

Board of Directors Meeting

AGENDA

Thursday, December 11, 2014

2:00 p.m. – 4:15 p.m.

Call-In Information: 1-800-871-6757
Conference Code: 48177167
(Listen in only)



Meeting Location:

Monterey County
951-B Blanco Circle
Salinas, CA 93901

Doubletree Hotel Sacramento
2001 Point West Way
Sacramento, CA 95815

Fresno County
3133 N Millbrook,
Room 165
Fresno, Ca 93703

Riverside County
4095 County Circle Drive
Riverside, CA 92503

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

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

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

A. BOARD OF DIRECTORS REGULAR MEETING

1. CALL TO ORDER

2. ROLL CALL AND INTRODUCTIONS

3. INSTRUCTIONS FOR PUBLIC COMMENT AND STAKEHOLDER INPUT

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

For agenda items, public comment will be invited at the time those items are addressed. Each interested party is to complete the Public Comment Card and provide it to CalMHSA staff prior to

start of item. When it appears there are several members of the public wishing to address the Board on a specific item, at the outset of the item, the Board President may announce the maximum amount of time that will be allowed for presentation of testimony on that item. Comment cards will be retained as a matter of public record.

4. CBHDA STANDING REPORT

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

5. CONSENT CALENDAR.....7

- A. Routine Matters:
- Minutes from the October 9, 2014 Board of Directors Meeting
 - Minutes from the October 30, 2014 Special Board of Directors Meeting
- B. Reports / Correspondence
- George Hills Company Contract – Re Affirm the Three Year Contract
 - Treasurer’s Report as of September 30, 2014
 - CalMHSA Investment Update

Recommendation: Approval of the Consent Calendar.

6. STATEWIDE PEI PROGRAM PRESENTATION

- A. Each Mind Matters Program and Resource Catalogue Website – Joseph Robinson.....59
Recommendation: None, information only.

7. MEMBERSHIP

- A. County Outreach Report – Allan Rawland, Associate Administrator.....60
• Letters of Acknowledgment Matrix
Recommendation: None, information only.

8. FINANCIAL MATTERS

- A. Report from the CalMHSA Finance Committee – Scott Gruendl Chairperson.....62
• Draft December 1, 2014 Finance Committee Minutes
Recommendation: None, information only.
- B. Financial Audit June 30, 2014 – Kim Santin.....68
• Draft Financial Audit of Fiscal Year ending June 30, 2014 and 2013
Recommendation: None, information only.

9. REPORT FROM CALMHSA SEARCH COMMITTEE

- A. Search Committee Update on New Executive Director Recruitment – Maureen Bauman.....111
Recommendation: None, information only.

10. PROGRAM MATTERS

- A. Report from CalMHSA Program Director – Ann Collentine.....112
• Know The Signs: Cultural Adaptations of Suicide Prevention Outreach Materials
Recommendation: None, information only.

- B. Phase Two Plan – Alfredo Aguirre.....121
• County PEI Funded Activities in Phase II FY 2015-2017
• Phase Two Sustainability Plan (adopted August 14, 2014)
• Strategic Funding Goals

Recommendation(s):

- 1. Adopt Sustainability Taskforce Recommendations for County PEI Funded Activities in Phase II FY 2015-2017.**
- 2. Adopt the allocation of funds as follows: 80% for Programs, 15 % for administration, 5% for Evaluation, as endorsed by the Sustainability Taskforce and Finance Committee.**
- 3. Authorize the Sustainability Taskforce to further refine the RFP’s based on the funding available and define specific criteria within the RFP’s such as: match requirements.**

- C. State Hospital Bed Program Update – John Chaquica.....189
• State Hospital Bed Program – Payments Received
Recommendation: None, information only.

- D. Together Against Stigma International Conference – Stephanie Welch.....192
• 2-page flyer–7th International “Together Against Stigma” Conference
• Center for Dignity, Recovery and Empowerment Fellowship Information
• County Showcase Flyer

Recommendation: Board authorization for an additional \$120,000.00 to provide cash needed for hard costs for the Together Against Stigma International Conference.

- E. Short Doyle Modernization (SDM) Project – Kim Santin.....200
Recommendation: None, information only.

11. GENERAL DISCUSSION

A. Report from CalMHSA President – Maureen Bauman202

- General

Recommendation: Discussion and/or action as deemed appropriate.

