVD1	FED NATL MTG ASSN Coupon 2.75% Maturity Date 02/05/14 Accrued Int. \$22,227.24	—	100.55	2,840,565.75
Accrued Interest					268,773.60
Holdings					61,737,345.08
Total Account Value					62,006,118.68

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Holdings
As of 11/18/2013

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In this report, the following codes correspond to the following Morgan Stanley ratings. For a complete description of Morgan Stanley's rating system, please refer to a Morgan Stanley research or ask your Financial Advisor.

CODE / MORGAN STANLEY RATING

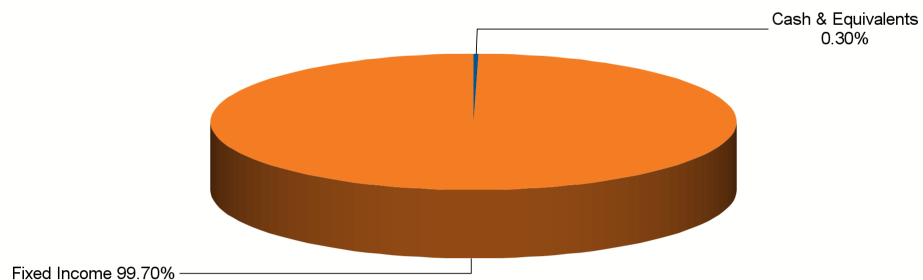
1 / Overweight: The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months

2 / Equal-weight: The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months

2 / Not-Rated: Currently the analyst does not have adequate conviction about the stock's total return relative to the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months

3 / Underweight: The stock's total return is expected to be below the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months

The above summary/prices/quotes/statistics have been obtained from sources believed reliable but are not necessarily complete and cannot be guaranteed. The information contained in client monthly account statements and confirmations reflects all transactions, and as such supersedes all other reports for financial and tax purposes. This report does not supersede or replace your monthly Client Statement. If we do not hold the securities in a Morgan Stanley Wealth Management account, the report reflects securities which we believe you own, based upon your communications with our Financial Advisor.
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Long Positions and Cash

Projected Monthly Income - Summary

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	Current Month	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Twelve Month Total
Fixed Income (1)	—	113,022	85,700	67,719	144,451	60,138	59,340	82,484	82,075	28,875	126,251	—	—	850,055
Income Total	—	113,022	85,700	67,719	144,451	60,138	59,340	82,484	82,075	28,875	126,251	—	—	850,055

	Account Totals*	Projected Income	% Yield**
Fixed Income	\$61,554,507	\$850,055	1.38%
Total	\$61,554,507	\$850,055	1.38%

(1) Group contained 1 records with No Annual Dividend. No income reported.

* Account Totals do not include Cash, Cash Equivalents and Annuities.

** Monthly projections are rounded to the nearest dollar and totaled, therefore, % yield calculations are approximate.

Estimated yield and estimated annual income are estimates and the actual income or yield may be lower or higher than the estimates. Estimated annual income and estimated yield for certain securities can include return of principal or capital gains which could overstate such estimates. Estimated yield reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate.

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Dividend & Interest Received
 (01/11/2012 - 10/31/2013)
 As of 11/18/2013

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Date	Symbol/ CUSIP	Description	Taxable Dividends	Tax Free Dividends	Taxable Interest	Tax Free Interest
05/15/12	06406HBL2	BANK OF NEW YORK 4300 14MY15 Maturity Date: 05/15/14 Coupon: 4.30%	—	—	\$59,340.00	—
11/15/12	06406HBL2	BANK OF NEW YORK 4300 14MY15 Maturity Date: 05/15/14 Coupon: 4.30%	—	—	59,340.00	—
05/15/13	06406HBL2	BANK OF NEW YORK 4300 14MY15 Maturity Date: 05/15/14 Coupon: 4.30%	—	—	59,340.00	—
03/13/13	191216AX8	COCA-COLA CO 0750 15MH13 Maturity Date: 03/13/15 Coupon: 0.75%	—	—	17,501.25	—
09/13/13	191216AX8	COCA-COLA CO 0750 15MH13 Maturity Date: 03/13/15 Coupon: 0.75%	—	—	17,501.25	—
08/20/13	313381YP4	FHLB 0250 15FB20 Maturity Date: 02/20/15 Coupon: 0.25%	—	—	3,875.00	—
02/28/12	313374Y61	FHLB 0500 13AU28 Maturity Date: 08/28/13 Coupon: 0.50%	—	—	12,425.00	—
08/28/12	313374Y61	FHLB 0500 13AU28 Maturity Date: 08/28/13 Coupon: 0.50%	—	—	12,425.00	—
02/28/13	313374Y61	FHLB 0500 13AU28 Maturity Date: 08/28/13 Coupon: 0.50%	—	—	12,425.00	—
08/28/13	313374Y61	FHLB 0500 13AU28 Maturity Date: 08/28/13 Coupon: 0.50%	—	—	12,425.00	—
06/14/12	31339X2M5	FHLB 3875 13JN14 Maturity Date: 06/14/13 Coupon: 3.87%	—	—	91,837.50	—
12/14/12	31339X2M5	FHLB 3875 13JN14 Maturity Date: 06/14/13 Coupon: 3.87%	—	—	91,837.50	—
06/14/13	31339X2M5	FHLB 3875 13JN14 Maturity Date: 06/14/13 Coupon: 3.87%	—	—	56,962.50	—

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Dividend & Interest Received
 (01/11/2012 - 10/31/2013)
 As of 11/18/2013

CALIFORNIA MENTAL HEALTH
 SERVICES AUTHORITY (PFM)
 3043 GOLD CANAL DRIVE
 SUITE 200
 RNCHO CORDOVA CA 95670-6394

Prepared by John T Liddle
 Ph. +1 916 567-2030

Acct. 178-116821-451

Date	Symbol/ CUSIP	Description	Taxable Dividends	Tax Free Dividends	Taxable Interest	Tax Free Interest
04/30/12	3137EACX5	FHLMC 0375 13OC30 Maturity Date: 10/30/13 Coupon: 0.37%	—	—	\$9,356.25	—
10/30/12	3137EACX5	FHLMC 0375 13OC30 Maturity Date: 10/30/13 Coupon: 0.37%	—	—	9,356.25	—
04/30/13	3137EACX5	FHLMC 0375 13OC30 Maturity Date: 10/30/13 Coupon: 0.37%	—	—	9,356.25	—
10/30/13	3137EACX5	FHLMC 0375 13OC30 Maturity Date: 10/30/13 Coupon: 0.37%	—	—	9,356.25	—
07/15/12	3134A4TZ7	FHLMC 4500 13JL15 Maturity Date: 07/15/13 Coupon: 4.50%	—	—	105,750.00	—
01/15/13	3134A4TZ7	FHLMC 4500 13JL15 Maturity Date: 07/15/13 Coupon: 4.50%	—	—	105,750.00	—
07/15/13	3134A4TZ7	FHLMC 4500 13JL15 Maturity Date: 07/15/13 Coupon: 4.50%	—	—	105,750.00	—
07/15/12	3134A4UU6	FHLMC 5000 14JL15 Maturity Date: 07/15/14 Coupon: 5.00%	—	—	67,375.00	—
01/15/13	3134A4UU6	FHLMC 5000 14JL15 Maturity Date: 07/15/14 Coupon: 5.00%	—	—	67,375.00	—
07/15/13	3134A4UU6	FHLMC 5000 14JL15 Maturity Date: 07/15/14 Coupon: 5.00%	—	—	67,375.00	—
01/30/12	3137EACU1	FHLMC MTN 1000 14JL30 Maturity Date: 07/30/14 Coupon: 1.00%	—	—	19,436.67	—
07/30/12	3137EACU1	FHLMC MTN 1000 14JL30 Maturity Date: 07/30/14 Coupon: 1.00%	—	—	14,700.00	—
01/30/13	3137EACU1	FHLMC MTN 1000 14JL30 Maturity Date: 07/30/14 Coupon: 1.00%	—	—	14,700.00	—
07/30/13	3137EACU1	FHLMC MTN 1000 14JL30 Maturity Date: 07/30/14 Coupon: 1.00%	—	—	14,700.00	—

Dividend & Interest Received
 (01/11/2012 - 10/31/2013)
 As of 11/18/2013

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Date	Symbol/ CUSIP	Description	Taxable Dividends	Tax Free Dividends	Taxable Interest	Tax Free Interest
02/09/12	3135G0BR3	FNMA 0500 13AU09 Maturity Date: 08/09/13 Coupon: 0.50%	—	—	\$12,425.00	—
08/09/12	3135G0BR3	FNMA 0500 13AU09 Maturity Date: 08/09/13 Coupon: 0.50%	—	—	12,425.00	—
02/09/13	3135G0BR3	FNMA 0500 13AU09 Maturity Date: 08/09/13 Coupon: 0.50%	—	—	12,425.00	—
08/09/13	3135G0BR3	FNMA 0500 13AU09 Maturity Date: 08/09/13 Coupon: 0.50%	—	—	12,425.00	—
06/18/12	31398A5W8	FNMA 0750 13DE18 Maturity Date: 12/18/13 Coupon: 0.75%	—	—	21,037.50	—
12/18/12	31398A5W8	FNMA 0750 13DE18 Maturity Date: 12/18/13 Coupon: 0.75%	—	—	21,037.50	—
06/18/13	31398A5W8	FNMA 0750 13DE18 Maturity Date: 12/18/13 Coupon: 0.75%	—	—	21,037.50	—
02/06/12	31398AVD1	FNMA 2750 14FB05 Maturity Date: 02/05/14 Coupon: 2.75%	—	—	38,843.75	—
08/05/12	31398AVD1	FNMA 2750 14FB05 Maturity Date: 02/05/14 Coupon: 2.75%	—	—	38,843.75	—
02/05/13	31398AVD1	FNMA 2750 14FB05 Maturity Date: 02/05/14 Coupon: 2.75%	—	—	38,843.75	—
08/05/13	31398AVD1	FNMA 2750 14FB05 Maturity Date: 02/05/14 Coupon: 2.75%	—	—	38,843.75	—
03/13/12	31398AVZ2	FNMA 2750 14MH13 Maturity Date: 03/13/14 Coupon: 2.75%	—	—	8,662.50	—
03/16/12	31398AYY2	FNMA 3000 14SP16 Maturity Date: 09/16/14 Coupon: 3.00%	—	—	41,775.00	—
09/16/12	31398AYY2	FNMA 3000 14SP16 Maturity Date: 09/16/14 Coupon: 3.00%	—	—	41,775.00	—

Dividend & Interest Received
 (01/11/2012 - 10/31/2013)
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Date	Symbol/ CUSIP	Description	Taxable Dividends	Tax Free Dividends	Taxable Interest	Tax Free Interest
03/16/13	31398AYY2	FNMA 3000 14SP16 Maturity Date: 09/16/14 Coupon: 3.00%	—	—	\$41,775.00	—
09/16/13	31398AYY2	FNMA 3000 14SP16 Maturity Date: 09/16/14 Coupon: 3.00%	—	—	41,775.00	—
04/16/12	31359MUT8	FNMA 4125 14AP15 Maturity Date: 04/15/14 Coupon: 4.12%	—	—	56,512.50	—
10/15/12	31359MUT8	FNMA 4125 14AP15 Maturity Date: 04/15/14 Coupon: 4.12%	—	—	56,512.50	—
04/15/13	31359MUT8	FNMA 4125 14AP15 Maturity Date: 04/15/14 Coupon: 4.12%	—	—	56,512.50	—
10/15/13	31359MUT8	FNMA 4125 14AP15 Maturity Date: 04/15/14 Coupon: 4.12%	—	—	56,512.50	—
09/16/13	36962GK86	GEN ELEC CAP CORP 4750 14SP15 Maturity Date: 09/15/14 Coupon: 4.75%	—	—	66,975.00	—
07/09/12	36962G4X9	GENERAL ELEC CAP 2100 14JA07 Maturity Date: 01/07/14 Coupon: 2.10%	—	—	30,922.50	—
01/07/13	36962G4X9	GENERAL ELEC CAP 2100 14JA07 Maturity Date: 01/07/14 Coupon: 2.10%	—	—	30,922.50	—
03/05/12	24422ERA9	JOHN DEERE CAP 1600 14MH03 Maturity Date: 03/03/14 Coupon: 1.60%	—	—	18,200.00	—
09/04/12	24422ERA9	JOHN DEERE CAP 1600 14MH03 Maturity Date: 03/03/14 Coupon: 1.60%	—	—	18,200.00	—
03/04/13	24422ERA9	JOHN DEERE CAP 1600 14MH03 Maturity Date: 03/03/14 Coupon: 1.60%	—	—	18,200.00	—
09/03/13	24422ERA9	JOHN DEERE CAP 1600 14MH03 Maturity Date: 03/03/14 Coupon: 1.60%	—	—	18,200.00	—
06/01/12	46625HHN3	JP MORGAN CHASE 4650 14JN01 Maturity Date: 06/01/14 Coupon: 4.65%	—	—	64,983.75	—

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Date	Symbol/ CUSIP	Description	Taxable Dividends	Tax Free Dividends	Taxable Interest	Tax Free Interest
12/01/12	46625HHN3	JP MORGAN CHASE 4650 14JN01 Maturity Date: 06/01/14 Coupon: 4.65%	—	—	\$64,983.75	—
06/01/13	46625HHN3	JP MORGAN CHASE 4650 14JN01 Maturity Date: 06/01/14 Coupon: 4.65%	—	—	64,983.75	—
01/11/12	CIIXX	LEGG MASON WA US TSY RES INST	200.23	—	—	—
12/03/12	60687GP51	MIZUHO CORP BK CD 0390 12DE03 Maturity Date: 12/03/12 Coupon: 0.39%	—	—	6,608.34	—
07/30/12	AAMT	MS ACTIVE ASSETS MONEY TRUST	4.72	—	—	—
07/30/12	AAMT	MS ACTIVE ASSETS MONEY TRUST	-4.72	—	—	—
07/30/12	AAMT	MS ACTIVE ASSETS MONEY TRUST	4.72	—	—	—
08/30/12	AAMT	MS ACTIVE ASSETS MONEY TRUST	15.69	—	—	—
09/27/12	AAMT	MS ACTIVE ASSETS MONEY TRUST	5.93	—	—	—
10/31/12	AAMT	MS ACTIVE ASSETS MONEY TRUST	22.93	—	—	—
11/29/12	AAMT	MS ACTIVE ASSETS MONEY TRUST	18.14	—	—	—
12/31/12	AAMT	MS ACTIVE ASSETS MONEY TRUST	28.41	—	—	—
01/30/13	AAMT	MS ACTIVE ASSETS MONEY TRUST	14.72	—	—	—
02/27/13	AAMT	MS ACTIVE ASSETS MONEY TRUST	28.89	—	—	—
03/27/13	AAMT	MS ACTIVE ASSETS MONEY TRUST	10.37	—	—	—
04/29/13	AAMT	MS ACTIVE ASSETS MONEY TRUST	10.64	—	—	—
05/30/13	AAMT	MS ACTIVE ASSETS MONEY TRUST	8.51	—	—	—
06/27/13	AAMT	MS ACTIVE ASSETS MONEY TRUST	0.36	—	—	—
07/30/13	AAMT	MS ACTIVE ASSETS MONEY TRUST	2.72	—	—	—
08/29/13	AAMT	MS ACTIVE ASSETS MONEY TRUST	23.76	—	—	—
09/27/13	AAMT	MS ACTIVE ASSETS MONEY TRUST	25.17	—	—	—
10/30/13	AAMT	MS ACTIVE ASSETS MONEY TRUST	3.85	—	—	—
04/25/12	713448BQ0	PEPSICO INC 0875 13OC25 Maturity Date: 10/25/13 Coupon: 0.87%	—	—	21,656.25	—

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Dividend & Interest Received
 (01/11/2012 - 10/31/2013)
 As of 11/18/2013

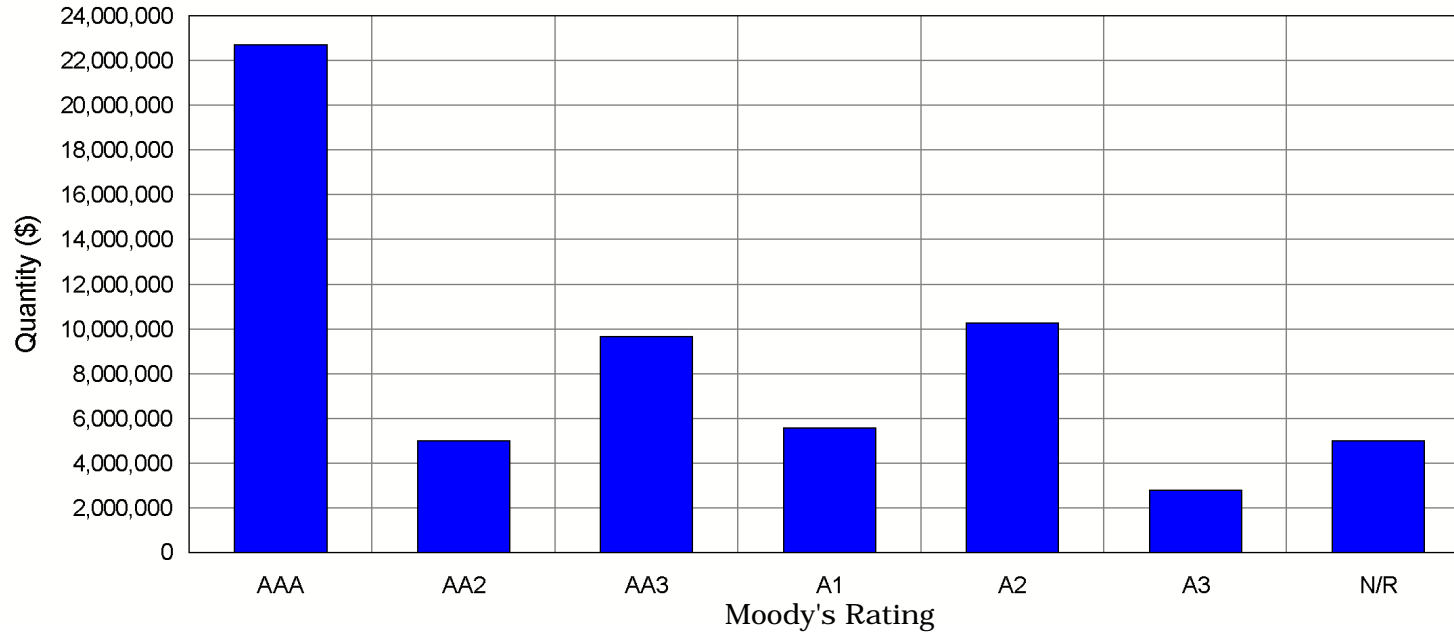
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Date	Symbol/ CUSIP	Description	Taxable Dividends	Tax Free Dividends	Taxable Interest	Tax Free Interest
10/25/12	713448BQ0	PEPSICO INC 0875 13OC25 Maturity Date: 10/25/13 Coupon: 0.87%	—	—	\$21,656.25	—
04/25/13	713448BQ0	PEPSICO INC 0875 13OC25 Maturity Date: 10/25/13 Coupon: 0.87%	—	—	21,656.25	—
10/25/13	713448BQ0	PEPSICO INC 0875 13OC25 Maturity Date: 10/25/13 Coupon: 0.87%	—	—	21,656.25	—
07/17/13	78009NMK9	RYL BK CANADA YCD 02900 14AP17 Maturity Date: 04/17/14 Coupon: 0.29%	—	—	3,884.73	—
10/17/13	78009NMK9	RYL BK CANADA YCD 02900 14AP17 Maturity Date: 04/17/14 Coupon: 0.29%	—	—	3,629.17	—
03/19/13	85325BRY2	STD CHARTD BK YCD 0470 13MH19 Maturity Date: 03/19/13 Coupon: 0.47%	—	—	9,856.95	—
02/01/13	92976WBA3	WACHOVIA CORP 5700 13AU01 Maturity Date: 08/01/13 Coupon: 5.70%	—	—	142,500.00	—
06/03/13	25468PCQ7	WALT DISNEY CO 0875 14DE01 Maturity Date: 12/01/14 Coupon: 0.87%	—	—	17,500.00	—
08/13/13	94974BFA3	WELLS FARGO & CO 1250 15FB13 Maturity Date: 02/13/15 Coupon: 1.25%	—	—	25,000.00	—
01/22/13	96121TLK2	WESTPAC BKG YCD 0730 13JA22 Maturity Date: 01/22/13 Coupon: 0.73%	—	—	37,006.95	—
Total			\$425.04	—	\$2,526,754.06	—

The above summary/prices/quotes/statistics have been obtained from sources believed reliable but are not necessarily complete and cannot be guaranteed. The information contained in client monthly account statements and confirmations reflects all transactions, and as such supersedes all other reports for financial and tax purposes. This report does not supersede or replace your monthly Client Statement. If we do not hold the securities in a Morgan Stanley Wealth Management account, the report reflects securities which we believe you own, based upon your communications with our Financial Advisor. © 2013 Morgan Stanley Smith Barney LLC. Member SIPC.