B. Report from CalMHSA Executive Director – John Chaquica203

- General

Recommendation: Discussion and/or action as deemed appropriate.

12. PUBLIC COMMENTS

A. Public Comments Non-Agenda Items

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

13. NEW BUSINESS - General discussion regarding any new business topics for future meetings.

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

15. ADJOURNMENT

CBHDA STANDING REPORT
Agenda Item 4.A.

SUBJECT: CBHDA Standing Report

ACTION FOR CONSIDERATION:

None, information only.

BACKGROUND AND STATUS:

In discussions amongst CalMHSA and CBHDA staff, and later proposed to CalMHSA officers, there will be a standing agenda item for CBHDA staff to present items that are relevant to be discussed at CalMHSA Board meetings. To the extent there are such items; CBHDA 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.

CONSENT CALENDAR
Agenda Item 5.A.

SUBJECT: Routine Matters

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

- Minutes from the October 9, 2014 Board of Directors Meeting.
- Minutes from the October 30, 2014 Special Board of Directors Meeting

B. Reports / Correspondence

- George Hills Company Contract – Re Affirm the Three Year Contract (On Dec. 13, 2013, the Board requested this contract be brought back on a yearly basis for approval of continued funding)
- Treasurer’s Report as of September 30, 2014
- CalMHSA Investment Update

FISCAL IMPACT:

None.

RECOMMENDATION:

Approval of the Consent Calendar.

TYPE OF VOTE REQUIRED:

Majority vote of the Board of Directors.

REFERENCE MATERIAL(S) ATTACHED:

- October 9, 2014 Board of Directors Meeting Minutes
- October 30, 2014 Special Board of Directors Meeting Minutes
- Board Approved GHC Contract of June 2014
- Treasurer’s Report as of September 30, 2014
- CalMHSA Investment Update



"A George Hill Company Administered JPA"

**CalMHSA Board of Directors
Meeting Minutes from October 9, 2014**

BOARD MEMBERS PRESENT

Maureen F. Bauman, LCSW, CalMHSA President, Placer County
CaSonya Thomas, MPA, CHC, CalMHSA Secretary, San Bernardino County
Scott Gruendl, MPA, CalMHSA Vice President, Glenn County
Alfredo Aguirre, LCSW, San Diego County
Ann Robin, LMFT, San Luis Obispo County
Anne Lagorio, Trinity County
Dean True, RN, MPA, Shasta County
Deane Wiley, MA, Santa Clara County
Dennis Koch, Madera County
Halsey Simmons, MFT, Solano County
Jeremy Wilson, Butte County
Karen Larsen, Yolo County
Karen Stockton, PhD, MSW, Modoc County
Linda Morris, Lake County
Madelyn Schlaepfer, PhD, Stanislaus County
Mary Hale, Orange County
Michael Kennedy, MFT, Sonoma County
Michele Violett, Nevada County
Pamela Grosso, Lassen County
Patricia Charles-Heather, El Dorado County
Rita Austin, LCSW, Central Region Representative, Tuolumne County
Stephen Kaplan, San Mateo County
Terence M. Rooney, PhD, Colusa County
Tom Pinizzotto, MSW, Mendocino County
Toni Tullys, Alameda County
Tony Hobson, Sutter/Yuba Counties
Uma Zykofsky, LCSW, Sacramento County
William Arroyo, MD, Los Angeles Region Representative, Los Angeles County
Warren Hayes, Contra Costa County

BOARD MEMBERS ABSENT

Berkeley County
Del Norte County
Fresno County
Humboldt County
Imperial County
Inyo County
Kern County
Kings County
Marin County
Mono County
Monterey County
Napa County
Riverside County
San Benito County
San Francisco County
San Joaquin County
Santa Cruz County
Siskiyou County
Tri-City Mental Health Center
Tulare County
Ventura County

STAFF PRESENT

Doug Alliston, CalMHSA Legal Counsel, Murphy Campbell Alliston & Quinn
Allan Rawland, CalMHSA Government Relations Consultant
John Chaquica, CPA, MBA, ARM, CalMHSA Executive Director
Ann Collentine, MPPA, CalMHSA Program Director
Theresa Ly, CalMHSA Program Manager
Amanda Lipp, CalMHSA Research Assistant
Kim Santin, CPA, CalMHSA Finance Director
Laura Li, CalMHSA JPA Administrative Manager
Tami Cowgill, CalMHSA Executive Assistant
Armando Bastida, CalMHSA Administrative Assistant

MEMBERS OF THE PUBLIC PRESENT

Viviana Criado, CSPC, California Elder Mental Health and Aging Coalition (CEMHAC)
Yvonna Brown, Merced County
Laurel Mildred, Mildred Consulting
Steve Leoni

1. CALL TO ORDER

The Board of Directors of the California Mental Health Services Authority (CalMHSA) was called to order by President Maureen F. Bauman, LCSW, at 3:06 p.m. on October 9, 2014, at the Doubletree Hotel Sacramento, located at 2001 Point West Way, Sacramento, California. President Bauman welcomed those in attendance as well as those listening in on the phone.

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

2. ROLL CALL AND INTRODUCTIONS

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

3. INSTRUCTIONS FOR PUBLIC COMMENT AND STAKEHOLDER INPUT

Doug Alliston, CalMHSA Legal Counsel, Murphy Campbell Alliston & Quinn, 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 Bauman then asked members of the public to introduce themselves.

4. CBHDA STANDING REPORT

With no CBHDA staff present, President Bauman moved on to the next item.

Action: *None, information only.*

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

None

5. CONSENT CALENDAR

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

Action: *Approval of the Consent Calendar.*

Motion: *Michael Kennedy, MFT, Sonoma County*

Second: *Tom Pinizzotto, MSW, Mendocino County*

BOARD OF DIRECTORS MEMBERS

Alameda County	Abstain	Madera County	Aye	San Joaquin County	Absent
Berkeley, City of	Absent	Marin County	Absent	San Luis Obispo County	Aye
Butte County	Aye	Mariposa County	Aye	San Mateo County	Aye
Colusa County	Aye	Mendocino County	Aye	Santa Clara County	Abstain
Contra Costa County	Abstain	Modoc County	Abstain	Santa Cruz County	Absent
Del Norte County	Abstain	Mono County	Absent	Shasta County	Abstain
El Dorado County	Aye	Monterey County	Absent	Siskiyou County	Absent
Fresno County	Aye	Napa County	Absent	Solano County	Abstain

Glenn County	Aye	Nevada County	Aye	Sonoma County	Aye
Humboldt County	Absent	Orange County	Aye	Stanislaus County	Aye
Imperial County	Absent	Placer County	Aye	Sutter/Yuba County	Aye
Inyo County	Absent	Riverside County	Absent	Tri-City Health Center	Absent
Kern County	Absent	Sacramento County	Aye	Trinity County	Aye
Kings County	Aye	San Benito County	Absent	Tulare County	Absent
Lake County	Aye	San Bernardino County	Aye	Tuolumne County	Aye
Lassen County	Abstain	San Diego County	Aye	Ventura County	Absent
Los Angeles County	Aye	San Francisco City & County	Absent	Yolo County	Aye

Motion passed with twenty-three (23) ayes, zero objections, and eight (8) abstentions.

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

None

6. STATEWIDE PEI PROGRAMS EVALUATION

A. Program Partner Update - Walk in our Shoes, A Mental Health Awareness Program for youth Pages 9 to 13– Ann Collentine

This item was discussed after Item 9.A.

Ms. Ann Collentine reviewed a PowerPoint presentation of Walk in Our Shoes (WIOS) with the Board. She discussed the WIOS play and how it has impacted students statewide.

Action: *None, information only.*

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

None

7. MEMBERSHIP

B. County Outreach Report – Allan Rawland, Associate Administrator – Government Relations

Allan Rawland, Associate Administrator-Government Relations, was tasked to working with counties to regarding Phases I and II. There have been 23 counties, which includes 2 non-member counties that have signed the letter of agreement, and assigned their funds which have been received by CalMHSA. Mr. Rawland also made contact with 14 counties and one city program that did not submit letters of agreement or assigned funds to discuss their interest and involvement.

Action: *None, information only.*

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

None

8. PROGRAMS MATTERS

A. Report from CalMHSA Program Director – Ann Collentine

This item was reviewed after Item 8.F.