*This report includes External Holdings

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Mature	Bond Description	CUSIP	Total Par Value
30 Days			
12/03/13	WESTPAC BANKING CORP NY YCD Coupon Rate: 0.38%	96121TRH3	\$5,000,000
12/18/13	FED NATL MTG ASSN Coupon Rate: 0.75%	31398A5W8	5,610,000
Total 30 Days			\$10,610,000
30+ Days to 90 Days			
02/05/14	FED NATL MTG ASSN Coupon Rate: 2.75%	31398AVD1	2,825,000
Total 30+ Days to 90 Days			\$2,825,000
90+ Days to 1 Year			
03/03/14	JOHN DEERE CAP CORP MTN Coupon Rate: 1.60%	24422ERA9	2,275,000
03/03/14	BNP PARIBAS FINANCE INC C/P Coupon Rate: 0.00%	0556N1C35	5,000,000
04/15/14	FED NATL MTG ASSN Coupon Rate: 4.13%	31359MUT8	2,740,000
04/17/14	ROYAL BANK OF CANADA NY YCD Coupon Rate: 0.29%	78009NMK9	5,000,000
05/15/14	BANK OF NEW YORK MELLON Coupon Rate: 4.30%	06406HBL2	2,760,000
06/01/14	JP MORGAN CHASE & CO Coupon Rate: 4.65%	46625HHN3	2,795,000
07/15/14	FED HOME LN MTG CORP Coupon Rate: 5.00%	3134A4UU6	2,695,000
07/30/14	FED HOME LN MTG CORP MED TERM NOTE Coupon Rate: 1.00%	3137EACU1	2,940,000
09/15/14	GENERAL ELECTRIC CAPTIAL CORP Coupon Rate: 4.75%	36962GK86	2,820,000

Bond Maturity Schedule - Summary *
As of 11/18/2013

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Mature	Bond Description	CUSIP	Total Par Value
09/16/14	FED NATL MTG ASSN Coupon Rate: 3.00%	31398AYY2	\$2,785,000
		Total 90+ Days to 1 Year	\$31,810,000
1+ Year to 5 Years			
12/01/14	WALT DISNEY COMPANY Coupon Rate: 0.88%	25468PCQ7	4,000,000
02/13/15	WELLS FARGO & COMPANY Coupon Rate: 1.25%	94974BFA3	4,000,000
02/20/15	FED HOME LN BK Coupon Rate: 0.25%	313381YP4	3,100,000
03/13/15	COCA-COLA CO Coupon Rate: 0.75%	191216AX8	4,667,000
		Total 1+ Year to 5 Years	\$15,767,000
		Total	\$61,012,000

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Security Description	Symbol/ CUSIP	Quantity	Avg. Unit Cost	Adjusted Cost	Market Price	Market Value	Unrealized Gain/Loss	% Gain/ Loss	Estimated Annual Income	Estimated Annual Yield	% of Portfolio
Fixed Income											
BANK OF NEW YORK MELLON Coupon 4.30% Mature 05/15/14	06406HBL2	2,760,000.000	\$101.65	\$2,805,402	\$101.97	\$2,814,372	\$8,970	0.3%	\$59,340	2.1%	4.6%
BNP PARIBAS FINANCE INC C/P Coupon 0.00% Mature 03/03/14	0556N1C35	5,000,000.000	99.83	4,991,500	99.94	4,996,800	5,300	0.1	-1	-	8.1
COCA-COLA CO Coupon 0.75% Mature 03/13/15	191216AX8	4,667,000.000	100.33	4,682,252	100.54	4,692,248	9,997	0.2	35,003	0.7	7.6
FED HOME LN BK Coupon 0.25% Mature 02/20/15	313381YP4	3,100,000.000	99.89	3,096,435	100.03	3,100,930	4,495	0.1	7,750	0.2	5.0
FED HOME LN MTG CORP MED TERM NOTE Coupon 1.00% Mature 07/30/14	3137EACU1	2,940,000.000	100.35	2,950,311	100.58	2,956,934	6,623	0.2	29,400	1.0	4.8
FED HOME LN MTG CORP Coupon 5.00% Mature 07/15/14	3134A4UU6	2,695,000.000	102.94	2,774,118	103.15	2,779,893	5,775	0.2	134,750	4.8	4.5
FED NATL MTG ASSN Coupon 4.13% Mature 04/15/14	31359MUT8	2,740,000.000	101.48	2,780,594	101.62	2,784,251	3,657	0.1	56,513	2.0	4.5
FED NATL MTG ASSN Coupon 3.00% Mature 09/16/14	31398AYY2	2,785,000.000	102.02	2,841,184	102.35	2,850,420	9,236	0.3	83,550	2.9	4.6
FED NATL MTG ASSN Coupon 2.75% Mature 02/05/14	31398AVD1	2,825,000.000	100.48	2,838,660	100.55	2,840,566	1,906	0.1	38,844	1.4	4.6
FED NATL MTG ASSN Coupon 0.75% Mature 12/18/13	31398A5W8	5,610,000.000	100.03	5,611,716	100.05	5,612,861	1,145	0.0	21,038	0.4	9.1
GENERAL ELECTRIC CAPTIAL CORP Coupon 4.75% Mature 09/15/14	36962GK86	2,820,000.000	103.37	2,915,021	103.64	2,922,535	7,514	0.3	133,950	4.6	4.7
JOHN DEERE CAP CORP MTN Coupon 1.60% Mature 03/03/14	24422ERA9	2,275,000.000	100.26	2,280,974	100.39	2,283,895	2,922	0.1	18,200	0.8	3.7
JP MORGAN CHASE & CO Coupon 4.65% Mature 06/01/14	46625HHN3	2,795,000.000	101.50	2,837,050	102.24	2,857,692	20,642	0.7	129,968	4.5	4.6
ROYAL BANK OF CANADA NY YCD Coupon 0.29% Mature 04/17/14	78009NMK9	5,000,000.000	100.00	5,000,000	100.05	5,002,600	2,600	0.1	7,250	0.1	8.1

Third-party and Morgan Stanley Wealth Management research on certain companies is available to clients of the Firm at no cost. Clients can access this research at www.morganstanleyclientserv.com or contact their Financial Advisor to request a copy of this research be sent to them.

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Security Description	Symbol/ CUSIP	Quantity	Avg. Unit Cost	Adjusted Cost	Market Price	Market Value	Unrealized Gain/Loss	% Gain/ Loss	Estimated Annual Income	Estimated Annual Yield	% of Portfolio
WALT DISNEY COMPANY Coupon 0.88% Mature 12/01/14	25468PCQ7	4,000,000.000	\$100.58	\$4,023,156	\$100.55	\$4,022,080	\$(1,076)	(0.0)%	\$35,000	0.9%	6.5%
WELLS FARGO & COMPANY Coupon 1.25% Mature 02/13/15	94974BFA3	4,000,000.000	100.83	4,033,053	100.90	4,035,880	2,827	0.1	50,000	1.2	6.5
WESTPAC BANKING CORP NY YCD Coupon 0.38% Mature 12/03/13	96121TRH3	5,000,000.000	100.00	5,000,000	100.01	5,000,550	550	0.0	9,500	0.2	8.1
ACCRUED INTEREST						\$268,774					
Fixed Income Totals				\$61,461,426		\$61,823,281	\$93,081	0.2%	\$850,056	1.4%	99.3%
Cash & Equivalents											
MS ACTIVE ASSETS MONEY TRUST	AAMT	182,837.910	1.00	182,838	1.00	182,838	N/A	N/A	- ¹	-	0.3
Cash & Equivalents Totals				\$182,838		\$182,838	-	0.0%	-	-	0.3%
Asset Total				\$61,644,264		\$62,006,119	\$93,081	0.2%	\$850,056	1.4%	100.0%

¹We are unable to provide projected income information for this security due to insufficient/incorrect reference data and/or the security being in default.

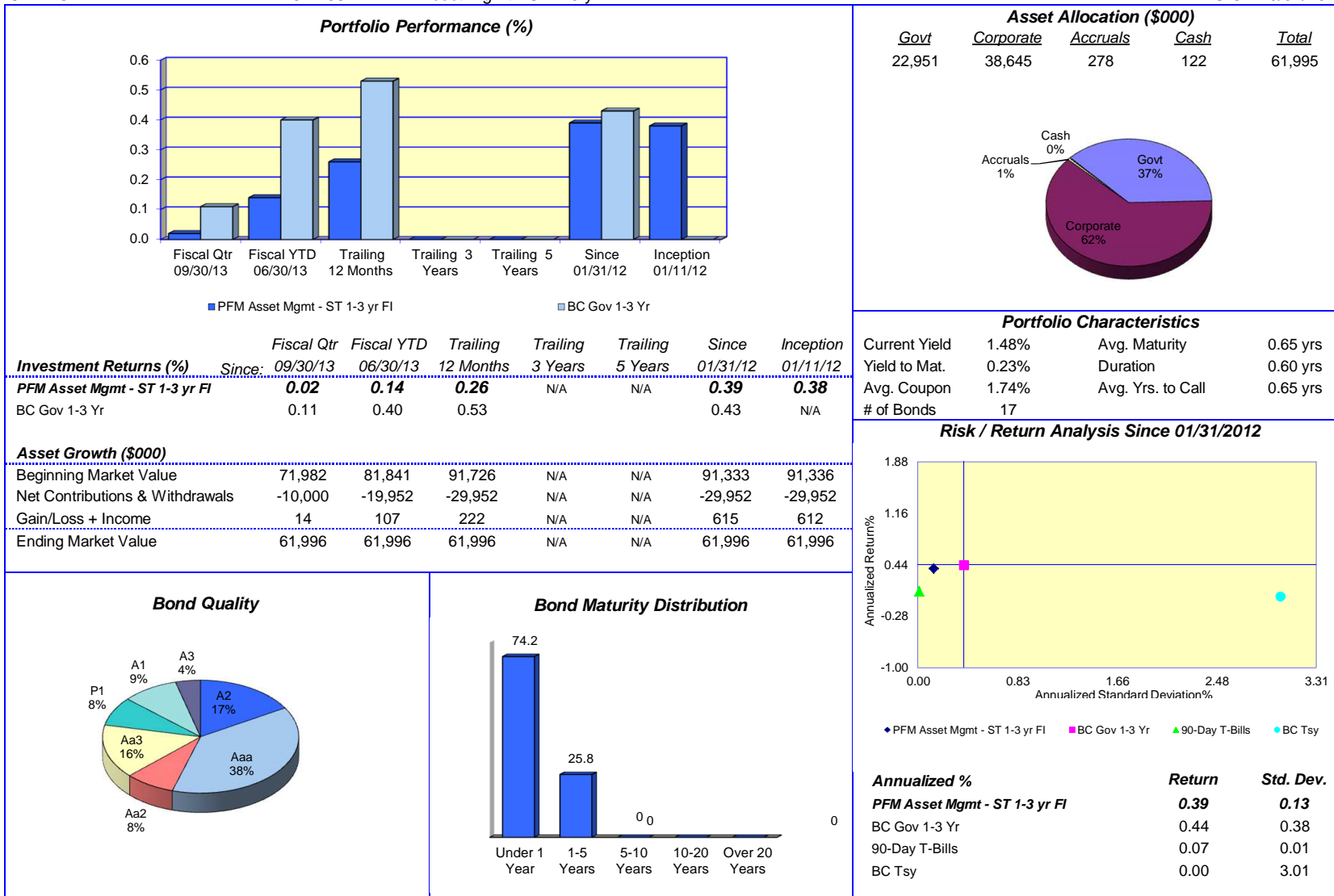
Estimated yield and estimated annual income are estimates and the actual income or yield may be lower or higher than the estimates. Estimated annual income and estimated yield for certain securities can include return of principal or capital gains which could overstate such estimates. Estimated yield reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate.

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ACCOUNT - EXECUTIVE SUMMARY

CALIFORNIA MENTAL HEALTH #178-116821 PFM Asset Mgmt - ST 1-3 yr FI

AS OF 10/31/2013



Report Created: 11/19/2013

Please refer to the attached Disclosures for important information.

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Information Disclosures

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For a copy of the applicable Form ADV Disclosure Document for Morgan Stanley Smith Barney LLC, or for any Investment Adviser with whom we contract to manage your investment advisory account, please contact your Financial Advisor. These Disclosure Documents contain important information about advisory programs.

Sources and Intent

This investment evaluation is directed only to the client for whom the evaluation was performed. The underlying data has been obtained from sources the Firm believes to be reliable but we do not guarantee their accuracy, and any such information may be incomplete or condensed. This evaluation is for informational purposes only and is not intended to be an offer, solicitation, or recommendation with respect to the purchase or sale of any security or a recommendation of the services supplied by any money management organization. Past performance is not a guarantee of future results. Performance for periods greater than one year is annualized. The information contained herein was prepared by your Financial Advisor and does not represent an official statement of your account at the Firm (or other outside custodians, if applicable.) Please refer to your monthly statement for a complete record of your transactions, holdings and balances.

This Performance Report may show the consolidated performance of some, but not necessarily all, of your Morgan Stanley accounts. In addition, it may show the full performance history of your accounts or just the performance of your accounts since inception in their current Morgan Stanley programs. In some cases, it may show the combined performance of brokerage accounts and advisory accounts. It is important that you understand the combination of accounts and account histories that are included in this Performance Report. Upon your request, performance information can be obtained for other accounts you may have with us, but which are not shown here.

Accounts included in this Performance Report may have had different investment objectives, been subject to different rules and restrictions, and incurred different types of fees, mark-ups, commissions, and other charges. Accordingly, the performance results for this portfolio may blend the performance of assets and strategies that may not have been available in all of your accounts at all times during the reporting period. Please consult your Financial Advisor for more information about the fees and expenses applicable to the accounts included in this Performance Report.

Net Rates of Return

The investment returns in this report for your account as a whole are your net returns after deducting investment management fees and any Select Retirement fees. For more details on fees, please see your client contract, the applicable Morgan Stanley ADV brochure and any applicable Select Retirement prospectus. Returns in excess of one year are annualized. **Select UMA accounts:** If this report is for a Select UMA account, the investment returns shown for the individual investment managers are your gross returns for each manager before deducting investment management fees and any Select Retirement fees. The returns for each manager would be lower if these fees were deducted.

Advisory Notice

The Fiduciary Services-Affiliated Program and the Fiduciary Services-Unaffiliated Manager Program are separate and distinct advisory programs. Absent your written authorization, assets may only be transferred among managers within the particular program.

Bond Average

Please note that all averages calculated are weighted averages meaning that the calculation takes into account the par value of each position. CMO's and Asset Backed securities are excluded from the calculation. Any bonds that are non-rated by both Moody's and S&P are excluded from the average rating calculation.

Report Created: 11/19/2013

Morgan Stanley

Fiscal Year

Acct# 178-116821's fiscal year ends on 2014/06

International and Small Capitalization Securities

To the extent the investments depicted herein represent international securities, you should be aware that there may be additional risks associated with international investing involving foreign, economic, political, and/or legal factors. International investing may not be for everyone. In addition, small capitalization securities may be more volatile than those of larger companies, but these companies may present greater growth potential.

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Daily Performance

Beginning January 1, 2005 (former Smith Barney accounts) and July 1, 2011 (former Morgan Stanley accounts), portfolio performance is calculated using a daily valuation methodology, with contributions and withdrawals to the portfolio reflected as of days they were actually made. Portfolio performance for earlier periods reflects various methodologies. Different calculation methods may result in portfolio performance figures that vary from those shown above.

Account Primary Index

Custom Blended Index

BC Gov 1-3 Yr: The Barclays 1-3 Year Government Bond Index is composed of government bonds with maturities between one and three years.

90-Day T-Bills: The 90-Day Treasury Bill is a short-term obligation issued by the United States government. T-bills are purchased at a discount to the full face value, and the investor receives the full value when they mature. The difference of discount is the interest earned. T-bills are issued in denominations of \$10,000 auction and \$1,000 increments thereafter.

BC Tsy: This BC U.S. Treasury index is the U.S. Treasury component of the U.S. Government index. This index consists of public obligations of the U.S. Treasury with a remaining maturity of one year or more. Exclusions include: Treasury bills are excluded (because of maturity constraint); Certain special issues, such as flower bonds, targeted investor notes (TINs), and state and local government series (SLGs) bonds are excluded; Coupon issues that have been stripped are reflected in the index based on the underlying coupon issue rather than in stripped form. Thus STRIPS are excluded from the index because their inclusion would result in double counting. However, for investors with significant holdings of STRIPS, customized benchmarks are available that include STRIPS and a corresponding decreased weighting of coupon issues; Treasuries not included in the Aggregate Index, such as bills, coupons, and bellwethers, can be found in the index group Other Government on the Index Map; As of December 31, 1997, Treasury Inflation-Protection Securities (TIPS) have been removed from the Aggregate Index. The Tips index is now a component of the Global Real index group.

Report Created: 11/19/2013

Morgan Stanley

Alpha

Alpha is the value added by active management of the portfolio's assets, given the risk of that portfolio. In other words, alpha is equal to the incremental return earned by the manager when the market is flat or stationary. An alpha of zero indicates that the manager earned the exact return dictated by the level of market risk (i.e., beta) of the portfolio. A positive alpha indicates that the manager has earned, on average, more than the portfolio's level of market risk would have dictated. A negative alpha indicates that the manager has earned, on average, less than the portfolio's level of market risk would have dictated. Alpha is the Y-intercept of the least squares regression line.

Beta

Beta is the systematic risk of the portfolio. Measured by the slope of the least squares regression, beta is the measure of portfolio risk which cannot be removed through diversification. Beta is also known as market risk. Beta is a statistical estimate of the average change in the portfolio's performance with a corresponding 1.0 percent change in the risk index. A beta of 1.0 indicates that the portfolio moves, on average, lock step with the risk index. A beta in excess of 1.0 indicates that the portfolio is highly sensitive to movements in the risk index. A beta of 1.5, for example, indicates that the portfolio tends to move 1.5 percent with every 1.0 percent movement in the risk index. A beta of less than 1.0 indicates that the portfolio is not as sensitive to movements in the risk index. A beta of 0.5, for example, indicates that the portfolio moves only 0.5 percent for every 1.0 percent movement in the risk index.

R-Squared

R-squared, or the coefficient of determination, measures the strength of the least squares regression relationship between the portfolio (the dependent variable) and the risk index (the independent variable). The statistic reveals the extent to which the variability in the dependent variable is due to the variability in the independent variable. As such, R-squared measures how well the portfolio returns move in tandem with the returns of the risk benchmark. Though it is true that the higher the R-squared the better, an R-squared of less than 0.9 (i.e., 90 percent), indicates that the total fund does not track closely with the risk benchmark. The strength of the R-squared statistic will reflect on the strength of alpha and beta. A weak R-squared, for example, would indicate that alpha and beta cannot be strictly interpreted.

Brokerage Account

In a brokerage relationship, your Financial Advisor will work with you to facilitate the execution of securities transactions on your behalf. Your Financial Advisor also provides investor education and professional, personalized information about financial products and services in connection with these brokerage services. You can choose how you want to pay for these services and you will receive the same services regardless of which pricing option you choose. There are important differences in your relationship with your Financial Advisor and Morgan Stanley in brokerage accounts and in advisory accounts.

Asset classifications and performance calculation methodologies can differ among the various supplemental performance reports available through us. For example, some reports calculate Time Weighted performance using a weighted or Modified Dietz approach while others use a daily approach. In addition, some reports may display Dollar Weighted Returns. These differences can generate meaningful dispersions in the performance numbers displayed on different reports.