Ms. Collentine referred the Board to page 30 of the packet. Ms. Collentine updated the Board regarding the California's Reducing Disparities project, and has posted on the website, materials that can be used by communities.

Each Mind Matters is going out into the community and we are excited at the amount of participation from the counties.

Ms. Collentine also reviewed County Impact Statements and presented the Board with an example for Butte County. The impact statements will now be created for all counties going forward.

Action: *None, information only.*

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

None

B. Principles for Licensing Intellectual Property Rights

Mr. Alliston discussed the following important points related to intellectual property rights:

- CalMHSA has spent a lot of money developing new material for which we have retained intellectual property rights and now people are requesting to use the materials.
- The contracts CalMHSA developed in 2011 had reserved copy rights language and other similar rights, however, did compromise with the universities.
- The need to charge individuals for using intellectual property rights for a profit and put the revenue from those sales back into PEI.

Mr. Alliston presented to the Board an opportunity to adopt a Statement of Principles for licensing intellectual property. Members had concerns with charging the licensing fee for those for profit organizations doing behavioral health work and serving the public. Asked legal counsel to consider what the intent is, should the products be used commercially that there is management of that, if there is a commercial benefit from it then there be a revenue generation to support the development of materials. Ann Collentine, Program Director, clarified this is for the protection of the developed media verses selling it. John Chaquica added it would make sense that intent be considered whether it's a public, private or otherwise as it's currently omitted. Further added, as a process an initial document is to be drafted and vetted by the officers, who would request approval form another committee and/or board.

Action: *Approve the Statement of Principles for Licensing of Intellectual Property Rights.*

Motion: *Ann Robin, LMFT, San Luis Obispo County*

Second: *Terence M. Rooney, PhD, Colusa County*

BOARD OF DIRECTORS MEMBERS					
Alameda County	Aye	Madera County	Aye	San Joaquin County	Absent
Berkeley, City of	Absent	Marin County	Absent	San Luis Obispo County	Aye
Butte County	Aye	Mariposa County	Absent	San Mateo County	Aye
Colusa County	Aye	Mendocino County	Aye	Santa Clara County	Aye
Contra Costa County	Aye	Modoc County	Aye	Santa Cruz County	Absent
Del Norte County	Absent	Mono County	Absent	Shasta County	Aye
El Dorado County	Aye	Monterey County	Absent	Siskiyou County	Absent
Fresno County	Aye	Napa County	Absent	Solano County	Aye
Glenn County	Aye	Nevada County	Aye	Sonoma County	Aye
Humboldt County	Absent	Orange County	Aye	Stanislaus County	Aye
Imperial County	Absent	Placer County	Aye	Sutter/Yuba County	Aye
Inyo County	Absent	Riverside County	Absent	Tri-City Health Center	Absent
Kern County	Absent	Sacramento County	Aye	Trinity County	Aye
Kings County	Aye	San Benito County	Absent	Tulare County	Absent
Lake County	Aye	San Bernardino County	Aye	Tuolumne County	Aye
Lassen County	Aye	San Diego County	Aye	Ventura County	Absent
Los Angeles County	Aye	San Francisco City & County	Absent	Yolo County	Aye

Motion passed with thirty-one (31) ayes, zero objections, and zero abstentions.

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

None

C. Report from CalMHSA Advisory Committee – Anne Robin

This item was addressed after Item 7.A.

Ann Robin, LMFT, San Luis Obispo County, provided an update of the last Advisory Committee meeting. Ms. Robin discussed the RAND analysis presentation.

Action: *None, information only.*

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

None

D. Phase Two Plan Update

Ms. Collentine briefly reviewed the Phase Two Plan Update with the Board.

Action: *None, information only.*

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

None

E. State Hospital Bed Program Update – John Chaquica

The Department of State Hospitals as well as the State Controller's Office has agreed to a number of requests to moving from guaranteed to actual use. The Department has been very open in saying with this actual use; you can define the process on how you have access. The licensing of the LPS beds has not changed. A subcommittee has been established for the purpose of developing a process for prioritizing bed assignments, followed by sharing with the Department of State Hospitals on October 28th.

There are still a couple of remaining items to be addressed but hope to finalize for the FY 14/15 MOU.

The committee is currently focused on access to beds, however will continue to work toward resolving the third party pay issue.