Current Membership Roster

51 members (50 counties, 1 JPA, 1 City)

- San Bernardino County (July 9, 2009)
- Solano County (July 9, 2009)
- Colusa County (July 9, 2009)
- Monterey County (July 9, 2009)
- San Luis Obispo County (July 9, 2009)
- Stanislaus County (July 9, 2009)
- Sutter/Yuba County (August 13, 2009)
- Butte County (November 13, 2009)
- Placer County (January 14, 2010)
- Sacramento County (March 12, 2010)
- Glenn County (April 7, 2010)
- Trinity County (April 15, 2010)
- Sonoma County (May 13, 2010)
- Modoc County (May 13, 2010)
- Santa Cruz County (June 10, 2010)
- Los Angeles County (June 10, 2010)
- Marin County (August 12, 2010)
- Orange County (August 12, 2010)
- Yolo County (August 12, 2010)
- Contra Costa County (October 14, 2010)
- Fresno County (October 14, 2010)
- Imperial County (October 14, 2010)
- Kern County (October 14, 2010)
- Lake County (October 14, 2010)
- Riverside County (October 14, 2010)
- Santa Clara County (October 14, 2010)
- Siskiyou County (October 14, 2010)
- Ventura County (October 14, 2010)
- Madera County (November 12, 2010)
- Mendocino County (December 9, 2010)
- San Diego County (February 10, 2011)
- San Francisco City & County (February 10, 2011)
- El Dorado County (March 11, 2011)
- San Mateo County (March 11, 2011)
- Napa County (June 9, 2011)
- Humboldt County (July 14, 2011)
- Lassen County (July 14, 2011)
- Mariposa County (August 11, 2011)*
- Tuolumne County (August 11, 2011)
- San Benito County (October 13, 2011)*
- Tri-City Mental Health Center (October 13, 2011)
- Del Norte County (December 15, 2011)*
- Shasta County (February 10, 2012)*
- Tulare County (February 10, 2012)*
- Kings County (April 13, 2012)*
- San Joaquin County (April 13, 2012)[§]
- City of Berkeley (June 14, 2012)*
- Inyo County (June 14, 2012)
- Mono County (June 14, 2012)
- Nevada County (June 14, 2012)*
- Alameda County (June 13, 2013)*

Non-Member Counties w/Assigned Funds

Amador, Calaveras, Merced and Santa Barbara

Remaining Non-Member Counties

Alpine, Plumas, Sierra and Tehama

CalMHSA's Regional Representatives

Bay Area Regional Representatives	Michael Kennedy, Sonoma County
	Jo Robinson, San Francisco City & County
Central Regional Representatives	Vic Singh, San Joaquin County
	Rita Austin, Tuolumne County
Los Angeles Regional Representatives	Marvin Southard, Los Angeles County
	William Arroyo, Los Angeles County
Southern Regional Representatives	Mary Hale, Orange County
	Alfredo Aguirre, San Diego County
Superior Regional Representatives	Karen Stockton, Modoc County
	Vacant

*Member has elected not to assign funds to CalMHSA.

§Member has elected to participate only in the Statewide PEI Suicide Prevention Project, Program 3: Social Marketing Program.

CaIMHSA COUNTY OUTREACH

Superior Region

1. **Calaveras** (*assigned funds*), Staff has started working with Interim Behavioral Health Director, Brock Kolby in an effort to move forward with membership;
2. **Amador** (*assigned funds*), staff continues to reach out to the county for possible membership in the future.
3. **Tehama**, interested in joining; Scott Gruendl and Allan Rawland continue to work Mr. Michael Peña to address questions;
4. **Plumas**, Due to recent staffing changes within the county, staff will follow up with interim director Michael Gunter;
5. **Sierra**, staff continues to work with Janice Maddox and their County Counsel to address questions as they prepare to present to their BOS;

Central Region

6. **Merced** (*assigned funds*), Due to Mr. Jimenez's retirement, effective Oct. 5, 2013, staff will be following up with interim director, Scott De Moss, upon appointment by the BOS on Oct. 8, 2013;
7. **Alpine**, interested in joining, staff to reach out to new director Alyssa Nourse who commenced on November 1, 2013;

Southern Region

8. **Santa Barbara** (*assigned funds*), MHD has retired, and as of 8/12/13 staff is working with Michael Evans in an effort to assist them in process of seeking approval for membership.

California Mental Health Services Authority
Phase One Plan
Sustainability of Prevention and Early Intervention
Statewide Programs:
Suicide Prevention
Stigma and Discrimination Reduction
Student Mental Health
July 1, 2014 –June 30, 2015



"A George Hills Company Administered JPA"

The California Mental Health Services Authority (CalMHSA)

The California Mental Health Services Authority (CalMHSA) is an independent administrative and fiscal government agency focused on the efficient delivery of California mental health projects. California counties established CalMHSA as a Joint Powers Authority (JPA). Member counties worked together to develop, fund and implement mental health services, projects and educational programs at the state, regional and local levels.

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 of George Hills Company, Inc. and separate legal counsel of Murphy, Campbell, Guthrie & Alliston. CalMHSA operates within the statutes governing Joint Powers Agreement (JPA) entities and complies with the Brown Act open meeting requirements.

CalMHSA has the capacity and capability to promote systems and services arising from a shared member commitment to community mental health. A central part of CalMHSA's vision is to promote systems and services arising from community mental health initiatives and to respect the values of the *California Mental Health Services Act*. These are: 1) Community Collaboration; 2) Cultural Competence; 3) Client driven mental health system for individuals of any age who are receiving or have received mental health services; 4) Family driven mental health system for families of children and youth diagnosed with serious emotional disturbance; 5) Wellness, Recovery, and Resilience Focused; and 6) Integrated Service Experiences for clients and their families.

Overview of Prevention and Early Intervention Statewide Programs

In January and September of 2007, the Mental Health Services Oversight and Accountability Commission (MHSOAC) approved five PEI Statewide Projects and corresponding funding amounts. In May 2008, the MHSOAC determined that three of the PEI Statewide Projects would be most effectively implemented through a single administrative entity.

In January 2011, the MHSOAC approved the CalMHSA PEI Statewide Projects Implementation Workplan to be completed by June 30, 2014 (with Evaluation to be completed by June 30, 2015). During the implementation of the Workplan, CalMHSA has reported regularly to the MHSOAC on the status of implementation and the possibility of sustaining these important investments in Statewide Prevention in SP, SDR and SMH. Some activities will not be completed by June 30, 2014 and in August, 2013, the CalMHSA Board of Directors approved a six month no cost extension to some contractors for completion of contract deliverables under the PEI Statewide Workplan.

CalMHSA established the CalMHSA Advisory Committee (AC) in the Autumn of 2012 to serve as the stakeholder advisory group to provide programmatic advice to the CalMHSA Board regarding issues related to the implementation of the Workplan. The AC is co-chaired by a stakeholder and CalMHSA Board member. The AC is comprised of 12 members consisting of 6 community stakeholders and 6 CalMHSA Board members representing the state of California. Consistently, during the implementation of the Workplan, CalMHSA Advisory Committee has provided critical feedback and advice on program activities and/or workplan updates.

Sustaining Prevention and Early Intervention Statewide Programs

At its 2013 Strategic Planning Meeting, CalMHSA Board members validated its commitment to sustain PEI Statewide Projects and requested that a CalMHSA Taskforce be formed to develop a Sustainability Plan by December 2013. The Taskforce was formed and is made up of a CalMHSA board member representative from each of the 5 CMHDA regions of California. In August the CalMHSA Board adopted a set of Criteria to be utilized to rate and prioritize current projects and activities for sustaining.¹

In response to feedback from the Board members, and stakeholders, CalMHSA staff determined that a strategy for both a short-term sustainability plan and a long-term sustainability plan needed to be developed. At the August Taskforce meeting and at the September CalMHSA Advisory Committee Meeting, CalMHSA staff presented a concept for a two phase planning strategy for sustaining current CalMHSA PEI Statewide Projects and for developing a plan for future statewide projects. Taskforce members and Advisory Committee members endorsed the concept of the two phase planning strategy and requested that a Two Phase Plan be brought to the full CalMHSA Board. In October, the Two Phase Plan was approved by the CalMHSA Board. The proposed Two Phase Sustainability Planning process is detailed below:

- 1) **Phase One - December 2013 PEI Statewide Sustainability Plan** will:
 - i) Apply approved rating criteria to existing projects
 - ii) Include a funding recommendation for projects through June 2015
- 2) **Phase Two – A New CalMHSA PEI Statewide Projects Plan to be implemented July 1, 2015:**
 - i) January 2014 – begin development of a New CalMHSA PEI Statewide Plan with a proposed implementation of July 1, 2015,
 - ii) Plan development to be funded with PEI Statewide Project Planning funds,
 - iii) New Plan will consider new statewide activities as well as those currently implemented,
 - iv) New Plan will explore diverse funding options, including MHSA funds, other public and/or private funding streams for sustaining the plan,
 - v) Existing Sustainability Taskforce will continue to oversee plan development,
 - vi) Advisory Committee will continue to provide feedback during development of the New Plan.

¹In July 2013, the Advisory Committee provided feedback on the criteria which was included in the criteria adopted by the CalMHSA Board.

**Sustaining Prevention and Early Intervention Statewide Programs
Phase 1 PEI Statewide Projects Workplan
July 1, 2014 -June 30, 2015**

SUICIDE PREVENTION

SP 1 Program Name

Suicide Prevention Network Program (SPNP)

Program Scope of Work

The statewide Suicide Prevention Network Program (SPNP) serves as the focal point for statewide suicide prevention activities. Activities under this program include but are not limited to:

- A collaborative of California crisis centers that have developed standard crisis line data metrics.
- Regional taskforces identified best practices for high-risk populations in their respective areas; with the goal of having the practices accepted in the national suicide Best Practices Registry.

SP 2 Program Name

Regional and Local Suicide Prevention Capacity Building (RLSPCBP)

Program Scope of Work

The purpose of the Regional and Local Suicide Prevention Capacity-Building Program (RLSPCBP) is to expand the number and capacity of accredited local suicide prevention warm and hotlines. Activities include, but are not limited to:

- Collaboration with existing crisis centers to provide expansion of existing hotline/warmline services through inclusion of multiple languages, and expansion of service hours.
- Development training programs for consumers, allies and providers in rural or urban counties, as well as underserved cultural groups.
- Outreach to elderly Californians who are identified as “at-risk”.
- Development of online (chat) and text crisis communication.

SP 3 Program Name

The Social Marketing Suicide Prevention Campaign Program (SMSPCP)

Program Scope of Work

The purpose of the Social Marketing Suicide Prevention Campaign Program (SMSPCP) is to increase public awareness that suicide is preventable, to encourage and support help-seeking behaviors by improving media presentation or portrayal of mental illness and suicide through age, gender and regional and culturally sensitive electronic and print media messages, development of a mobile application, and through media education. Activities include, but are not limited to:

- Development of tools which include in-language websites, TV/cable ads, print, radio and billboard outreach. Cultural adaptations including but not limited to Asian Pacific Islanders, African Americans, Native Americans, LGBTQ and specialized low literacy Spanish materials.
- Ongoing technical assistance to counties, crisis centers and community stakeholders for dissemination of materials and use of developed resources for local integration.
- My3 mobile application
- Directing Change Student Video Contest (2013)

SP 4 Program Name

Suicide Prevention Training and Workforce Enhancement Program (SPTWEP)

Program Scope of Work

The purpose of the Suicide Prevention Training and Workforce Enhancement Program (SPTWEP) is to develop and implement service and training guidelines to promote effective and consistent suicide prevention, early identification, referral, intervention and follow-up care across service provider systems and organizations. Activities include, but are not limited to:

- Suicide prevention/intervention skills training for:
 - First responders
 - Trainers
 - Community audiences
- Suicide prevention/intervention skills training for trainers (T4T) has been offered at locations throughout the state
- Applied Suicide Intervention Skills Training (ASIST) crisis intervention training offered throughout the state

- safeTALK training to identify persons with thoughts of suicide and connect them to suicide first aid
- Training coordination to support new trainers and maintain training capacity in the state

STIGMA AND DISCRIMINATION REDUCTION

SDR 1 Program Name

Strategies for Supportive Environment Program (SSEP)

Program Scope of Work

The purpose of the Strategies for a Supportive Environment Program (SSEP) is to create a supportive environment for all consumers and those at risk for mental health challenges, family members, school and campus personnel and the community at large; establishing social norms that recognize mental health is integral to everyone's well-being. Activities include, but are not limited to:

Component One: Creation of the Stigma and Discrimination Reduction (SDR) Consortium, a 30-member statewide collaborative.

- Dissemination and the expansion of reach for all statewide stigma and discrimination reduction efforts. This includes localizing and integrating state and local efforts by providing assistance for tools and resources.
- Support of grassroots movement activities under Each Mind Matters
- Four working groups to implement activities that promote consumer and family member involvement, engage diverse communities, advocate for equity for individuals with mental illness, and support dissemination of SDR efforts.

Component Two: Social Marketing

- A social marketing campaign that engages Californians across the lifespan, and is culturally adapted
- www.WalkInOurShoes.org (English and Spanish websites) accompanied with school performance and educational materials for teachers, parents and students
- www.ReachOutHere.com (English and Spanish websites) and Two-Way texting peer support
- www.EachMindMatters.org maintenance for the EMM campaign website and activities
- www.SpeakOurMinds.org provides tools, technical assistance and grant funds to the local level through supporting speaker's bureaus and community dialogues.

Component Three: Building community capacity to address stigma and discrimination across diverse populations, including community members, providers, county staff and peers.

- Coordination and provision of Mental Health First Aid trainings for responders and trainers, statewide
- Coordination of Community Network Roundtables which include community members, providers, county contacts, program partners and peers

SDR 2 Program Name

Values Practices and Policies Program (VPPP)

Program Scope of Work

The purpose of the Values Practices and Policies Program (VPPP) is to promote awareness, accountability and changes in values, practices, policies and procedures across and within systems and organization that encourage the respect and rights of people identified with mental health challenges. Activities include but are not limited to:

Component One: Identification and development of Stigma and Discrimination Reduction Best Practices and resources.

- Identification and categorization of stigma and discrimination reduction training programs, and dissemination of those programs to peer run organizations
- Studying and identifying best practices for underserved ethnic, racial, and culturally communities

Component Two: Partnering with the media and the entertainment industry to increase positive portrayals of mental illness and reduce stigma related to mental illness.

- Educate journalists and entertainment media (including ethnic specific media) to increase positive portrayals and decrease negative portrayals of mental illness in the media
- Partner with Schools and other institutions to support system change – such as AP style guidelines changes

Component Three: Promoting integrated behavioral health through education and outreach to providers.

- Supports the integration of behavioral health care into the primary health care environment by educating, evaluating and training community health centers
- Provide specific technical assistance to small and medium-size counties on integration strategies
- Promote the business case for peer services in a primary care setting.

Component Four: Promoting mental health in the workplace through private employer and local government outreach.

- Training key individuals in the workplace to provide effective support to employees experiencing mental health issues.

Component Five: Reducing stigma and discrimination in mental health system partners.

- Speaker's bureaus and trainings for consumers and consumer allies which target four groups: communities, K-12 students, parents and teachers, providers/gatekeepers. Provides technical assistance and best practices for affiliates provided as needed.
- Cultural competency assessments and trainings for affiliates and cultural adaptations of In Our Own Voice
- ArtWorks Anti-Stigma manual and training and new partner in the Directing Change student video contest. (2014)

SDR 3 Program Name

Promising Practices Program (PPP)

Program Scope of Work

The purpose of the Promising Practices Program (PPP) is to increase knowledge of effective and promising program and practices that reduce stigma and discrimination using methods that include community-led approaches. Activities include but are not limited to:

- Creation of an online clearinghouse which stores and disseminates SDR best practices manuals, trainings and efficacy measures toolkits
- Technical assistance and support for consumer-run programs is available
- Studying best practices for underserved ethnic, racial and cultural communities.

SDR 4 Program Name

Advancing Policy to Eliminate Discrimination Program (APEDP)

Program Scope of Work

The purpose of the Advancing Policy to Eliminate Discrimination Program (APEDP) is to uphold and advance federal and state laws to identify and eliminate discriminatory policies and practices. Activities include but are not limited to:

- Educate individuals about MH Parity rights, monitoring implementation, potentially provide representation as needed
- Training on anti-discrimination laws/policies which target specific populations.
- Development of educational materials (i.e. fact sheets) to educate decision makers on stigma and discrimination related to legislation that impacts persons diagnosed with mental illness.

STUDENT MENTAL HEALTH

SMHI 2 Program Name

Student Mental Health Program – California State University (CSU-SMHP_

SMHI 1 Program Name

Student Mental Health Program – University of California (UC-SMHP)

SMHI 3 Program Name

Student Mental Health Program – California Community Colleges (CCC-SMHP)

Program Scope of Work

The purpose of the University and College Student Mental Health Programs (UC-SMHP, CSU-SMHP, CCC-SMHP) is to implement training, peer-to-peer support and suicide prevention within the University of California (UC), California State University (CSU) and California Community Colleges (CCC). Activities include but are not limited to:

- Social media efforts to improve mental health awareness and student wellness
- Faculty/staff training in suicide prevention and mental health bystander training for staff, peer health educators, campus law enforcement and others
- Development/enhancement of campus Stigma and Discrimination Reduction and Suicide Prevention programs for students, faculty and staff through training and peer-to-peer supports
- Development and implementation of campus-based grants which develop resources and trainings for faculty, staff and students across the system, special focus on student veterans, LGBTQ population and TAY foster youth.
- Online depression screening offered to more than 20% of UC Student population

SMHI 4 Program Name

Pre-K-12 Student Mental Health Statewide Program (Pre-K-12 SMHP-Statewide Policy Coordination)

Program Scope of Work

The purpose of the Statewide Pre- Kindergarten to Twelfth Grade Student Mental Health Program (pre-K-12 SMHP – Statewide Policy Coordination) is to provide system-wide education, training and policy guidance on improving student wellness. Activities include but are not limited to:

- Convene and staff the Student Mental Health Policy Workgroup – which recommended language to include MH curriculum in educator credentialing programs which was recently adopted into Administrative credential and will be proposed for teacher credential programs
- Training educators through recognition and identification strategies (TETRIS). This evidence-based curriculum provides professional development training for school and district level staff to recognize, support and appropriately refer students experiencing mental health issues.

SMHI 5 Program Name

Pre-K-12 Student Mental Health Statewide Program (Pre-K-12 SMHP-Superintendent Regions)

Program Scope of Work

The purpose of the Pre-K-12 SMHP is to improve collaboration between school systems, mental health systems and other child/family systems to ensure coordination of resources to improve student mental wellness across the state. Activities include but are not limited to:

- Statewide infrastructure building through regional collaborations, coordination of training and TA related to regional demonstration projects.
- Regional demonstration projects such as anti-bullying, MHFA, Suicide Prevention, PBIS
- Online clearinghouse of intervention materials for teachers, staff, providers, family and administrators.

PHASE 1
Suicide Prevention/Stigma and Discrimination Reduction/Student Mental Health
July 2014 – June 2015

	CURRENT Expenditure Plan Annualized (million) (A)	Phase 1 PROPOSED Budget 14/15 NEW FUNDS ¹ (million) (B)	Phase 2 ANNUAL ESTIMATED Budget ² (million) (C)
SUICIDE PREVENTION	9.780	10.300	9.780
STIGMA AND DISCRIMINATION REDUCTION	14.670	6.625	14.670
STUDENT MENTAL HEALTH	14.670	6.000	14.670
Program Total (SP, SDR, SMH)	39.120	22.925	39.120
Administration	2.750	1.719	2.934
EVALUATION	2.750	1.719	2.934
GRAND TOTAL	44.620	26.364	44.988
Estimated Carryover 6/30/14		5.000³	
NET TOTAL		21.364	

Notes:

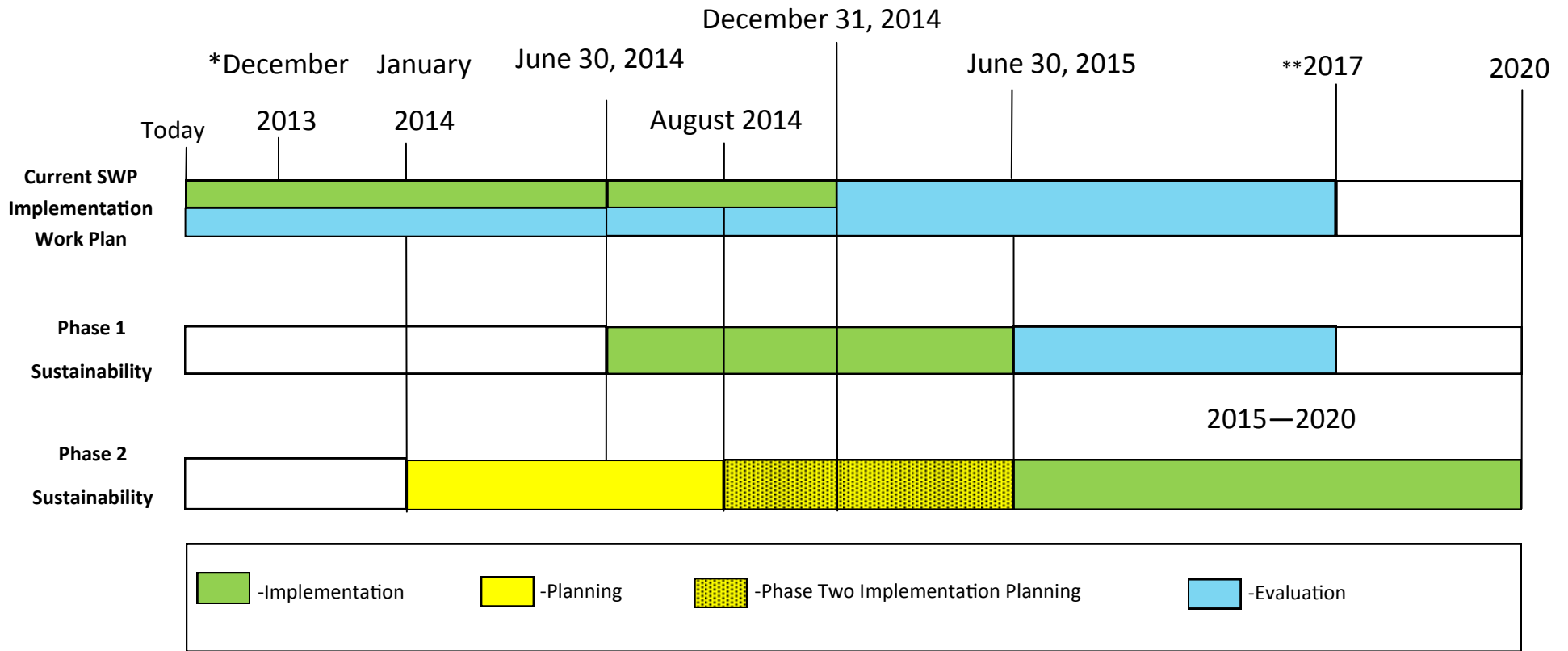
- Column (A) shows current plan spending if annualized. Contract expenditures to date have varied each year due to implementation start up.
- Column (B) Phase 1 is a one year plan. As part of Phase 1, CalMHSA will seek documented leveraged resources from each contractor.
- Column (C) Phase 2 is a target estimate which will be dictated by the plan and funding proposed. Planning for Phase 2 will occur in 2014 and will include assessing diverse non-county funding as well as new programs. Phase 2 planning is estimated to be completed by July 2014 for presentation to the CalMHSA Board. Phase 2 will include viable non-county and diverse funding sources. Additionally, matching cash funding may be required of future contractors.

¹ CalMHSA will seek a combination of in-kind or cash match ranging from 10-100% depending upon initiative and contractor.

² Annual Estimated Budget is shown to indicate a long-term ongoing funding level for statewide mental health prevention programs. This figure is based on current levels.

³ Carryover funds, which are estimated to be \$5 million at June 30, 2014, may reduce the New Funds requested from counties. These funds would require future Board action.

Sustainability Timeline



Phase 1 =

- One year extension of activities with new funding and carryover of funds at a decreased level of funding, based on adopted criteria (Comparable to an Annual Update).

Phase 2 =

- Extensive planning and analysis of diverse funding streams.
- Consideration of old and new programs and activities.
- All new funding

* New strategic plan adopted for Phase 1 Sustainability (Implemented July 1, 2014 through June 30, 2015).

** The expected completion date for the RAND evaluation is 2017.

Participating Counties by Region

By Region	Total Participant Dollars	Total Assigned Dollars	% of Region	% Overall Dollars	% of Participant Dollars	% of Assigned Dollars	Sustainability Allocation	Estimated Carryover 6/30/2014	Net Total
Bay Area Region - Assigned							\$26,364,000	(5,000,000)	21,364,000
				Program Dollars			Members	Members	Members
Alameda*	5,830,000	0	0.00%	0.00%	3.66%	0.00%	963,908	-	963,908
Berkeley City*	511,600	0	0.00%	0.00%	0.32%	0.00%	84,586	-	84,586
Contra Costa	3,668,800	3,668,800	14.72%	2.29%	2.30%	2.50%	606,584	(124,783)	481,802
Marin	889,600	889,600	3.57%	0.56%	0.56%	0.61%	147,083	(30,257)	116,826
Monterey	1,826,400	1,826,400	7.33%	1.14%	1.15%	1.24%	301,969	(62,119)	239,850
Napa	484,400	484,400	1.94%	0.30%	0.30%	0.33%	80,089	(16,475)	63,613
San Benito	221,600	221,600	0.89%	0.14%	0.14%	0.15%	36,638	(7,537)	29,101
San Francisco	3,020,400	3,020,400	12.12%	1.89%	1.89%	2.05%	499,381	(102,729)	396,651
San Mateo	2,610,800	2,610,800	10.48%	1.63%	1.64%	1.78%	431,659	(88,798)	342,861
Santa Clara	7,707,600	7,707,600	30.93%	4.82%	4.83%	5.24%	1,274,343	(262,150)	1,012,193
Santa Cruz	1,130,000	1,130,000	4.53%	0.71%	0.71%	0.77%	186,830	(38,433)	148,396
Solano	1,604,400	1,604,400	6.44%	1.00%	1.01%	1.09%	265,265	(54,569)	210,696
Sonoma	1,758,800	1,758,800	7.06%	1.10%	1.10%	1.20%	290,793	(59,820)	230,973
Total Region	31,264,400	24,922,800	100.00%	15.58%	19.61%	16.95%	5,169,128	(847,670)	4,321,457
Central Region									
Amador	126,400	126,400	0.73%	0.08%	0.08%	0.09%	20,898	(4,299)	16,599
Calaveras	165,200	165,200	0.96%	0.10%	0.10%	0.11%	27,313	(5,619)	21,695
El Dorado	580,800	580,800	3.36%	0.36%	0.36%	0.40%	96,027	(19,754)	76,273
Fresno	3,994,000	3,994,000	23.10%	2.50%	2.50%	2.72%	660,352	(135,843)	524,508
Inyo	100,000	100,000	0.58%	0.06%	0.06%	0.07%	16,534	(3,401)	13,132
Kings*	600,000	0	0.00%	0.00%	0.38%	0.00%	99,202	-	99,202
Mariposa	100,000	100,000	0.58%	0.06%	0.06%	0.07%	16,534	(3,401)	13,132
Madera	649,600	649,600	3.76%	0.41%	0.41%	0.44%	107,402	(22,094)	85,308
Merced	1,132,800	1,132,800	6.55%	0.71%	0.71%	0.77%	187,293	(38,529)	148,764
Mono	100,000	100,000	0.58%	0.06%	0.06%	0.07%	16,534	(3,401)	13,132
Placer	1,096,400	1,096,400	6.34%	0.69%	0.69%	0.75%	181,274	(37,291)	143,984
Sacramento	5,327,200	5,327,200	30.81%	3.33%	3.34%	3.62%	880,777	(181,188)	699,590
San Joaquin*	2,678,000	250,000	1.45%	0.16%	1.68%	0.17%	442,770	(8,503)	434,267
Stanislaus	2,040,800	2,040,800	11.80%	1.28%	1.28%	1.39%	337,418	(69,411)	268,006
Sutter/Yuba	600,800	600,800	3.47%	0.38%	0.38%	0.41%	99,334	(20,434)	78,899
Tulare*	1,928,400	0	0.00%	0.00%	1.21%	0.00%	318,834	-	318,834
Tuolumne	193,200	193,200	1.12%	0.12%	0.12%	0.13%	31,943	(6,571)	25,372
Yolo	832,800	832,800	4.82%	0.52%	0.52%	0.57%	137,692	(28,325)	109,367
Total Region	22,246,400	17,290,000	100.00%	10.62%	13.95%	11.76%	3,678,129	(588,065)	3,090,064
Los Angeles Region									
Los Angeles	46,713,600	46,713,600	100.00%	29.20%	29.30%	31.78%	7,723,435	(1,588,816)	6,134,619
Southern Region									
Imperial	750,000	750,000	1.35%	0.47%	0.47%	0.51%	124,002	(25,509)	98,493
Kern	3,423,600	3,423,600	6.17%	2.14%	2.15%	2.33%	566,044	(116,443)	449,601
Orange	13,336,800	13,336,800	24.04%	8.34%	8.36%	9.07%	2,205,052	(453,609)	1,751,443
Riverside	8,856,000	8,856,000	15.96%	5.54%	5.55%	6.02%	1,464,215	(301,209)	1,163,006
San Bernardino	8,615,200	8,615,200	15.53%	5.38%	5.40%	5.86%	1,424,402	(293,019)	1,131,383
San Diego	13,506,800	13,506,800	24.34%	8.44%	8.47%	9.19%	2,233,159	(459,391)	1,773,768
San Luis Obispo	1,032,000	1,032,000	1.86%	0.65%	0.65%	0.70%	170,627	(35,100)	135,526
Santa Barbara	1,808,800	1,808,800	3.26%	1.13%	1.13%	1.23%	299,060	(61,521)	237,539
Tri-Cities	817,200	817,200	1.47%	0.51%	0.51%	0.56%	135,112	(27,794)	107,318
Ventura	3,339,200	3,339,200	6.02%	2.09%	2.09%	2.27%	552,090	(113,572)	438,517
Total Region	55,485,600	55,485,600	100.00%	34.68%	34.80%	37.74%	9,173,762	(1,887,168)	7,286,594
Superior Region									
Butte	875,200	875,200	33.72%	0.55%	0.55%	0.60%	144,702	(29,767)	114,935
Colusa	100,000	100,000	3.85%	0.06%	0.06%	0.07%	16,534	(3,401)	13,132
Del Norte*	101,200	0	0.00%	0.00%	0.06%	0.00%	16,732	-	16,732
Glenn	108,400	108,400	4.18%	0.07%	0.07%	0.07%	17,922	(3,687)	14,236
Humboldt	502,800	502,800	19.37%	0.31%	0.32%	0.34%	83,131	(17,101)	66,030
Lake	236,800	236,800	9.12%	0.15%	0.15%	0.16%	39,152	(8,054)	31,098
Lassen	101,200	101,200	3.90%	0.06%	0.06%	0.07%	16,732	(3,442)	13,290
Mendocino	328,000	328,000	12.64%	0.21%	0.21%	0.22%	54,230	(11,156)	43,074
Modoc	100,000	100,000	3.85%	0.06%	0.06%	0.07%	16,534	(3,401)	13,132
Nevada*	346,000	0	0.00%	0.00%	0.22%	0.00%	57,206	-	57,206
Shasta*	704,400	0	0.00%	0.00%	0.44%	0.00%	116,463	-	116,463
Siskiyou	143,200	143,200	5.52%	0.09%	0.09%	0.10%	23,676	(4,870)	18,806
Trinity	100,000	100,000	3.85%	0.06%	0.06%	0.07%	16,534	(3,401)	13,132
Total Region	3,747,200	2,595,600	100.00%	1.62%	2.35%	1.77%	619,547	(88,281)	531,266
TOTAL	159,457,200	147,007,600		91.70%	100.00%	100.00%	26,364,000	-5,000,000	21,364,000

*Members Not Assigning Funds - Total	12,449,600	7.78%
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Non Participating Counties by Region

By Region	Total Assigned Dollars	% of Region	% Overall Dollars	% of Non Member Dollars
Bay Area Region - Full Participation				
Central Region				
Alpine	100,000	100.00%	0.06%	18.42%
Total Region	100,000	100.00%	0.06%	18.42%
Los Angeles Region - Full Participation				
Southern Region - Full Participation				
Superior Region				
Plumas	100,000	22.58%	0.06%	18.42%
Sierra	100,000	22.58%	0.06%	18.42%
Tehama	242,800	54.83%	0.15%	44.73%
Total Region	442,800	100.00%	0.28%	81.58%
Total Non Participating	542,800		1.47%	100.00%
Total Statewide	160,000,000		101%	

Population Information provided by California Department of Finance, Updated January 2009

**CALIFORNIA MENTAL HEALTH
SERVICES AUTHORITY**

BYLAWS

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

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

ARTICLE 1

Section 1.1 - Purpose

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

ARTICLE 2 - GOVERNING DOCUMENTS

Section 2.1 - Governing Documents

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

ARTICLE 3 - MEMBER ENTITIES

Section 3.1 - Membership

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

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

Section 3.2 - Approval of Membership

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

ARTICLE 4 - BOARD

Section 4.1 – Board Composition

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

4.1.3.10 Approve dissolution of Authority (two-thirds vote of entire Board.)

Section 4.2 - Meetings of the Board

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

Section 4.3 - Voting

- 4.3.1 The presence of a majority of the membership of the Board shall constitute a quorum for the transaction of business. Following the establishment of a quorum, measures may be passed by a simple majority of Members present and voting, except as stated below.
- 4.3.2 A super majority of the Board is required as to those matters which are so specified in Section 4.1.3
- 4.3.3 As to votes on Program-specific matters (including but not limited to motions to approve Program Participation Agreements, to terminate a Program, or to expel a participant from a Program), only those members participating in the Program will be counted in determining whether there is a quorum and whether there is approval by a majority of those present and voting. Voting by Program participants regarding Program matters may be by roll call of the members participating. Program-specific votes shall be designated as such in the agenda for the meeting.
- 4.3.4 Upon the motion of any Board Member, seconded by another, passage of a measure by the Board will require approval through a weighted voting procedure rather than by majority or super majority vote. For weighted voting purposes there shall be a total of 75 votes. Each Member shall have one vote. The remaining votes shall be allocated among the Members based on the most recent census. "Census," as used in the Agreement and these Bylaws, shall mean the most recent E-1 Population Estimates of county population prepared by the California Department of Finance Demographic Research Unit, This calculation shall be performed and reviewed annually in June, prior to the next fiscal year. Any weighted vote will be a roll call vote. Weighted votes must be cast in whole by the voting county and may not be split. As to an action affecting only one of the Authority's established Programs, the number of votes a member has shall be determined by the formula stated in this paragraph, but only the weighted votes of the participants in

the Program would be counted in determining whether there is a quorum and whether there is approval by a majority of those present and voting.

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

ARTICLE 5 – OFFICERS OF THE BOARD

Section 5.1 - Officers

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

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

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

Section 5.3 - Terms of Office

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

Section 5.4 - Elections

- 5.4.1 Election of officers shall be performed biennially.
- 5.4.2 As referenced in Section 6.2, after receiving nominations from directors the Nominating Committee shall be responsible for developing a slate of nominees for regular elections.
- 5.4.3 Elections shall occur at the last regular Board meeting of the fiscal year in which the applicable officer term concludes. Those candidates receiving a majority of votes in each office will succeed to those offices. If no nominee receives a majority vote, the nominee

with the least votes shall be deleted as a nominee and a new vote taken. This elimination process will continue until one nominee receives a majority vote. Each director to the Board or in the absence of any director, his/her alternate shall be eligible to vote.

- 5.4.4 The officers will serve for their elected terms with the Authority or until termination of office or employment with their Member, or until removal from office by a majority vote of the Board, whichever is earliest.
- 5.4.5 Vacancies in any office shall be appointed by the President, with the approval of the Board, at the next regularly scheduled Board meeting held after the vacancy occurs. A vacancy in the position of President shall be filled by election at the next regularly scheduled Board meeting held after the vacancy occurs.

Section 5.5 - Duties

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

ARTICLE 6 - COMMITTEES

Section 6.1 – Executive Committee

- 6.1.1 Members - To facilitate the expeditious handling of transactions relating to the Authority's operations, an Executive Committee is established. The members shall be: 1) the offices of President, Vice President, Treasurer, Secretary; and 2) ~~two~~ one directors

from each of the five regions utilized by CMHDA: Bay Area, Central, Los Angeles, Southern, and Superior, 3) a member-at-large, and 34) the immediate past President, if available. The Board Members elected to represent a region on the Executive Committee may be either a County's (or City's) mental health director or the designated alternate for such mental health director. Only the individual elected to represent the region can vote on the Executive Committee, regardless of whether that individual is a mental health director or a designated alternate, except that alternate regional representatives may vote in the absence of the regional representative.

- 6.1.2 Elections - ~~In June~~At the last regularly scheduled meeting in the first half of each of a fiscal year ending during an even numbered year, ~~each region~~the Bay Area, Los Angeles and Southern regions shall each elect a representative and an alternate for a two-year term to commence on July 1 of ~~each even numbered~~the subsequent fiscal year to serve on the Executive Committee ~~along with the officers and other regional representatives.~~ At the last regularly scheduled meeting in the first half of each of a fiscal year ending during an odd-numbered year, the Superior and Central regions shall each elect a representative and an alternate for a two-year term to commence on July 1 of such odd numbered the subsequent fiscal year to serve on the Executive Committee. ~~In June of each odd numbered year, each region shall each elect a representative for a two year term to commence July 1 of each odd numbered year to serve on the Executive Committee along with the officers and other regional representatives.~~ Only the directors for those counties within a region shall be eligible to vote for the representative of that region. At the first regularly scheduled meeting following CMHDA's annual elections, the Board shall elect a member-at-large who shall serve a term beginning the first day of the next month and concluding upon the first day of the month following the election of a successor member-at-large. If possible the member-at-large shall be an officer of CMHDA.
- 6.1.3 Meetings - The Executive Committee will meet as required by business. A majority of the members of the Executive Committee is a quorum for the transaction of business. Such meetings will be duly noticed to all Board directors and alternate representatives. The ~~Authority~~Secretary of the Board shall be responsible for minutes of the meetings and within 30 days of the Executive Committee's meeting shall send copies of such minutes to all Board directors, ~~and~~ alternate representatives, and members of the public who have requested notice of such meetings. ~~—~~All meetings of the Executive Committee shall be conducted in accordance with the Ralph M. Brown Act (Government Code § 54950, et seq.).
- 6.1.4 Authority - The Executive Committee shall have the same authority as that of the Board except for those ~~authorities items~~ specifically reserved unto the Board in ~~Article Section 4.1.3, and as to those items (except those requiring a two-thirds vote of the Board) the Executive Committee can act in the absence of a quorum of the Board at a regularly scheduled meeting, subject to the Appeal Process stated in Section 6.1.7.~~ The Executive Committee may also exercise the authority delegated by a vote of the majority of the participants in a Program.
- 6.1.5 Attendance - Attendance of Executive Committee members is essential to conducting the business of the Authority. An Executive Committee member missing a maximum of two

meetings in a fiscal year, shall be subject to review by the Board or Executive Committee concerning forfeiture of his/her membership on the Executive Committee.

- 6.1.6 Vacancies - The remaining term of any vacant representative position shall be appointed by the President, with the approval of the Board, at the next regularly scheduled Board meeting held after the vacancy occurs.
- 6.1.7 Appeal Process - Any action taken by the Executive Committee may be appealed by a minimum of ~~20%~~five of the Members of the Authority to the Board by filing a written notice of appeal with the Executive Director within ~~14~~21 days following the date the minutes are mailed as provided in Section 6.1.3. Such written appeal may be made by a single written notice of appeal signed by at least five of the Members, or by individual notices of appeal from at least five of the Members. To be effective, the notice of appeal need only state that the Member requests the action to be placed on the agenda of the next meeting of the Board for reconsideration. Upon receipt of such appeal, the Executive Director shall stay the action, and place the appeal on the agenda of the next regularly scheduled Board meeting. The Board may rescind, modify or ratify the challenged action of the Executive Committee, and the~~The~~ decision of the Board shall be final. If at the next regularly scheduled Board meeting a quorum of the Board does not appear but a quorum of the Executive Committee is present, the Executive Committee may rescind, modify or affirm its prior action and such action shall be treated as the final action of the Board.
- 6.1.8 Minutes – To avoid delay in the distribution of minutes of the meetings of the Executive Committee, the Secretary of the Board shall within 14 days of the meeting send a draft copy of the minutes to each Executive Committee member who attended the meeting, and shall request that any corrections be provided within 7 days. After the 7-day correction period, the Secretary shall make any necessary corrections and shall send the minutes of the meeting to each Board member and alternate as required in Section 6.1.3.