We continue to work on rate negotiations, and have challenged the methodology for the current calculation as it is not in accordance with the law.

Action: *None, information only.*

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

None

F. Together Again Stigma International Conference – Ann Collentine

Ms. Collentine did brief update on the conference and referred the members to page 91 of the packet. Additionally, Ms. Collentine reviewed the dates and keynote speakers for the conference, followed by a request for sponsorships. Ms. Collentine reminded members to register.

Action: *None, information only.*

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

None

G. Short Doyle Modernization (SDM) Project – Kim Santin

This item was addressed after approval Item 8.B.

Kim Santin, CPA, CalMHSA Finance Director, presented the Short Doyle Modernization project, which had a different scope of work from the original proposal. Staff is seeking approval for the Steering Committee's adoption of a new scope of work, as follows:

- The scope would change to a federal reimbursement pilot study.
- The Steering Committee is going to create criteria to select counties.
- A Short-Doyle 2 enhancement project.
- Long-range MITA planning and participation with the counties.

The effects on CalMHSA remain the same, except not participating in getting bids for feasibility studies. We will still work on getting contracting counties to participate in the project.

- The planning and development of procurement, along with the steering committee partners and DHCS and CBHDA.
- Procuring, executing and managing the required contract.
- Obtaining the legal advice of council if needed.

Action: *Adopt New Project Scope as approved by the Project Steering Committee and the Governance Team Committee.*

Motion: *Karen Stockton, PhD, MSW, Modoc County*

Second: *Mary Hale, Orange County*

BOARD OF DIRECTORS MEMBERS					
Alameda County	Aye	Madera County	Aye	San Joaquin County	Absent
Berkeley, City of	Absent	Marin County	Absent	San Luis Obispo County	Aye
Butte County	Aye	Mariposa County	Absent	San Mateo County	Absent
Colusa County	Aye	Mendocino County	Aye	Santa Clara County	Aye
Contra Costa County	Aye	Modoc County	Aye	Santa Cruz County	Absent
Del Norte County	Absent	Mono County	Absent	Shasta County	Aye
El Dorado County	Aye	Monterey County	Absent	Siskiyou County	Absent
Fresno County	Aye	Napa County	Absent	Solano County	Aye
Glenn County	Aye	Nevada County	Abstain	Sonoma County	Aye
Humboldt County	Absent	Orange County	Aye	Stanislaus County	Aye
Imperial County	Absent	Placer County	Aye	Sutter/Yuba County	Aye
Inyo County	Absent	Riverside County	Absent	Tri-City Health Center	Absent
Kern County	Absent	Sacramento County	Aye	Trinity County	Aye
Kings County	Aye	San Benito County	Absent	Tulare County	Absent
Lake County	Aye	San Bernardino County	Aye	Tuolumne County	Aye
Lassen County	Aye	San Diego County	Aye	Ventura County	Absent
Los Angeles County	Aye	San Francisco City & County	Absent	Yolo County	Aye

Motion passed with twenty-eight ayes, one objection, and one abstention.

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

Mary Hale, Orange County added that CalMHSA has done a great job with the Short Doyle Modernization and will be a huge benefit to everyone.

9. GENERAL DISCUSSION

A. Report from CalMHSA President – Maureen Bauman

This item was addressed after Item 8.G.

Recommendation #1: *Approve appointment of Interim Treasurer Scott Gruendl, MPA, Glenn County.*

President Bauman informed the Board of Wayne Clark’s resignation from the Board of Directors, and duties as Treasurer. Scott Gruendl, MPA, CalMHSA Vice President, Glenn

County, is to be the interim Treasurer until such time that an individual can fill the position permanently which will be addressed later.

Action: *To approve the appointment of Scott Gruendl, MPA, Glenn County, as the interim Treasurer.*

Motion: *Ann Robin, LMFT, San Luis Obispo County*

Second: *Alfredo Aguirre, LCSW, San Diego County*

Motion passed unanimously.

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

None

Recommendation #2: *To approve the 2015 Board of Director's Meeting Calendar.*

President Bauman reviewed the 2015 calendar of meetings with the Board.

Action: *Approval of the 2015 Board Meeting Calendar.*

Motion: *Dennis Koch, Madera County*

Second: *Madelyn Schlaepfer, PhD, Stanislaus County*

Motion passed unanimously.