Section 6.2 - Nominating Committee

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

Section 6.3 – Finance Committee

- 6.3.1 The Finance Committee is established as a standing committee to oversee, review, and provide direction to the Authority's Board of Directors regarding the Authority's

financial matters and investment programs. This Section 6.3 shall amend and supersede the Charter of the Finance Committee adopted on October 13, 2011.

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

6.3.5.8 Other duties as authorized by the Board of Directors.

Section 6.4 – Advisory Committee

- 6.4.1 A standing Advisory Committee has been established to serve as a hub of communication and disseminate program information to stakeholders, partners, the Executive Committee and the Board of Directors.
- 6.4.2 The Advisory Committee shall consist of twelve members. Six of the members shall be current members of the Board of Directors, and of these six, one shall be a member of the Executive Committee and each of the other five shall represent a CMHDA region. There shall be six stakeholder members, five of which shall represent a CMHDA region. One Board member and one stakeholder shall act as co-Chairs of the Advisory Committee. Each stakeholder member shall occupy a position of influence and be empowered to speak for his/her organization, and shall contribute to diverse representation of consumers and families, cultural groups, and age spans and geographic regions. Stakeholder members are selected by application to CalMHSA. Vacancies will be filled by a selections committee. The Selection Committee shall attempt to fill any vacant position with a member who represents the same CMHDA region and fulfills the Committee need for representation from diverse constituencies.
- 6.4.3 Members serve personally, and cannot be represented on the Advisory Committee by alternates. Members serve a term of two years, except that half of the original roster of members shall serve an initial term of three years. Each of the co-chairs shall serve initial three-year terms. The stakeholder co-chair shall designate two other stakeholder members to serve initial three-year terms, and the Director co-chair shall designate two other Director members to serve initial three-year terms. Vacancies shall be filled by a selection committee (which includes stakeholder representation) appointed by the President.
- 6.4.4 The Advisory Committee shall advise the Executive Committee and/or the Board of Directors regarding the following subjects:
- 6.4.4.1 Regular reporting from Program Partners in key areas related to Core Principles adopted by the Authority
 - 6.4.4.2 Development and administration of a system for compiling, analyzing and reporting stakeholder feedback on the statewide PEI and other programs
 - 6.4.4.3 New programs or structures to be created, including program monitoring, compliance, and reporting of results
 - 6.4.4.4 Member services and expansion of the Authority's services
- 6.4.5 The Advisory Committee will make recommendations to the Executive Committee and/or Board of Directors that have been adopted by consensus. When consensus is not reached, opposing positions will be reported to the Board of Directors.

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

Section 6.5 - Other Committees

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

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

ARTICLE 7 – FINANCIAL AUDIT

Section 7.1 - Audit Required

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

Section 7.2 - Filing an Audit

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

Section 7.3 - Costs of Audit

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

ARTICLE 8 - FISCAL YEAR

Section 8.1 - Fiscal Year

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

ARTICLE 9 - BUDGET

Section 9.1 - Budget

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

ARTICLE 10 - ESTABLISHMENT AND ADMINISTRATION OF FUNDS

Section 10.1 - Administration of Funds

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

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

Section 10.2 - Deposit and Investment of Authority Funds

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

Section 10.3 - Accounting Method for Programs

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

ARTICLE 11 - ADMINISTRATION

Section 11.1 - Executive Director

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

Section 11.2 - Compensation and Employment of Executive Director

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

Section 11.3 – Authority of the Executive Director to Execute Contracts

The Board or the Executive Committee may delegate authority to the Executive Director to execute certain contracts on behalf of the Authority, either as to particular contracts, or as to

particular categories of contracts. As used in this section, “contracts” includes Participation Agreements.

Section 11.4 – Program Director

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

Section 11.5 – Compensation and Employment of Program Director

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

ARTICLE 12 - PROGRAMS

Section 12.1 - Formation of Programs

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

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

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

authority to the Executive Director to establish and execute Participation Agreements for such Programs, subject to the limits imposed in the delegation of authority.

- 12.1.4 The Participants in a Program shall adopt and maintain a Participation Agreement to establish the operating guidelines of that Program, except as to the Statewide PEI Program. As to the Statewide PEI Program, the relevant Information Notices, assignment documents executed on behalf of Members, CalMHSA contract with the California Department of Mental Health and these Bylaws are deemed to constitute the Participation Agreement.
- 12.1.5 Participation Agreements shall, among other things, specify the conditions under which additional Members will be allowed to join in the Program after its inception.

Section 12.2 – Program Withdrawal or Expulsion

- 12.2.1 Withdrawal or expulsion by a member from any Program shall be in accordance with the provisions of the Participation Agreement governing that Program. In the absence of a Participation Agreement for a Program, withdrawal or expulsion shall be governed by the Agreement and these Bylaws.
- 12.2.2 The withdrawal or expulsion of any participating member of any Program after the effective date of such Program shall not terminate its responsibility to contribute its share of contributions to any fund or Program created by the Authority. All current and past participating members shall be responsible for their respective share of the expenses, as determined by the Executive Director, until all unpaid liabilities, covering the period of the member's participation in the Program, have been finally resolved and a determination of the final amount of payments due by, or credit to, the participating member for the period of its participation has been made. The withdrawal or expulsion of any member from any Program shall not require the repayment or return to that member of all or any part of any contributions, payments, advances, or distributions except in conformance with the provisions set forth herein and in the Program's Participation Agreement.
- 12.2.3 Any participating member seeking to withdraw without proper and effective notice shall be responsible for the full cost of the subsequent year's contribution, and the notice will be deemed effective for the following year. The notice required to withdrawal from a Program shall be stated in each Program's Participation Agreement, but in the absence of such provision shall be 6 months.
- 12.2.4 No member can be expelled from a Program except as provided by Article 14 of these Bylaws.

ARTICLE 13 – RESPONSIBILITIES OF THE MEMBER ENTITIES

Section 13.1 – Governing Documents

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

Section 13.2 – Timely Payment

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

Section 13.3 – Late Fees

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

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

Section 13.4 – Cooperation

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

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

13.4.3 If a Member is held liable upon any judgment for damages caused by a negligent or wrongful act or omission occurring in the performance of the Agreement and pays in excess of its pro rata share in satisfaction of such judgment, such public entity is entitled to contribution from each of the other Members that are parties to the Agreement. The pro rata share of each Member will be determined by its population as compared to the total population of all Members, based on the most recent census. The right of contribution is limited to the amount paid in satisfaction of the judgment in excess of the pro rata share of the public entity so paying. No public entity may be compelled to make contribution beyond its own pro rata share of the entire judgment.

Section 13.5 – Confidential Records

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

ARTICLE 14 - DEFAULTS AND EXPULSION FROM THE AUTHORITY

Section 14.1 - Events or Conditions of Default Defined

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

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

Section 14.2 - Remedies on Default

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

14.2.2 Expulsion of a Member from the Authority:

- 14.2.2.1 The Board, as provided in Section 4.1.3.1, may expel from the Authority any Member that is in default, as defined in Section 14.1.1 of this Article.
- 14.2.2.2 Such expulsion shall be effective on the date prescribed by the Board, but not earlier than 30 days after written notice of expulsion has been personally served on or sent certified mail to the Member.
- 14.2.2.3 The expulsion of any Member from any Program shall not terminate the Member's responsibility to contribute its share of contributions or funds to any fund or Program created by the Authority, nor its responsibility to provide requested data. All current and past participants shall be responsible for their respective share of the expenses, as determined by the Executive Director, until all unpaid liabilities, covering the period of the participant's participation in the program have been finally resolved and a determination of the final amount of payments due by, or credit to, the participant for the period of its participation has been made.

14.2.3 Expulsion from a Program:

- 14.2.3.1 Upon the occurrence of any default, the Board may temporarily terminate all rights of the defaulting Member in any program in which such Member is in default until such time as the condition causing default is corrected.
- 14.2.3.2 Upon the occurrence of any default, the Board, as provided in Section 4.1.3.10, may terminate permanently all rights of the defaulting Member in any program in which such Member is in default.
- 14.2.4 No remedy contained herein is intended to be exclusive. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or shall be construed to be a waiver thereof.

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

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

Section 14.4 - No Additional Waiver Implied by One Waiver

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

ARTICLE 15 - LEGAL REPRESENTATION

Section 15.1 - Counsel Authorized

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

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

ARTICLE 16 - EXECUTION OF CONTRACTS

Section 16.1 - Authorization by Board

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

Section 16.2 – Representative and Officers Insurance

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

ARTICLE 17 – WITHDRAWAL, EXPULSION AND TERMINATION

Section 17.1 – Termination and Distribution

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

Section 17.2 – Distribution Upon Termination of the Authority

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

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

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

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

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

ARTICLE 18 - NOTICES

Section 18.1 - Notices

Any notice to be given or to be served upon any party hereto in connection with these Bylaws must be in writing (which may include facsimile) and will be deemed to have been given and received when delivered to the address specified by the party to receive the notice. Any party

may, at any time by giving five days prior written notice to the other parties, designate any other address in substitution of the foregoing address to which such notice will be given.

Section 18.2 - Claims Against the Authority

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

ARTICLE 19 - EFFECTIVE DATE

Section 19.1 - Effective Date and Supremacy

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

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

ARTICLE 20 - AMENDMENTS

Section 20.1 – Procedure to Amend

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

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

County	2012		2013				
	October	December	February ¹	April ²	June	August ¹	October ¹
Alameda County							
Berkeley, City of							
Butte County		X	X	X	X	X	X
Colusa County	X			X	X		X
Contra Costa County						X	
Del Norte County		X		X			
El Dorado County	X		X	X	X		
Fresno County					X	X	
Glenn County	X	X		X	X	X	X
Humboldt County	X	X	X	X	X		X
Imperial County			X			X	
Inyo County		X		X			X
Kern County							
Kings County	X						
Lake County	X	X	X		X	X	X
Lassen County							
Los Angeles County	X	X	X	X	X	X	X
Madera County		X					
Marin County						X	
Mariposa County		X	X	X	X		
Mendocino County	X		X		X		X
Modoc County	X	X	X	X	X	X	X
Mono County							
Monterey County	X	X	X	X	X	X	X
Napa County	X	X		X	X	X	X
Nevada County							
Orange County	X	X	X	X	X	X	X
Placer County	X	X	X	X	X		X
Riverside County	X	X		X	X	X	
Sacramento County	X	X	X	X	X	X	X
San Benito County							
San Bernardino County	X	X	X	X	X	X	X
San Diego County			X	X		X	X
San Francisco City & County							
San Joaquin County	X	X	X	X			X
San Luis Obispo County	X	X	X	X	X		
San Mateo County	X	X	X				
Santa Clara County	X		X		X		X
Santa Cruz County	X	X					
Shasta County	X	X	X	X	X	X	X
Siskiyou County							
Solano County	X	X				X	
Sonoma County	X	X	X	X			
Stanislaus County	X	X	X	X	X		
Sutter/Yuba County	X	X	X	X	X	X	X
Tri-City Mental Health Center							
Trinity County	X	X	X	X	X	X	X
Tulare County							
Tuolumne County	X	X	X	X	X	X	X
Ventura County	X	X			X		X
Yolo County	X	X		X	X	X	
Total Members in Attendance ³	30	30	25	27	27	22	

¹ Became Executive Committee meeting due to lack of a quorum of board members.

² When the meeting was called there was a lack of a quorum of board members; however a quorum of the Executive Committee was established. Part way through the meeting, a quorum of the board was met.

³ Quorum = 26

Meeting Participation Options

November 2013

As a CalMHSA Member your participation is essential in obtaining a quorum for the purpose of taking action on items of great importance. Accordingly, we have outlined the various meeting participation options available to you.

In-Person Participation

For meetings taking place in Sacramento immediately following the CMHDA All Directors meeting, in-person participation is highly encouraged. These meetings usually begin at 2:45pm to 5:00pm and are held every other month.

Teleconference Participation

Members have the following teleconference options:

1. **Listen-in Only:** Members may just listen-in to any Board and/or Committee meeting by dialing the “listen only,” number posted on the meeting agendas. This means that one could listen only but not participate in discussion nor vote on any matters being heard.
2. **Participation Only:** Members that are **not** at a noticed location (see bottom of page 2) may dial-in and participate in discussion, but not vote on matters being heard.
3. **Participation & Designated Voting:**
 - a. Members that are **not** at a noticed location (see bottom of page 2), can call in and participate in discussion and have their **designated alternate**, at a noticed location, vote on matters being heard.

- b. Members may participate and vote on matters being heard via teleconference, as long as they have fulfilled the posting requirements (see below).

Ralph M. Brown Act

Brown Act: The Brown Act governs meeting access to local public bodies. Which means the meetings must be “open and public,” actions may not be secret and action take in violation of the Act may be voided.

As such, the following CalMHSa meetings are subject to the Brown Act and appropriate posting:

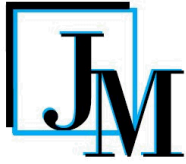
- Board Meetings
- Executive Committee
- Advisory Committee
- Finance Committee

Member Posting Instructions for CalMHSa Meetings

In the event that a board or committee member is unable to participate in a meeting in-person, he or she may choose to host a remote meeting location and participate via phone as follows:

1. Three weeks prior to a meeting, the board or committee member’s staff will notify CalMHSa of the member’s intention to participate via telephone with the address of the member’s meeting location. The meeting must be accessible to the public, include a speaker phone and seating for members of the public who wish to attend.

2. One week prior to the meeting, CalMHSA staff will provide the board or committee member's staff with a PDF of the agenda along with an electronic file of the CalMHSA Public Comment Card to be used during the county hosted meeting.
3. The board or committee member's staff will post the agenda 72 hours prior to the start of the meeting at the address listed on the agenda. The agenda must be visible to the public (lobby, reception area, front door, etc.).
4. On the day of the meeting, the board or committee member will facilitate comment from members of the public during times when the President or Co-chair calls for public comment. Public members making a comment must complete a comment card to be collected by the board/committee member. Following the conclusion of the meeting, the board/committee member's staff will send all completed public comment cards to CalMHSA staff for inclusion in the meeting minutes.
5. During the meeting the President or Co-chair will ask for board or committee member comment and votes (on certain agenda items) via roll call. To make this process easier, the President or Co-chair will take comments/votes from the members present at the main meeting site followed by members on the phone, by location.



James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

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

We have audited the basic financial statements of California Mental Health Services Authority (CalMHSA) for the years ended June 30, 2013 and June 30, 2012 and have issued our report thereon dated December 4, 2014. Professional standards require that we advise you of the following matters relating to our audit:

Our Responsibility under Generally Accepted Auditing Standards

As communicated in our engagement letter dated June 11, 2012, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of CalMHSA solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our report on internal controls and other matters noted in a separate letter dated December 4, 2013

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the Organization's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Qualitative Aspects of the Organization's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by CalMHSa is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year 2012-2013. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are the accounts receivable and evaluation of collectibility. We evaluated the key factors and assumptions used to record the accounts receivable and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Authority's financial statements relate to contracts for services.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. We did not identify any uncorrected misstatements as a result of our audit procedures.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We did not identify any corrected misstatements as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the CalMHSA's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated December 4, 2013.

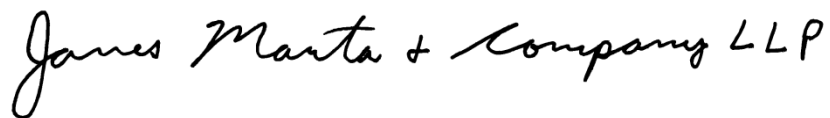
Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Findings or Issues

In the normal course of our professional association with CalMHSA, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the Authority, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority's auditors.

This report is intended solely for the use of the Board of Directors and management of California Mental Health Services Authority and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



James Marta & Company LLP
Certified Public Accountants
December 4, 2013

December 4, 2013

James Marta & Company
701 Howe Ave Suite E3
Sacramento, CA 95825

Dear James Marta:

This representation letter is provided in connection with your audit of the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows of California Mental Health Services Authority as of June 30, 2013 and 2012 and for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of California Mental Health Services Authority in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of December 4, 2013

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated June 11, 2012, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All net assets components and fund balance classifications have been properly reported.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes,⁷ and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

- We have *no knowledge of any* fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have *no knowledge of any* allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We *have* disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- *There have been no* communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- California Mental Health Services Authority has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which California Mental Health Services Authority is contingently liable.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (*GASB-62*), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
- California Mental Health Services Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Additional Representations

- We have reviewed, approved, and taken responsibility for the financial statements and related notes and acknowledge the auditor's role in the preparation of this information.

Required Supplementary Information

With respect to the required supplementary information accompanying the financial statements:

- a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.
- b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
- c. The methods of measurement or presentation have not changed from those used in the prior period

To the best of our knowledge and belief, no events have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

s/John Chaquica

s/Kim Santin

**CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY
FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEARS ENDED
JUNE 30, 2013 AND 2012**



California Mental Health Services Authority

Board of Directors

JUNE 30, 2013

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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, 2013 and 2012, which collectively comprise CalMHSA's basic financial statements as listed in the table of contents. These financial statements are the responsibility of CalMHSA's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Managements Responsibility for the Financial Statements

Management is responsible for the preparation 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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the State Controller's Minimum Audit Requirements for California Special Districts, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2013 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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.

Opinion

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, 2013 and 2012, and the related 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 and Statement of Revenues, Expenditures and Change in Fund Balance – Budget and Actual – General Fund 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 December 4, 2013 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.

James Marta + Company LLP

James Marta & Company
Certified Public Accountants
December 4, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2013 AND 2012

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, 2013 and 2012. The discussion should be read in conjunction with the financial statements and accompanying notes, which follow this section.

Overview of CalMHSA

In January 2007 and September 2007, the Mental Health Services Oversight and Accountability Commission (MHSOAC) approved five Prevention and Early Intervention (PEI) Statewide Projects and corresponding funding amounts. In May 2008, the MHSOAC determined that the three PEI Statewide Projects would be most effectively implemented through a single administrative entity. The three PEI Statewide Projects and their respective funding levels are as follows (in millions):

	<u>FY</u> <u>08/09</u>	<u>FY</u> <u>09/10</u>	<u>FY</u> <u>10/11</u>	<u>FY</u> <u>11/12</u>
• Suicide Prevention	\$10	\$10	\$10	\$10
• Student Mental Health Initiative	\$15	\$15	\$15	\$15
• Stigma and Discrimination Reduction	\$15	\$15	\$15	\$15

The overall funding level for the three PEI programs noted above is \$160 million.

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 health services, projects and educational programs at the state, regional and local levels. California counties may choose to implement the three statewide PEI programs through CalMHSA. As of June 30, 2013, 51 members (49 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 MHSOAC. Total funding available for the CalMHSA members was \$146.8 million.

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.

CalMHSA has the capacity and capability to promote systems and services arising from a shared member commitment to community mental health. A central part of CalMHSA's vision is to promote systems and services arising from community mental health initiatives and to respect the values of the California Mental Health Services Act (Proposition 63). These are:

1. Community Collaboration;
2. Cultural Competence;
3. Client driven mental health system for individuals of any age who are receiving or have received mental health services;

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2013 AND 2012

4. Family driven mental health system for families of children and youth diagnosed with serious emotional disturbance;
5. Wellness, Recovery, and Resilience Focused; and
6. Integrated Service Experiences for clients and their families.