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

None

B. Report from CalMHSA Executive Director – John Chaquica

This item was not discussed.

Action: *None, information only.*

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

None

10. PUBLIC COMMENTS

A. Public Comments Non- Agenda Items

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

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

None

11. NEW BUSINESS AND CLOSING COMMENTS

President Bauman asked the Board if there was any new business or closing comments.

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

None

12. ADJOURNMENT

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

None

Hearing no further comments, the meeting was adjourned at 4:11 p.m.

Respectfully submitted,

CaSonya Thomas, MPA, CHC
Secretary, CalMHSA

Date

DRAFT



"A George Hill Company Administered JPA"

**CalMHSAs Board of Directors Teleconference Meeting
Minutes from October 30, 2014**

BOARD MEMBERS PRESENT ON CALL

Maureen F. Bauman, LCSW, CalMHSAs President, Placer County
CaSonya Thomas, MPA, CHC, CalMHSAs Secretary, San Bernardino County
Ahmadreza Bahrami, Kings County
Ann Robin, LMFT, San Luis Obispo County
Anne Lagorio, Trinity County
Barbara LaHaie, Humboldt County
Dennis Koch, Madera County
Donnell Ewert, MPH, Shasta County
Dorian Kittrell, Butte County
Jerry Wengerd, Riverside County
Karen Markland, Fresno County
Karen Stockton, PhD, MSW, Modoc County
Madelyn Schlaepfer, PhD, Stanislaus County
Michael Kennedy, MFT, Sonoma County
Rita Austin, LCSW, Central Region Representative, Tuolumne County
Stephen Kaplan, San Mateo County
Susan Bower, MSW, MPH, San Diego County
Tony Hobson, Sutter/Yuba Counties
Uma Zykofsky, LCSW, Sacramento County
William Arroyo, MD, Los Angeles Region Representative, Los Angeles County
Warren Hayes, Contra Costa County

BOARD MEMBERS ABSENT

Alameda County
Berkeley County
Colusa County
Del Norte County
El Dorado County
Glenn County
Imperial County
Inyo County
Kern County
Lake County
Lassen County
Marin County
Mariposa County
Mendocino County
Mono County

Monterey County
Napa County
Nevada County
San Benito County
San Francisco County
San Joaquin County
Santa Barbara County
Santa Clara County
Santa Cruz County
Siskiyou County
Solano County
Tri-City Mental Health Center
Tulare County
Ventura County
Yolo County

STAFF PRESENT ON CALL

Doug Alliston, CalMHSA Legal Counsel, Murphy Campbell Alliston & Quinn
John Chaquica, CPA, MBA, ARM, CalMHSA Executive Director
Ann Collentine, MPPA, CalMHSA Program Director
Kim Santin, CPA, CalMHSA Finance Director
Laura Li, CalMHSA JPA Administrative Manager
Tami Cowgill, CalMHSA Executive Assistant
Armando Bastida, CalMHSA Administrative Assistant

MEMBERS OF THE PUBLIC PRESENT ON CALL

Jane Ann LeBlanc, Sacramento County
Jeremy Wilson, Butte County
Mary Hale, Orange County

1. CALL TO ORDER

The Board of Directors of the California Mental Health Services Authority (CalMHSA) was called to order by President Maureen F. Bauman, LCSW, at 4:02 p.m. on October 30, 2014, at the location of 1152 B Avenue, Auburn, California. President Bauman welcomed those participating on the conference call.

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

2. ROLL CALL AND INTRODUCTIONS

Ms. Li called roll and informed President Bauman a quorum had not been reached, and preceded with taking roll call of the Executive Committee.

Ms. Li concluded that a quorum of the Executive Committee had been reached. Ms. Bauman stated that the meeting will continue as an Executive Committee meeting.

3. INSTRUCTIONS FOR PUBLIC COMMENT AND STAKEHOLDER INPUT

President Bauman then asked members of the public to introduce themselves. It was deemed that no public was present for the call. Laura Li, CalMHSA JPA Administrative Manager, reviewed the process of providing comments on agenda items.

4. REPORT FROM CALMHSA SEARCH COMMITTEE

President Bauman commenced by reminded everyone of those who formed the Search Committee and participated, as follows: Jerry Wengerd from Riverside County, Anne Robin from San Luis Obispo County, and Dawan Utecht from Fresno County, along with the Executive Committee. Since June, the Search Committee met several times and did interviews for the Executive Director position, which did not result in a recommendation for the Executive Director position. Given what has been learned through the initial recruitment process, the Search Committee updated the Restructure Structure Plan, which includes a timeline for the executive director (ED) recruitment

The updated Restructure Plan has the new Executive Director focus on fund development, and the ongoing organizational efforts continue to be supervised by CalMHSA’s structure. As time evolves the restructure will be reassessed and changes will be made as deemed appropriate. Ms. Bauman added the Committee had been entertaining conversations with a recruitment organization to see they could serve in an advisory role to improve the process and increase the pool of qualified applicants. The plan is to:

- Collect information from potential candidates
- Interview candidates in December and present the potential candidates to the Board

Mr. Chaquica presented information on the costs of the process of searching for the executive director candidate. There has been discussion on using an organization in an advisory capacity in order to professionally handle the recruitment process.

Mr. Alliston stated that the plan is the best it can be, and the time frame is reasonable.

Action: *Approval of the Revised Structuring Plan with timeline as presented.*

Motion: *Karen Stockton, PhD, MSW, Modoc County*

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

EXECUTIVE COMMITTEE MEMBERS			
Maureen Bauman, Placer County	Aye		
Scott Gruendl, Glenn County	Absent		
Mary Hale, Orange County	Non-Voting	Alfredo Aguirre, San Diego	Absent
Michael Kennedy, Sonoma County	Aye	Jo Robinson, San Francisco	Absent
Vic Singh, San Joaquin County	Absent	Rita Austin, Tuolumne	Aye
Marvin Southard, Los Angeles County	Absent	William Arroyo, Los Angeles	Aye
Karen Stockton, Modoc County	Aye	Vacant, Superior Region	N/A
CaSonya Thomas, San Bernardino County	Aye		

Vacant, At-Large Member	N/A		
-------------------------	-----	--	--

Motion passed with six ayes.

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

None

5. CLOSING COMMENTS

President Bauman asked the Board if there was any new business or closing comments.

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

None

6. ADJOURNMENT

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

None

Hearing no further comments, the meeting was adjourned at 4:23 p.m.

Respectfully submitted,

CaSonya Thomas, MPA, CHC
Secretary, CalMHSA

Date

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


This THIRD Amendment to the Agreement for Administrative and Financial Services (which, as modified, may be referred to as the "Third 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 Second 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 First Amended Agreement is amended in the following respects:

- 1. The Third Amendment hereby amends the Second Amended Agreement to reflect an updated Attachment I which includes a new column 4, sustainability funding.**

IN WITNESS HEREOF, the parties hereto have executed this Agreement on June 12, 2014.

Optimum Risk Advisors:




John Chaquica, President

6/27/14

Dated

California Mental Health Services Authority:



Maureen F. Bauman, LCWS, MPA, President

6/26/14

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			
										Column 4			
										Per Fiscal Year ¹			
										FY 2016-17			
										FY 2015-16			
										FY 2014-15			
										Contract Amount		Contract Amount	
										Percent		Percent	
										Dollars		Dollars	
Fees for Administration Services										\$1,444,444	\$606,666	\$224,467	\$2,000,000
JPA Administration													
Total										23%	20%	48%	20%
Fiscal													
Total										\$332,222	\$121,333	\$107,744	\$400,000
Program													
Total										24%	47%	52%	17%
Total										\$765,555	\$200,200	\$116,723	\$340,000
Total										53%	33%	63%	\$1,260,000

Section V, Item(s) A-F

¹ If approved this funding amount replaces funding identified in columns 1-3.

Third Amendment to the Agreement
Between ORA and CalMHSA
Effective July 1, 2014

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

- Column 1 (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.
- Column 2 (fiscal year 2015-16)**—reflects CalMHSA in full run out with only JPA management and Evaluation in operations.
- Column 3 (fiscal year 2016-17)**—reflects the final year of CalMHSA with completion of Evaluation, close-out of books, and final audit.
- Column 4**—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 FY 2014-15, FY 2015-16, and 3% inflation increase for 2016-17 (subject to funding availability). 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. CalMHSA's Board shall review the contract at least annually to determine whether the funding level is appropriate. In the event that funding exceeds \$60m or falls below \$20m annually, the contract amount will be subject to review and revision by CalMHSA's Board.