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 Mental Health Services Act (MHSA) and as approved by the Mental Health Services Oversight and Accountability Commission (MHSOAC) and CDMH, develop and implement Prevention and Early Intervention (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. The purposes of these programs will be reducing suicides, eliminating stigma and discrimination related to mental illness, and promoting student mental health. This contract has been 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 is April 15, 2010 through June 30, 2014. In June 2012, the contract was transferred to the California Department of Health Care Services, of which has noted acceptance of a noncash extension through June 30, 2017

Guiding Principles for Budget Development

The operations of CalMHSA included in these Financial Statements are:

- Technical Assistance/Capacity Building - \$504,711
- PEI Statewide Programs – Phase I – PEI Statewide Planning (5%) - \$6.8 Million
- PEI statewide Programs – Phase II – PEI Statewide Program Implementation - \$129 Million
- PEI Statewide Programs – First Amendment to the Implementation Work Plan - \$8.2 Million
- PEI Statewide Programs – Plan Update - \$14.2 Million¹

Technical Assistance/Capacity Building

The guiding principles for budget development of this program are related to execution of contracts with service providers. Service providers are accountable to deliver the services in accordance to the specific contract.

PEI Statewide Programs

The Guiding principles for the PEI Statewide Programs are provided by CDMH Information Notice no. 10-06. These guidelines for PEI Statewide Programs provide Phase I approval for Planning Funds and Phase II approval to expend PEI statewide Funds on program implementation.

¹ Funding includes the previously approved contingency/operating reserve (\$9,662,072) and planning funds (\$2,869,658), and funds resulting from changes in CalMHSA participation by counties and cities (\$1,698,675).

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013 AND 2012

Total PEI Statewide Funding, as originally governed by CDMH Information Notice No. 10-06, is \$160 Million funded over four years ending 2012. The budgetary requirements, facts and assumptions are described below.

1. CalMHSA's allocation of funding is defined with certain limits and the maximum percent by component are (CDMH Information Notice No. 10-06 defines Phase I and Phase II):
 - a. 5% Planning – Phase I funds
 - b. 15% Indirect Administrative Costs (inclusive of 7.5% of cost of evaluation) – Phase I
 - c. 80% Direct Service (inclusive of the required 10% operating reserve) – Phase I
2. CalMHSA, at time of budget development had 29 member counties.
 - a. Total projected funding - \$136 Million
 - b. Phase I – \$6.8 Million
 - c. Phase II - \$129 Million
3. The JPA Agreement legally binds the JPA to the limit of funding by member and no cost overruns allowed. Thus the contingency of funding (operating reserve of 10%) is critical to the process.
4. We have utilized these maximum allocations as benchmarks, as well as defining limits for budget and procurement. It is, however, the intent of CalMHSA and its members to maximize the delivery of services. As a result this allocation shall be refined as more facts develop on an on-going basis.

From February 2011, when the MHSOAC approved the CalMHSA Implementation Work Plan, to June 2012, 13 counties and cities beyond those included in the original work plan elected to participate in CalMHSA PEI statewide projects. New participation resulted in an additional \$7.7 million of program funds for expansion into new communities.

First Amendment to the Statewide PEI Implementation Work Plan

Suicide Prevention (SP): Increased by approximately \$1.9 million (25% of \$7.7 million).

Regional Local Capacity Building Programs: As new communities participate in CalMHSA, many regional SP providers are being asked to serve additional counties and/or cities. Regional programs are augmented to serve an expanded geographic and/or racial/ethnic/cultural and underserved population.

Student Mental Health Initiative (SMHI): Increased by approximately \$2.9 million (37.5% of \$7.7 million).

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013 AND 2012

Higher Education: California Community Colleges (CCC): SMHI Higher Education funds were allocated equally to each system. The CCC serves a student population that is six to 11 times that of the California State University and University of California systems, and admits “any student capable of benefiting from instruction.” The CCC contract was augmented in order to serve a larger student population than other higher education systems and to serve an expanded geographic and/or racial/ethnic/cultural and underserved population.

Stigma and Discrimination Reduction (SDR): This amendment set aside approximately \$2.9 million (37.5% of \$7.7 million) for Work Plan Amendment #2 (planned for Fall 2012). Eight out of 10 SDR projects are in implementation; the other two projects are in the initial stages of implementation. Program enhancements were delayed until the Second Amendment of the Work Plan, so that they could be informed by implementation data.

Additional Deliverable: This amendment includes a deliverable as part of our statewide evaluation contract, which includes the Development of a Statewide Evaluation Framework (in collaboration with CalMHSA and the MHSOAC), with revisions to the Evaluation Framework in response to input. A PEI statewide evaluation framework was developed which overlaps with the three CalMHSA statewide PEI project evaluations but differs in that it includes the full range of California’s PEI programs. It will also be used prospectively to evaluate the impact of the programs over time. Like the CalMHSA PEI statewide projects evaluation, it prioritizes the outcomes specified in the Mental Health Services Act.

Plan Update

An update to the CalMHSA Statewide PEI Implementation Work Plan was created in August 2012 in order to expeditiously shift available funding into program activities. Funding included the previously approved contingency/operating reserve (\$9,662,072) and planning funds (\$2,869,658), and funds resulting from changes in CalMHSA participation by counties and cities (\$1,698,675). In total, the CalMHSA Plan Update increased program funding by \$14,230,405.

Within each initiative, CalMHSA staff applied the key principles to determine the utilization of program funds. Based on Key Principle #1, newly available program funds were allocated to Suicide Prevention (25%); Stigma and Discrimination Reduction (37.5%); and Student Mental Health (37.5%) as follows:

Suicide Prevention (SP): Increased by \$3.6 million (25% of \$14.2 million).

Student Mental Health Initiative (SMHI): Increased by \$5.3 million (37.5% of \$14.2 million).




Stigma and Discrimination Reduction (SDR): Increased by \$5.3 million (37.5% of \$14.2 million). In addition, funding was increased by the \$2.9 million that was set aside during the First Work Plan Amendment (approved by the MHSOAC on March 23, 2012). Overall, SDR programs were increased by \$8.2 million.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2013 AND 2012

The chart below includes approved funding allocations to date (the budget from the CalMHSA Implementation Work Plan and additional funding from the First Work Plan Amendment) and proposed changes (program funds made available as part of the CalMHSA Plan Update).

Funding	5% Phase I Planning	71% Program/Direct	9% Contingency Reserve¹	7.5% Evaluation²	7.5% Admin²	100% Total
Work Plan Budget	\$6,810,520	\$97,322,330	\$11,645,988	\$10,215,780	\$10,215,780	\$136,210,398
First WP Amendment	\$409,155	\$5,810,001 ³	\$736,479 ³	\$613,733	\$613,733	\$8,183,100
Subtotal	\$7,219,675	\$103,132,331	\$12,382,467	\$10,829,513	10,829,513	\$144,393,498
Changes in CalMHSA membership	\$119,625	\$1,698,675 ^{4,7}	\$215,325	\$179,438	\$179,438	\$2,392,500
CalMHSA Plan Update	\$2,869,658 moved to program/direct 	\$2,869,658 ⁵ + \$9,662,072 ⁶ = \$12,531,730 ⁷	\$9,662,072 moved to program/direct 			
August 9, 2012 Total	<u>4,469,642</u>	<u>117,362,736</u>	<u>2,935,720</u>	<u>11,008,950</u>	<u>11,008,950</u>	<u>146,785,998</u>
August 9, 2013 Percentage	3.0%	80.0%	2.0%	7.5%	7.5%	100%
Transfer of Administrative Funds		5,000,000			(5,000,000) 	
May 1, 2013 Total	<u>\$4,469,642</u>	<u>\$122,362,736</u>	<u>\$2,935,720</u>	<u>\$11,008,950</u>	<u>\$6,008,950</u>	<u>\$146,785,998</u>
May 1, 2013 Percentage	3.0%	83.4%	2.0%	7.5%	4.1%	100%

1. Originally, the Contingency Reserve was calculated as 9% of the Approved Plan. It is the intent of CalMHSA to maximize the delivery of services. In this Plan Update, \$9,662,072 of this reserve will now be utilized for program activities.
2. The maximum allocation permitted by DMH for Indirect Administration services is 15%. Included in this 15% is the requirement to provide evaluation of programs.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

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3. These dollars differ slightly from those shared during the First Work Plan Amendment; this change is due to the program/direct percentage being calculated as 71%, based on the approved plan.
4. Changes in CalMHSA membership and the assignment of funds by counties and cities resulted in an additional \$1,698,675 for program funds.
5. Based on the FY 12-13 CalMHSA Budget approved by the CalMHSA Board on June 14, 2012, planning dollars (\$2,869,658) were moved to fund program/direct activities. The new overall percentage of funds dedicated to planning is 3.0%.
6. Contingency reserve dollars (\$9,662,072) were moved to fund program/direct activities. The new overall percentage of funds dedicated to the contingency reserve is 2.0%.
7. The total increase in program funds is \$14,230,405 (Shift planning and contingency reserve: \$12,531,730, plus changes in CalMHSA membership: \$1,698,675).
8. \$5 million transferred to PEI Statewide Program from General and Administrative funds based on actual projections of General and Administrative expenditures through June 30, 2015.

Budget Highlights

Since the development of the initial budget, membership has exceeded management's expectations and is currently at 51 members. As of October 2012, member counties have directed \$146,786,000 (\$160 million is statewide total) to CalMHSA.

Financial Highlights for the Fiscal Year Ended June 30, 2013

Operating revenue was \$754,000 in fiscal year 2013 mainly comprising current year funding for Technical Assistance/Capacity Building of \$504,000; Workforce Education Training (WET) of \$155,000; and State Hospital Beds of \$94,000. Operating revenue is substantially less in fiscal year 2013 as the revenue of \$146 million has been recognized and received in prior fiscal years.

Operating expenses were \$39.4 million in fiscal year 2013. This was a \$22.1 million increase compared to 2012. Increased planning, program and evaluation expenses for the implementation of the Prevention and Early Intervention (PEI) statewide initiatives was the main reason for the increase in total expenses. During the fiscal year 2012, CalMHSA entered into 28 contracts with 28 program partners. Expenditures on this contract, as of June 30, 2013, were \$36.1 million, which was a full year of contract implementation.

Cash and cash equivalents was \$14.2 million as of June 30, 2013 compared to \$39.4 million as of June 30, 2012. The \$25 million decrease compared to prior fiscal year mainly relates to activity related to a full year of contract implementation.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013 AND 2012

Total accounts receivable was \$580,592 as of June 30, 2013 compared to \$815,493 as of June 30, 2012. The collection of prior year PEI funding revenue was the main reason for the decrease in accounts receivable. \$417,927 of the receivables are interest receivable.

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

The **Statement of Revenues, Expenses and Changes in Net Position** 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 the Agency's financial position and activities for fiscal years 2013 and 2012, and a look ahead at economic conditions that may affect CalMHSA in the future.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013 AND 2012

I. Statement of Net Position

	2013	2012	2011	% Change Over Prior Year
ASSETS				
Current Assets				
Cash and cash equivalents	\$14,250,192	\$39,436,531	\$91,445,563	-64%
Investments - Current Portion	53,969,429	34,325,521	-	184%
Contractor Prepayments	368,996	3,369,932	-	-84%
Accounts receivable	580,592	815,493	13,234,744	-29%
Total Current Assets	<u>69,169,210</u>	<u>73,021,552</u>	<u>104,680,307</u>	-6%
Investments - Noncurrent	<u>27,449,689</u>	<u>56,373,873</u>	-	-56%
Total Assets	<u>96,618,898</u>	<u>134,321,350</u>	<u>104,680,307</u>	28%
Current Liabilities:				
Accounts payable	6,041,242	5,445,801	72,286	11%
WET Program Funding	<u>-</u>	<u>155,220</u>	<u>-</u>	-100%
Total Current Liabilities	<u>6,041,242</u>	<u>5,601,021</u>	<u>72,286</u>	8%
Net position	<u><u>\$90,577,656</u></u>	<u><u>\$128,720,329</u></u>	<u><u>\$104,608,021</u></u>	-29%

CalMHSA's Assets

Total assets decreased by \$37.7 million to \$96.6 million at June 30, 2013. The assets are expected to decrease as programs are implemented.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013 AND 2012

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

	2013	2012	2011	% Change Over Prior Year
Operating revenues	<u>\$754,021</u>	<u>\$41,034,000</u>	<u>\$102,616,05</u>	-98%
Operating expenses:				
Program expenses	38,241,533	16,422,882	1,675,824	233%
Indirect expenses	<u>1,150,716</u>	<u>888,756</u>	<u>-</u>	129%
Total operating expenses	<u>39,392,249</u>	<u>17,311,638</u>	<u>1,675,824</u>	295%
Operating income	(38,638,228)	23,722,362	100,940,226	-163%
Nonoperating income	<u>495,555</u>	<u>389,946</u>	<u>108,314</u>	127%
Increase (Decrease) in net position	(38,142,673)	24,112,308	101,048,540	-159%
Net position beginning of year	<u>128,720,329</u>	<u>104,608,021</u>	<u>3,559,481</u>	123%
Net position end of year	<u>\$90,577,656</u>	<u>\$128,720,329</u>	<u>\$104,608,02</u>	-29%

Revenues (Operating and Nonoperating)

For the fiscal year ended, June 30, 2013, total revenue (operating and nonoperating) decreased by \$40.2 million. At June 30, 2013, 50 counties were members of CalMHSA. One of the counties joined CalMHSA during the fiscal year ended, June 30, 2013.

Expenses

For the fiscal year ended, June 30, 2013, total expenses increased by \$22 million. CalMHSA has a full year of program phase implementation of the Prevention and Early Intervention (PEI) statewide initiatives, which was the main reason for the increase in total expenses.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013 AND 2012

Economic Outlook

The administration of community and statewide mental health programs in California is undergoing significant change. The California Governor's 2012-2013 Budget has eliminated the California Department of Mental Health (DMH). The shift in the state's role, with emphasis on local effort in mental health, may present additional challenges and opportunities for California counties, CalMHSA and CMHDA for statewide administration of programs. CalMHSA is currently positioned to administer additional Statewide Prevention and Early Intervention (PEI) projects and Statewide and Regional Workforce, Education and Training (WET) projects. These opportunities would extend beyond the existing contract dates, which has been given a no-cost extension to complete run out of the PEI Programs.

BASIC FINANCIAL STATEMENTS

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

**GOVERNMENTAL FUND BALANCE SHEETS -
STATEMENTS OF NET POSITION**

JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 14,250,192	\$ 39,436,531
Investments- Current Portion	53,969,429	34,325,521
Contractor prepayments	368,996	3,369,932
Receivables:	<u>580,592</u>	<u>815,493</u>
Total Current Assets	69,169,209	77,947,477
Non Current Assets		
Investments	<u>27,449,689</u>	<u>56,373,873</u>
Total Assets	<u>\$ 96,618,898</u>	<u>\$ 134,321,350</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 6,041,242	\$ 5,445,801
Unearned WET Program funding	<u>-</u>	<u>155,220</u>
Total Current Liabilities	6,041,242	5,601,021
FUND BALANCE / NET POSITION		
Net Postion:		
Restricted		
Tech asst/capacity building	60,017	48
Operations	680,168	318,063
PEI funding	89,688,921	128,402,218
WET Program Funding	148,470	-
SHB Program Funding	<u>80</u>	<u>-</u>
Total Restricted	<u>90,577,656</u>	<u>128,720,329</u>
Total Liabilities and Fund Balance/Net Position	<u>\$ 96,618,898</u>	<u>\$ 134,321,350</u>

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

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

FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
REVENUES:		
Technical Assistance/Capacity Building	\$ 504,711	\$ 250,400
PEI Statewide Programs - Planning	-	2,038,430
PEI Statewide - Program Implementation	-	38,730,170
WET Program Funding	155,220	-
SHB Funding	94,090	-
Fees	-	15,000
Investment income	495,505	389,947
Total Revenue	<u>1,249,526</u>	<u>41,423,947</u>
 EXPENDITURES/EXPENSES:		
Program Expenses		
Technical Assistance/Capacity Building	432,523	545,926
WET Program Funding	6,750	
SHB Program Funding	94,010	
PEI Statewide Programs	35,391,976	13,492,750
Evaluation Expense	1,908,627	1,616,254
Planning Expense	407,597	906,616
Total Project Expense	<u>38,241,483</u>	<u>16,561,546</u>
General and Administration	<u>1,150,716</u>	<u>750,093</u>
Total Expenses	<u>39,392,199</u>	<u>17,311,639</u>
 Change in Fund Balance/Net Position	(38,142,673)	24,112,308
 FUND BALANCE/NET POSITION		
Beginning of year	<u>128,720,329</u>	<u>104,608,021</u>
End of year	<u>\$ 90,577,656</u>	<u>\$ 128,720,329</u>

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

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, 2013 and 2012, there were 50 member counties.

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, 2013 AND 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2013 AND 2012

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.

CalMHSA executed a contract with the California Department of Mental Health (CDMH) for an amount not to exceed \$160 million. This contract has been 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. These funds were classified as a voluntary nonexchange transaction and recorded on a modified accrual basis of accounting because CalMHSA operates with one governmental fund. GASB 33 specifies that revenue from voluntary nonexchange transactions accounted for on the modified accrual basis of accounting be recognized in the period when all applicable eligibility requirements have been met and the resources are available. For CalMHSA, revenue was recognized when counties became official members of CalMHSA and when the funding request was received by the CDMH.

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, 2013 AND 2012

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. UNEARNED REVENUE

CalMHSA received \$155,220 in fiscal year 2012 for the Workforce Education Training (WET) program as a scholarship fund to be spent in the 2013 fiscal year. It is classified as unearned revenue in 2012 until it was recognized in the current period.

G. 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.

H. 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.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

I. 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.

H. FUND BALANCE (Continued)

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 INVESTMENTS

A. Cash and Cash Equivalents

Cash and cash equivalents as of June 30, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
Cash in banks	\$ 216,032	\$ 54,323
Money Market Account		468,668
LAIF	14,017,420	38,913,540
Money Market Trust	16,740	-
	<u>\$ 14,250,192</u>	<u>\$ 39,436,531</u>

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

Cash in Bank

As of June 30, 2013 and 2012, CalMHSA's balances per the bank of \$216,032 and \$54,323 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, 2013, CalMHSA's had cash in a money fund managed by Morgan Stanley Smith Barney LLC.

2. CASH AND INVESTMENTS (Continued)

Local Agency Investment Fund

CalMHSA places certain funds with the State of California's Local Agency Investment Fund (LAIF). The Authority is a voluntary participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Pooled Money Investment Board. The State Treasurer's Office pools these funds with those of other governmental agencies in the state and invests the cash. These pooled funds are carried at cost, which approximates market value and is reported in the accompanying financial statements based upon the Authority's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio. 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. The monies held in the pooled investment funds are not subject to categorization by risk category. LAIF is currently unrated and has an average life of 242 days.

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.

B. Investments

Investments are reported in the accompanying Statement of Net Position at fair value.

Changes in fair value that occur during a fiscal year and any gains or losses realized upon the liquidation, maturity, or sale of investments are recognized as net increase (decrease) in investment fair values reported for that fiscal year. Investment income consists primarily of interest earnings on investments held by CalMHSA.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

Disclosures Relating to Interest Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that CalMHSA manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of CalMHSA's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity. For purposes of the schedule shown below, any callable securities are assumed to be held to maturity.

B. Investments (continued)

Maturity Distribution of Investments

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>	
		<u>< 1yr</u>	<u>1-3 yrs</u>
Federal Agencies	\$ 42,732,847	\$ 30,966,151	\$ 15,682,994
Corporate Notes	38,686,271	23,003,278	11,766,694
Total	<u>\$ 81,419,118</u>	<u>\$ 53,969,429</u>	<u>\$ 27,449,688</u>

Disclosures Relating to Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below are Standard & Poor's ratings of the securities held in CalMHSA's portfolio by investment type, at the end of the current fiscal year.

Standard & Poor Ratings as of June 30, 2013

<u>Investment Type</u>	<u>Total</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>
Federal Agencies	\$42,732,847	\$42,732,847	\$ -	\$ -
Corporate Notes	38,686,271	-	17,643,174	21,043,098
Total	<u>\$81,419,118</u>	<u>\$42,732,847</u>	<u>\$17,643,174</u>	<u>\$21,043,098</u>

Concentration of Credit Risk - The investment policy of CalMHSA contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer that represent 5% or more of total Authority investments are as follows:

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

Concentration of Credit Risk

Investment	Investment Type	Fair Value	% of Portfolio
Fed Natl Mtg Assn	Federal Agencies	\$ 5,626,437	7%
WestPac Banking Corp NY YCD	Corporate Bonds	\$ 5,003,700	6%
Royal Bank of Canada NY YCD	Corporate Bonds	\$ 5,001,400	6%
Fed Home LN MTG Corp	Federal Agencies	\$ 4,993,693	6%
Fed Home LN BK	Federal Agencies	\$ 4,972,833	6%
Fed Natl MTG Assn	Federal Agencies	\$ 4,971,889	6%
Pepsico Inc	Corporate Bonds	\$ 4,956,633	6%
Fed Home LN MTG Corp	Federal Agencies	\$ 4,708,037	6%
Coca-Cola Co	Corporate Bonds	\$ 4,683,334	6%
Wells Fargo & Company	Corporate Bonds	\$ 4,022,840	5%
Walt Disney Company	Corporate Bonds	\$ 4,022,080	5%

B. Investments (continued)

Custodial Credit Risk - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code and CalMHSA's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure CalMHSA's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

3. ACCOUNTS RECEIVABLE

The accounts receivable balance represents interest, fees and amounts due for counties who have become members of CalMHSA, but whose funds have not yet been released by the California Department of Mental Health Services as of June 30, 2013.

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

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

contracts to twenty eight program partners. See www.calmhsa.org for a complete list of the statewide PEI approved contractors.

5. SUBSEQUENT EVENTS

CalMHSA's management evaluated its 2013 financial statements for subsequent events through December 4, 2013, the date the financial statements were available to be issued. Management is not aware of any subsequent events 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, 2013

	Original and Final Budget	Actual	Budget Variance Favorable (Unfavorable)
REVENUES:			
Technical Assistance/Capacity Building	\$ 623,400	\$ 504,711	\$ (118,689)
PEI Statewide Programs - Planning	-	-	-
PEI Statewide - Program Implementation	-	-	-
WET Program Funding	-	155,220	155,220
SHB Funding	-	94,090	94,090
Fees	-	-	-
Investment income	1,200,000	495,505	(704,495)
Total Revenue	<u>1,823,400</u>	<u>1,249,526</u>	<u>(573,874)</u>
EXPENDITURES/EXPENSES:			
Program Expenses			
Technical Assistance/Capacity Building	623,400	432,523	190,877
WET Program Funding	147,720	6,750	140,970
SHB Program Funding	-	94,010	(94,010)
PEI Statewide Programs	56,969,658	35,391,976	21,577,682
Evaluation Expense	2,200,000	1,908,627	291,373
Planning Expense	500,000	407,597	92,403
Total Project Expense	<u>60,440,778</u>	<u>38,241,483</u>	<u>22,199,295</u>
General and Administration	<u>6,858,564</u>	<u>1,150,716</u>	<u>5,707,848</u>
Total Expenses	<u>67,299,342</u>	<u>39,392,199</u>	<u>27,907,143</u>
Change in Fund Balance/Net Assets	(65,475,942)	(38,142,673)	(28,481,017)
FUND BALANCE/NET ASSETS			
Beginning of year	<u>128,720,329</u>	<u>128,720,329</u>	<u>-</u>
End of year	<u>\$ 63,244,387</u>	<u>\$ 90,577,656</u>	<u>\$ (28,481,017)</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, 2012

	Original and Final Budget	Actual	Budget Variance Favorable (Unfavorable)
REVENUES:			
Technical Assistance/Capacity Building	\$ -	\$ 250,400	\$ 250,400
PEI Statewide Programs - Planning	1,702,630	2,038,430	335,800
PEI Statewide - Program Implementation	32,349,969	38,730,170	6,380,201
Fees	-	15,000	15,000
Investment income	-	389,947	389,947
Total Revenue	<u>34,052,599</u>	<u>41,423,947</u>	<u>7,371,348</u>
EXPENDITURES/EXPENSES:			
Program Expenses			
Technical Assistance/Capacity Building	303,573	545,926	(242,353)
PEI Statewide Programs	40,000,000	13,492,750	26,507,250
Evaluation Expense	2,500,000	1,616,254	883,746
Planning Expense	2,380,000	906,616	1,473,384
Total Project Expense	<u>45,183,573</u>	<u>16,561,546</u>	<u>28,622,027</u>
General and Administration	<u>5,200,000</u>	<u>750,093</u>	<u>-</u>
Total Expenses	<u>50,383,573</u>	<u>17,311,639</u>	<u>28,622,027</u>
Change in Fund Balance/Net Assets	(16,330,974)	24,112,308	(21,250,679)
FUND BALANCE/NET ASSETS			
Beginning of year	<u>104,608,021</u>	<u>104,608,021</u>	<u>-</u>
End of year	<u>\$ 88,277,047</u>	<u>\$ 128,720,329</u>	<u>\$ (21,250,679)</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 the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining information of California Mental Health Services Authority, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the California Mental Health Services Authority's basic financial statements, and have issued our report thereon dated December 4, 2013.

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.

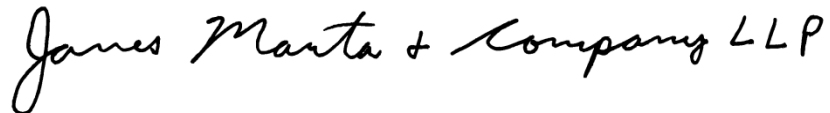
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given 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.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP
Certified Public Accountants
December 4, 2013

**SECOND AMENDMENT TO THE AGREEMENT
FOR
ADMINISTRATIVE AND FINANCIAL SERVICES**

This SECOND Amendment to the Agreement for Administrative and Financial Services (the "Second Amended Agreement") is made and is effective as of the 1st day of July, 2014, by and between the California Mental Health Services Authority, hereinafter referred to as "CalMHSA", and Optimum Risk Advisors, hereinafter referred to as "ORA", a division of George Hills Company, a California Corporation. The provisions of the First Amended Agreement shall continue to apply until July 1, 2014.

In consideration of the covenants and conditions hereinafter provided, CalMHSA and ORA do hereby covenant and agree that the Agreement is amended in the following respects:

- 1. The Second Amended Agreement hereby amends the original agreement sections of the First Amendment as defined below.**
- 2. Section V, "ORA Responsibilities", is amended as follows:**

Section V, is amended by adding, thereto, a new subsection "G", to read as follows:

G. Other Projects (as requested)

These services and planning programs are or will be supported by a Participation Agreement between CalMHSA and individual participating counties.

1. Training Technical Assistance and Capacity Building (TTACB) Program.
2. Workforce Education Training (WET) Program
3. Contract for State Hospital Beds as authorized under Welfare and Institutions Code §4330 et seq.
4. Implementation of various authorized mental health services governed under Division 5 of the Welfare and Institutions Code (including but not limited to §5600 et seq., §5800 et seq., §5840 et seq. and §5850 et seq.)
5. Administration of programs, services, or activities including the Drug Medi-Cal Treatment Program (§30029.7) as authorized under

Chapter 6.3 of Division 3 of Title 3 of the Government Code.

6. Implementation of managed mental health care for Medi-Cal beneficiaries and joint county delivery of specialty mental health services, as authorized under Division 9 of the Welfare and Institutions Code (including but not limited to WIC§14712).
 7. Development of statewide program risk pools for mental health plan (MHP) services, as authorized under Division 9 of the Welfare and Institutions Code (including but not limited to WIC §14718).
 8. Any other activity allowed by the Joint Exercise of Powers Agreement and requested by CalMHSA's Board.
2. **Section VII, "Term and Termination of Agreement," Sub Section A, "Term of Agreement," Item 1, is hereby amended by extending the Term of Agreement, to June 30, 2017.**
 3. **Section VIII, "Cost of Services," and Sections 6 and 7 of the First Amendment to the Agreement are replaced as follows:**

For the services described in Section V, ORA Responsibilities, total annual compensation will be as specified in Attachment 1, which shall be paid monthly in arrears.

IN WITNESS HEREOF, the parties hereto have executed this Agreement on December ____, 2013.

Optimum Risk Advisors:

John Chaquica, President

Dated

California Mental Health Services Authority:

Wayne Clark, President

Dated

Optimum Risk Advisors is the DBA for George Hills Company, Inc.
Federal Employer Identification Number 94-2546177.

ATTACHMENT 1

Current Contract and Extension to Run out Programs												
										New Contract		
										Sustainability Plan		
Section V, Item(s) A-F		Column 1		Column 2		Column 3		Column 4		Column 5		
		FY 2013-14		FY 2014-15		FY2015-16		FY 2016-17		Per Fiscal Year		
	Fees for Administration Services	Contract Amount	\$1,943,892	Contract Amount	\$1,444,444	Contract Amount	\$606,666	Contract Amount	\$224,467	Contract Amount	\$2,000,000	
		Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	
	JPA Administration											
	Total	20%	\$388,778	23%	\$332,222	20%	\$121,333	48%	\$107,744	20%	\$400,000	
	Fiscal											
	Total	17%	\$323,000	24%	\$346,667	47%	\$285,133	52%	\$116,723	17%	\$340,000	
	Program											
	Total	63%	\$1,232,114	53%	\$765,555	33%	\$200,200			63%	\$1,260,000	
Program Specific **												

Section V, Item(s) G	State Hospital Beds										
	Tech Asst/Capacity Building										
	Workforce Education Program										
	Total	100%	\$1,943,892	100%	\$1,444,444	100%	\$606,666	100%	\$224,467	100%	\$2,000,000

1. **Column 1 (fiscal year 2013-14)**—represents full and current staffing level required for the management of the JPA and performance of Program Management and continuation of current contracts.
2. **Column 2 (fiscal year 2014-15)**—reflects the run out process beginning with current contracts beginning to close throughout the fiscal year. It is projected that many contracts are to receive no-cost extensions with final close-out beginning January 2015.
3. **Column 3 (fiscal year 2015-16)**—reflects CalMHSA in full run out with only JPA management and Evaluation in operations.
4. **Column 4 (fiscal year 2016-17)**—reflects the final year of CalMHSA with completion of Evaluation, close-out of books, and final audit.
5. **Column 5**—Represents the anticipated staffing needed on an on-going basis with the infusion of new funds. The contract analysis is based on the fact the driver of costs and resources is predicated on the number of programs and contracts. The analysis is based on an infusion of \$20m to \$60m annually. Included in this amount are the costs to manage the JPA as an entity, program management, and planning and development for projects requested by the Board. This is a fixed fee for three years. The contract shall also reflect, as addendum, amounts for special programs where less than a majority of the members participate, but does not include any program that is later approved that significantly expands scope of work.

**** Special Programs** - These services are provided to certain members upon request and such services and fees agreed to in a Participation Agreement.

Stigma and Discrimination Reduction (SDR) Programs

As 2013 comes to a close, significant progress has been made in one of the critical intervention areas of the SDR component that often goes unnoticed - addressing systemic and institutional policies and practices that result in discrimination or that perpetuate stigma. Several of SDR program partners are tasked with developing policies, protocols, and procedures that aim to result in long-term sustainable social change and that will eliminate stigma and resulting discrimination. Below are some examples of this work conducted by DRC.

Disability Rights California -

- ***Policy papers to identify needed system change*** – Several Papers are in final stages of development that identify and provide recommendations for system changes needed (e.g. hospitalization diversion, respite and crisis services, supporting youth with mental health challenges transition to community college) and that uphold civil and legal rights (mental health parity, housing, disabled student services, employment). For example, the Youth Advisory Group that Mental Health Advocacy Services (MHAS) convened is developing one paper with recommendations on both policy and trainings needs to ensure that reasonable accommodations for students with mental health challenges are known, accessible and enforced on community college campuses. Another policy paper on First Responders will provide recommendations on model training programs on how best to respond to individuals experiencing a mental health crisis that will be shared with the California Commission on Police Officer Standards and Training (POST).
- ***Raising Awareness of Rights under Mental Health Parity and Support for Enforcement*** – DRC is developing a series of tools to support the meaningful implementation and expansion of parity. There is a need to ensure that current and future enrollees know about the effective behavioral health services for which they may qualify and the complaint procedures and other recourse available to ensure receipt of this necessary assistance. DRC is providing outreach, education and advocacy to ensure that people have information and assistance to exercise their rights and reduce discrimination under state and federal parity laws.
- ***Tools and Resources for Key Policymakers*** - DRC has developed a comprehensive toolkit that identifies state and federal legal provisions that reduce mental health stigma and discrimination and encourage community and non-traditional services. DRC has created an SDR filter for legislative staff and advocates to use to ensure that proposal legislation does not result in discrimination or perpetuate stigma.
- ***Training*** – DRC has done several trainings of key partners such as Bar Association members, education legal advocates, college/ university disability program administrators, and consumers and family members (over 1,430 have been reached statewide). Trainings can be tailored but are based on over 30 topics ranging from Special Education Law to Housing Discrimination and Supportive Housing. DRC has 31 fact sheets on a variety of civil rights issues and resources, of which 21 have been translated into 14 different languages.

To access these resources visit: <http://www.disabilityrightsca.org//CalMHSA/CalMHSAfactsheets.html> or Contact DRC Program Manager Margaret Johnson at margaret.jakobson@disabilityrightsca.org or CalMHSA Senior Program Manager Stephanie Welch at stephanie.welch@calmhsa.org.

RAND's Interim Evaluation Products/ Publications Complete In December

The following is a list of public documents being developed for external dissemination:

- Executive summary which includes a commentary section
- Summaries or brief stand-alone reports specific to each initiative area (SP, SDR and SMH)
- Summary or brief stand-alone report on the Baseline survey findings
- A series of two-page fact sheets that will report on capacities built and reach achieved for SP, SDR, SMH, the Baseline Survey, and a general overview that highlights achievements and progress to date

The SEE Team will meet December 10th to review available RAND publications and to provide input on future publications for 2014. In addition, SEE Team members will discuss individual program evaluation activities underway in SDR Social Marketing and the California Community Colleges programs.

Suicide Prevention Social Marketing Campaign

Know the Signs (KTS) Launches: The second flight of the Know the Signs (KTS) campaign is well underway and runs through January. The second phase is designed to maximize impact and recall and specially to direct helpers of those at risk to the available suicide prevention resources. The Media Plan consists of statewide cable, out of home, online, cinema media and magazines. 30% of the plan in Spanish language and this media buy will result in up to 50% added value (free media) units in magazines, cable, online and out of home.

Despite a 30% decrease in media budget overall from last year's campaign, web traffic is not significantly lower and the digital media campaign has increased traffic to the site by 13%. Total www.SuicideisPreventable.org website visits between 09/15/13 and 11/25/13 equal 112,759 and www.ElSuicidioEsPrevenible.org total website visits 18,518 (which is 21% increase over last year). Web traffic has specifically grown in areas being targeted including Bakersfield, Eureka, and Monterey, San Luis Obispo / Santa Barbara and Imperial counties.

Over 24,300 cable T.V. spots have run in several designated market areas (DMAs) serving the Central Valley and Coast, Imperial Valley, as well as, small counties in the superior region. The cable TV buy resulted in nearly 30% added-value (free advertising) and will continue through February 2014. Larger metro DMAs such as Los Angeles, San Diego, Fresno-Visalia, Sacramento/Stockton/Modesto, and SF/ San Jose/ Oakland also have had spots running on over

2,400 cinema screens to date as well as outdoor billboard placements in English and Spanish. Both activities will also run through February 2014.

Each Mind Matters Presents

The Directing Change

Student Video Contest

TAKE ACTION BY CREATING 60-SECOND PUBLIC SERVICE ANNOUNCEMENTS TO END THE SILENCE ABOUT MENTAL ILLNESS AND PREVENT SUICIDE. THE WINNING VIDEO TEAM WILL WIN \$500 AND WILL BE RECOGNIZED FOR THEIR CINEMATIC ACHIEVEMENT AT THE AWARD CEREMONY.

SUBMISSIONS ARE DUE FEBRUARY 1, 2014.

VISIT www.DirectingChange.org FOR CONTEST RULES AND INFORMATION.

NAMI National Alliance on Mental Illness
CalMHSA
KNOW THE SIGNS Suicide Is Preventable
EACH MIND MATTERS
UNIVERSITY OF CALIFORNIA

To keep up with the latest updates, follow 'Directing Change CA' on Facebook

Directing Change 2014 Is Underway: High schools across the state received information regarding the Student 60-Second Video Contest Directing Change which aims to prevent suicide, reduce stigma and discrimination related to mental illness, and to promote the mental health and wellness of students. This year NAMI-California and the Ending the Silence Program will be an enhanced partner supporting the work behind the refined “Ending the Silence of Mental Illness” Category. In addition, the University of California is also participating in Directing Change.

Submissions are due February 1, 2014. To learn more visit www.directingchange.org or email Stan Collins at stan@directingchange.org

Suicide Prevention Program Updates

Additional Crisis Centers Obtain American Association of Suicidology (AAS) Accreditation: Three crisis centers recently obtained AAS accreditation for their suicide prevention hotlines: the Family Service Agency of the Central Coast Suicide Prevention Service, the Kern County Crisis Hotline and Access Center and the Transitions Mental Health Association SLO Hotline. This represents improved policies and procedures and adherence to national standards and best practices. In addition, centers that are AAS accredited are eligible to participate in the National Suicide Prevention Lifeline. Congratulations to all three centers on this significant accomplishment.

New Online Crisis Chat Service Launched in San Diego County: In August 2013, the San Diego Access and Crisis Line operated by Optum launched chat services to support people who are looking for assistance with emotional or behavioral concerns. This service is a partnership between Optum, Didi Hirsch, and is funded by counties through CalMHSA. Heather Aston, Manager of the San Diego Access and Crisis Line comments: "One of our goals is to reach other populations that find talking about, or accessing mental health services challenging. Our hope is to be able to assist someone in crisis that needs to talk to someone but may not have otherwise reached out for help. On average one San Diegan dies every day. That is one person each day too many. Chat is another resource our community needs to help prevent suicide." San Diego County residents may chat with a counselor by visiting: www.optumhealthsandiego.com or www.up2sd.org

Increased Crisis Call Volume Reported: Crisis centers are experiencing increased call volume. For example, the Institute on Aging Friendship Line for older adults reports a 6.9% increase in call volume from the previous quarter, with over 20,000 calls recorded between July and September 2013. This increase is inclusive of counties with historically low call volume such as rural and frontier counties. Over the past two years, call volume from the Superior region to the Friendship Line has increased by 57.8%. Increased call volume may be attributed to the efforts of crisis centers to conduct outreach and marketing in counties and the *Know the Signs* suicide prevention campaign, which promotes local crisis centers as a key community resource.

Suicide Crisis Centers Partner to Collect Common Metrics: Ten crisis centers in California partnered to identify key data elements relevant to crisis callers (e.g. demographic data, risk level, etc.) and came to consensus regarding the collection of these common metrics. Since June 2013,

data has been collected by each center and aggregated into a single report that can help to identify utilization and trends.

Preliminary findings suggest that the age group that most accessed the crisis lines were callers between the ages of 45-54 (22% of all calls). Caucasian/White callers account for 57% of calls to crisis lines, followed by callers who self-identified as Hispanic/Latino (14%). Based on these results, we find a gender distribution of 62% female callers (38% male). Callers report that mental health concerns and suicidal content are the top two reasons for calling a crisis line. Of callers who identified as having the highest suicidal intent at the start of the call, 56% of them report lower suicidal intent by the end of the call (N=958). A summary data report may be accessed online: <https://drive.google.com/file/d/0B3srQgeTjXA9aWFjWWWhTV0dsZkk/edit?usp=sharing>

Contra Costa Crisis Center Recognized as Premiere Service Provider in Their County: This fall, the Contra Costa Crisis Center was one of seven nonprofits featured in the 2013-14 Leshner Center for the Arts NEWSMAKERS: Speaker Series; the Crisis Center was recognized as part of the speaking engagement of world renowned journalist, Dan Rather. Contra Costa Crisis Center is a CalMHSA program partner through the Suicide Prevention Capacity Building program.

Additional Suicide Prevention Training for Trainers Offered ([ASIST](#) and [safeTALK curricula](#)): A calendar of training opportunities for the current year is now available. For more information, please contact Kathleen Snyder at Contra Costa Crisis Center, 925.939.1916 ext. 147, kathleens@crisis-center.org

Student Mental Health Initiative

The activities of the Student Mental Health Initiative reach across California from the most populated counties to the least populated counties, from teachers, to students, to athletic coaches and family. During the period of July-September more than 25,000 individuals were provided training by SMHI program partners on topics ranging from mental health awareness and suicide prevention to bullying prevention. The power of reaching California's public education systems from pre-K -12 through higher education systems on topics of student wellness including suicide prevention has generated national interest in this partnership. Highlights from recent activities resulting from this partnership included the following:

- *UC Riverside Provides Training for Power of the Peers Members,*



- ***UC Santa Barbara “#saysomething” Campaign Reaches Beyond Campus: With a new partnership between UCSB and Santa Barbara County, the campuses’ new suicide prevention campaign “#saysomething” has grown to educate the community and encourage open conversations about mental health and suicide prevention***

- ***North Star Counseling Center Reaches Inyo and Mono***

County Students

- ***UCI’s successful student mental health initiatives were featured at the Orange County “Out of Darkness Community Walk,” the American Foundation for Suicide Prevention’s signature fundraising campaign for suicide prevention,***
- ***Sierra College Pride Days Incorporates Talk About Mental Wellness,***
- ***UC Davis Trains Resident Advisors and Assistants on Recognizing and Responding to Students in Distress:***
- ***UC Davis Holds Each Aggie Matters Depression Screening***
- ***Cuesta Community College in San Luis Obispo Creates Video for Mental Health Outreach***

The impacts of these prevention activities in SMHI help build a foundation for systemic change.

Send Silence Packing Fall 2013

Send Silence Packing, a program of Active Minds, promotes a positive dialogue about mental health on college campuses and raises awareness about student suicide with a powerful traveling public exhibit of 1,100 backpacks, representing the number of college students who die by suicide each year. The Fall 2013 tour visited 12 California colleges, universities and cities in California from September through October. This tour was generously supported by California Mental Health Services Authority (CalMHSA), the California Community Colleges Chancellor’s Office (CCCCO) and the Foundation for California Community Colleges (FCCC) California Community Colleges Student Mental Health Program (CCC SMHP), Milken Family Foundation, Jacquelyn Bogue Foundation, Riverside County Department of Mental Health, and California Mental Health Services Act. While the number of visitors to the exhibit is not available, the impact is reflected in some of the comments made by individuals who responded to a survey question, “What is the one thing you took away from the display (a piece of information, something you learned, something you remember)?”

“IT WAS AN OVERWHELMING DISPLAY OF LIVES THAT ARE LOST AND SO VERY SAD. I HOPE THAT WE ARE ABLE TO MAKE A DIFFERENCE ON OUR CAMPUS WITH THE INFORMATION THAT WAS SHARED. THANK YOU FOR THE STORIES. I HAVE BEEN TOUCHED AND WON'T FORGET THE

PEOPLE I HAVE HAD THE CHANCE TO KNOW THROUGH THE HEARTFELT MEMORIES FROM LOVED ONES AND FRIENDS."

"There is no need to feel like there is nothing left. Help is there and there is no need to be shameful to ask for help that will benefit your life and your loved ones."

"Seeing suicide from another angle, from the victims' loved ones, is the most heart-wrenching of all because they all wish that they could have done or said something that could have prevented it, even if it wasn't their fault. Suicide doesn't hurt just one person. That's the reason why silence should be sent packing."

Training/Technical Assistance and Capacity Building

A cohort of counties is continuing to fund the Training, Technical Assistance and Capacity Building (TTACB) program in 2013-14 in order to receive technical assistance from the RAND/SRI team, and participate in regional evaluation activities. Based on recommendations from participating counties, a technical assistance resource is offered in each quarter:

- A Program Level Data Collection Webinar was offered in September and October 2013. Resources include a data collection form and an Excel form that produces graphic displays of data for slides or reports. Please contact Sarah Brichler if you are interested in receiving copies of these tools, which may support counties in describing and communicating about program activities. An archived version of this webinar will be available in the near future.
- A series of Advanced Getting to Outcomes (GTO) - Analysis and Decision Making Webinars were offered in November and December 2013. The webinars focused on utilizing data to make decisions and improve the delivery of programs to reach desired outcomes. This webinar will also be available in an archived format.
- County PEI Data Systems – Facilitated Work Group: Planned for February or March 2014, the work group will provide a forum for counties to discuss data systems for tracking participation and outcomes for PEI programs, share their experiences and benefit from hearing about lessons learned. RAND will provide structured facilitation for main and breakout sessions (e.g., those with data systems, those contemplating data systems).
- Evaluation Approaches for Different Kinds of PEI Programs – Work Group: This one-day work group will focus on presenting evaluation approaches developed by RAND for the CalMHSA evaluation and specifically for county programs that conduct different types of activities—training and education, dissemination of information, networking and collaboration, social marketing, screening and referral, and evidence based programs. The evaluation approaches include development of logic models, identification of core activities, developing evaluation questions and a design, and

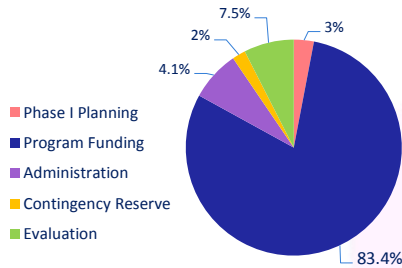
collecting and analyzing data. It is anticipated that these work groups will occur in May-June, 2014 in several locations around the state.

Please contact Sarah Brichler at 916-859-4827 or sarah.brichler@calmhsa.org with any questions.

CalMHSA FUNDS AND DELIVERABLES

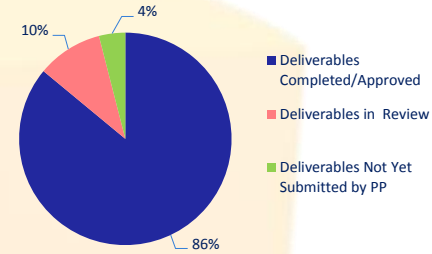
1. Total CalMHSA Statewide Projects Budget: \$146,785,998

For Qtr 1, **spending increased by 5.3%** (from 41% to 46.3%), when compared to the previous quarter, ending 6/30/2013.



2. Status of Deliverables x 25 Programs:

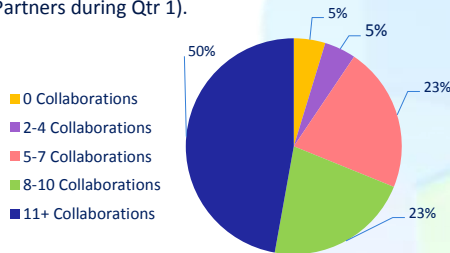
5,035 total deliverables tasks were due by 9/30/2013. 4,309 (86%) of Program Partner deliverables were completed and approved. 525 (10%) deliverables remain "in review" by CalMHSA. 219 (4%) deliverables remain "active" (pending partner submittal/resubmittal).



SYNERGY ACROSS SP, SDR, SMH INITIATIVES

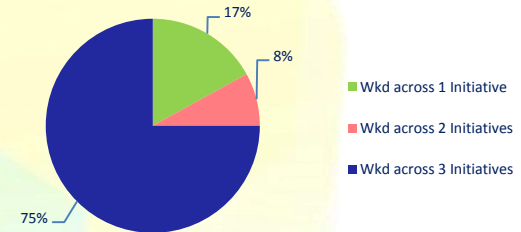
3. Program Partner Collaborations, Qtr 1:

64% of Program Partners collaborated with **8 or more** CalMHSA Partners during Qtr 1).



4. Collaborations Across Initiatives, Qtr 1:

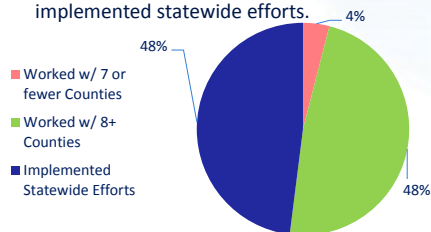
75% of Program Partners worked across CalMHSA SP, SDR, and SMH Initiatives during Qtr 1.



REACH OF SP, SDR, AND SMH PROGRAM PARTNERS (PPs)

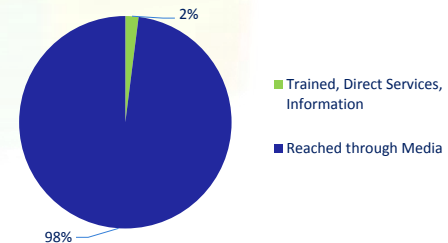
5. Program Partners Reach by Count, Qtr 1:

During Qtr 1, **48%** worked **with 8 or more CA Counties**, and **48%** implemented statewide efforts.



6. Total SP, SDR, and SMH Count, Qtr 1: **36,422,700**

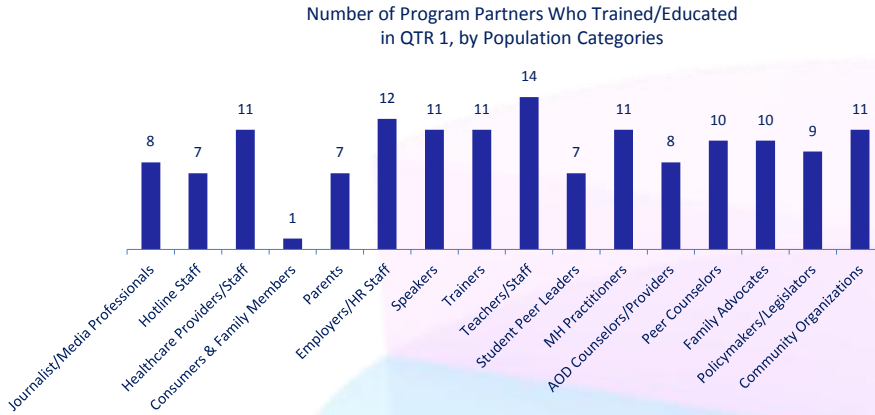
Trained, Directly Reached, Reached through Media, and /or Reached through Information



Program Partner Trainings/Education

7. Number of Program Partners who Trained and/or Educated Populations:

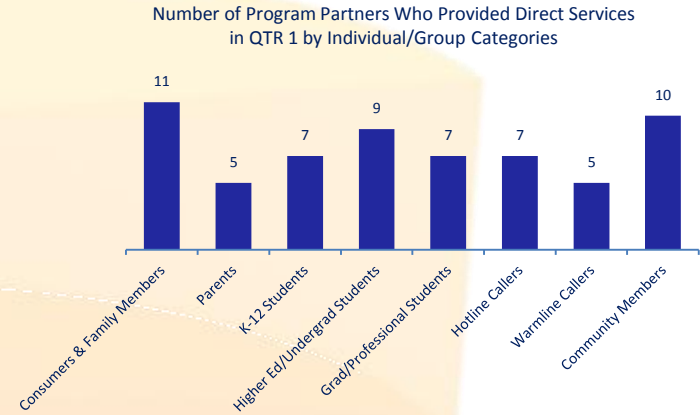
During Qtr 1, approximately **34,885** individuals were directly trained and/or educated through CalMHSA Program Partners.



Individuals Directly Reached by Program Partners

8. Number of Program Partners who Directly Reached Targeted Individuals:

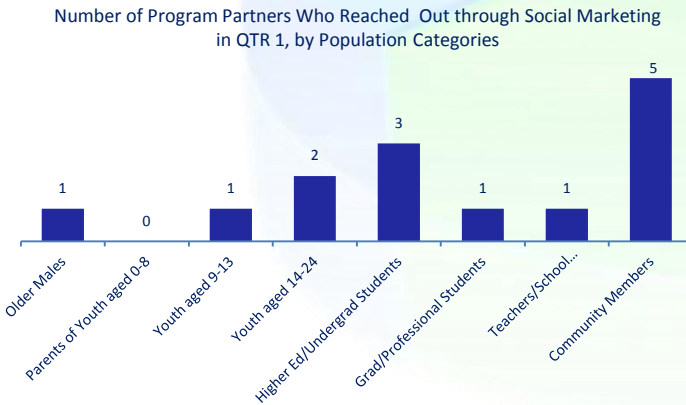
During Qtr 1, approximately **225,235** targeted individuals were directly reached (through crisis services, early intervention services, etc.)



Program Partners' Reach through Media

9. Number of Program Partners who Reached Out through Media:

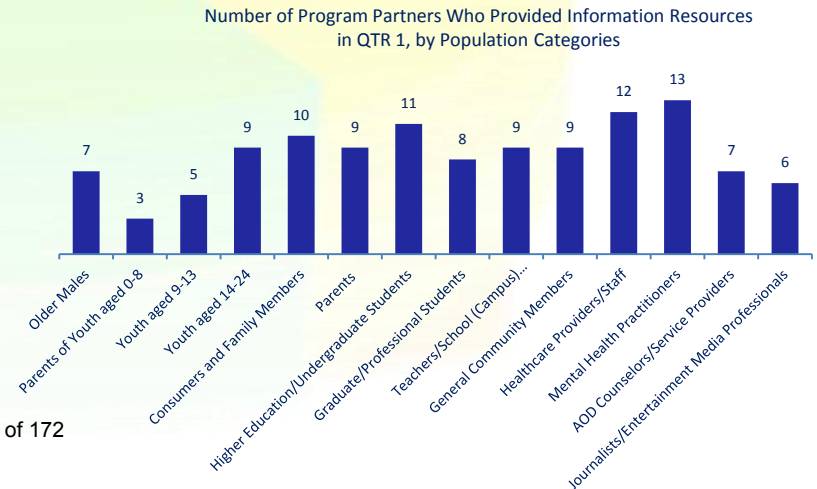
During Qtr 1, approximately **35,904,550** individuals were targeted with social marketing efforts (radio, TV spots, internet, ads, etc.)



Program Partners' Reach through Information Resources

10. Number of Program Partners who Provided Informational Resources:

During Qtr 1, approximately **258,030** individuals were reached through information resources.



MEMORANDUM

To: CalMHSa Board Members

From: Ann Collentine, CalMHSa Program Director

Date: November 8, 2013

Re: Man Therapy Suicide Prevention Program

At the October 2013 CalMHSa Board meeting, several Board members raised concerns regarding the appropriateness of a Suicide Prevention Program entitled Man Therapy for use in California, because California has a very diverse population. We have looked into this matter and although this program has won awards and is very successful in reaching a target population, staff believes that a blanket endorsement or purchase by CalMHSa is inappropriate at this time. This program has not been purchased with CalMHSa funds and has not been endorsed by CalMHSa. In addition, staff will inform any county that requests this program, that CalMHSa funds cannot be used for the purchase of this program. Thank you for your interest in this matter.

EMM/ Lime Green Ribbon Enhancement Proposal Key Project Areas and Proposed Budget for January-June 2014

Activity	Timing	SDR Social Marketing Team	Budget*	SDR Consortium	Budget *
Message Development	Jan	Refine Each Mind Matters message platform to resonate with the general public	\$28,000	Provide consumer and stakeholder input to Each Mind Matters messages, including a call-to-action supporting the Consortium's advocacy efforts	Paid for in existing contract
Training and Technical Assistance	Feb-Apr	Training: Meet with all CalMHSA counties to introduce Each Mind Matters, provide message training and discuss possibilities for integration with existing programs	\$200,000	Technical Assistance: Designate staff to serve as county-specific Each Mind Matters Coordinators, available for questions and support in the long-term	2 FTE 6mo. local project coordinators \$80,000
Resources for Local Integration	Jan-June	Design and produce foundational materials and guidelines for integration of Each Mind Matters into local efforts	\$69,000	Disseminate resources locally via Coordinators; identify opportunities for new resources; update and maintain resources in long-term	EMM Materials/ Local Dissemination/ Travel/Equipment \$37,000
Website: EachMindMatters.org	Jan-June	Update site with new messaging; create and manage e-newsletter; grow blog and social media channels with dynamic content; host online counterparts for May event(s); train Consortium members to manage site in long-term	\$36,000	Harvest web content and blog stories through close engagement with counties to tell the story of Each Mind Matters at the local level; gradually take on site management responsibilities	Web consultant/ training existing staff \$20,000
Each Mind Matters May is Mental Health Month Events Local & at State Capitol	May 13	Invitation to community leaders to join the movement in-person or online; online components (web streaming and interactive event components); local, statewide and Sacramento media outreach; event coordination support	\$122,000	Plan and execute event thanking mental health leaders for a decade of hard work and progress, and launching the Each Mind Matters Campaign for all Californians	State Capitol Event costs (travel stipend, food, security, tents, sound system, etc.) \$15,000
Admin Costs			@ 9% = \$45,000		@ 13% = \$22,500
TOTAL			\$500,000		\$175,000

Total Budget Request: \$675,000.00

CalMHSA JPA Agreement Amendment

County	Received Last Status	Date CalMHSA was notified of approval	Date CalMHSA received copy	Status
Alameda		6/5/2013	6/11/2013	Received by CalMHSA
Butte		6/10/2013	5/17/2013	Received by CalMHSA
City of Berkeley	8/28/2013			In review (8/28/2013)
Colusa	7/17/2013			Received board approval and sent to CalMHSA. Staff returned to them as they forgot to sign. Status email sent (9/10/2013, by Bianca Vidales) Status email sent (9/17/13 by Laura Li)
Contra Costa		8/24/2013	9/26/2013	Received by CalMHSA
Del Norte		12/5/2013		BOS approved; CalMHSA staff awaits original signature
El Dorado	10/30/2013			Going through BOS; Status Given to John Chaquica
Fresno			6/18/2013	Received by CalMHSA
Glenn		5/20/2013	5/20/2013	Received by CalMHSA
Humboldt		12/4/2013		Requested clarification before BOS approval
Imperial		8/14/2013	10/3/2013	Received by CalMHSA
Inyo				Status email has been sent(10/24/2013)
Kern				Status email has been sent(10/24/2013)
Kings		6/11/2013	6/13/2013	Received by CalMHSA
Lake		6/4/2013	6/13/2013	Received by CalMHSA
Lassen		5/24/2013	5/24/2013	Received by CalMHSA
Los Angeles	12/1/2013			In review (12/1/2013)
Madera		5/7/2013	7/17/2013	Received by CalMHSA
Marin		4/30/2013	5/7/2013	Received by CalMHSA
Mariposa	9/13/2013			Not Approved, Additional Info Provided
Mendocino				Status email has been sent(10/24/2013)
Modoc			7/17/2013	Received by CalMHSA
Mono	7/23/2013	6/5/2013		CalMHSA Staff should receive by early next week
Monterey			7/23/2013	Received by CalMHSA
Napa		8/14/2013	8/21/2013	Received by CalMHSA
Nevada		4/5/2013	4/29/2013	Received by CalMHSA
Orange		9/2/2013	9/20/2013	Received by CalMHSA
Placer		5/17/2013	5/17/2013	Received by CalMHSA
Riverside		6/4/2013	7/17/2013	Received by CalMHSA
Sacramento		5/1/2013	5/1/2013	Received by CalMHSA
San Benito		9/13/2013	9/20/2013	Received by CalMHSA
San Bernardino			7/17/2013	Received by CalMHSA
San Diego		10/21/2013	11/4/2013	Received by CalMHSA
San Francisco		4/3/2013	4/9/2013	Received by CalMHSA
San Joaquin		6/14/2013	10/28/2013	Received by CalMHSA
San Luis Obispo		4/18/2013	6/5/2013	Received by CalMHSA
San Mateo		4/3/2013	4/9/2013	Received by CalMHSA
Santa Clara	12/3/2013	11/26/2013		BOS approved; CalMHSA staff awaits original signature
Santa Cruz		6/20/2013	7/17/2013	Received by CalMHSA
Shasta		10/25/2013	10/31/2013	Received by CalMHSA
Siskiyou		9/11/2013	9/26/2013	Received by CalMHSA
Solano			7/17/2013	Received by CalMHSA
Sonoma		6/5/2013	6/11/2013	Received by CalMHSA
Stanislaus			8/5/2013	Received by CalMHSA
Sutter/Yuba		9/17/2013	10/1/2013	Received by CalMHSA
Tri-City Mental Health Center		6/25/2013	7/17/2013	Received by CalMHSA
Trinity		5/17/2013	5/17/2013	Received by CalMHSA
Tulare		6/27/2013	7/17/2013	Received by CalMHSA
Tuolumne		Sep-13	9/19/2013	Received by CalMHSA
Ventura		5/24/2013	5/24/2013	Received by CalMHSA
Yolo		6/13/2013	6/13/2013	Received by CalMHSA