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



"A George Hills Company Administered JPA"

Treasurer's Report

As of September 30, 2014

	Book Balance	Market Value	Effective Yield
Local Agency Investment Fund	\$18,121,973	\$18,125,258	0.25%
Morgan Stanley Smith Barney	22,852,041	22,716,148	0.75%
Cash with California Bank & Trust	401,523	401,523	0.00%
Total Cash and Investments	\$41,375,537	\$41,242,929	

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

The LAIF market value was derived by applying the September 2014 fair value factor of 1.000181284 to the book balance.

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

Respectfully submitted,

Accepted,

Kim Santin, Finance Director

Scott Gruendl, Treasurer

**CALMHSA
TREASURER'S REPORT
AS OF SEPTEMBER 30, 2014**

Investments	Date of Purchase	Date of Maturity	Par Value	Original Cost	Market Value	YTM (at Cost)	YTM (at Market)	Unrealized Gains/(Losses)
Corporate Bonds:								
Walt Disney Company	05/17/13	12/01/14	4,000,000	4,034,240	4,004,720	0.43%	0.44%	972
Credit Suisse New York	12/18/13	12/18/14	5,000,000	5,000,000	5,002,950	0.51%	0.51%	2,950
Wells Fargo Company	05/17/13	02/13/15	4,000,000	4,046,280	4,013,600	0.62%	0.62%	3,729
Pepsico Inc	12/09/13	03/05/15	2,485,000	2,495,760	2,489,374	0.37%	0.37%	653
Coca-Cola Co	12/13/12	03/13/15	4,667,000	4,692,902	4,674,794	0.37%	0.37%	2,559
Toyota Motor	12/04/13	06/17/15	2,365,000	2,464,590	2,412,442	3.07%	3.14%	848
Total Corporate Bonds			22,517,000	22,733,772	22,597,879			11,711
Total Portfolio Investments			22,517,000	22,733,772	22,597,879			11,711
Local Agency Investment Fund (LAIF)				18,121,973	18,125,258			
Morgan Stanley AA Money Trust				118,269	118,269			
Checking Account				401,523	401,523			
Total Cash and Investments			22,517,000	41,375,537	41,242,929			11,711

Inception to Date Activity	
Fair Market Value 7/1/12	90,699,394
Purchases	79,229,997
Sales/Maturities	(145,455,038)
Net Unrealized Gains/(Losses)	(1,876,474)
Fair Market Value 9/30/14	<u>22,597,879</u>

Maturity Distribution of Investments	
0 - 1 year	<u>22,597,879</u>

Notes	
All investments are in compliance with CalMHSA's current investment policy. CalMHSA has sufficient funds to meet its expenditure requirements for the next six months.	
Market values and Yields are from the following source: Morgan Stanley Smith Barney Financial Management Account Summaries.	
Market Value is an approximation of the total worth of the asset, and fluctuates on a daily basis depending on market factors. YTM at Cost is the constant interest rate that makes the net present value of future principal & interest cash flows equal the purchase price of the security on the acquisition date. YTM at Market is the constant interest rate that makes the net present value of future principal & interest cash flows equal the current market price of the security.	

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

www.treasurer.ca.gov/pmia-laif/laif.asp
 October 16, 2014

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

PMIA Average Monthly Yields

Account Number
 [REDACTED]

Tran Type Definitions

September 2014 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
9/22/2014	9/19/2014	RD	1444750	KIM SANTIN	13,500,000.00
9/24/2014	9/23/2014	RW	1444909	KIM SANTIN	-200,000.00

Account Summary

Total Deposit:	13,500,000.00	Beginning Balance:	4,821,972.55
Total Withdrawal:	-200,000.00	Ending Balance:	18,121,972.55

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

www.treasurer.ca.gov/pmia-laif/laif.asp
 October 16, 2014

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

PMIA Average Monthly Yields

Account Number:



Tran Type Definitions

August 2014 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
8/27/2014	8/26/2014	RD	1442998	KIM SANTIN	900,000.00

Account Summary

Total Deposit:	900,000.00	Beginning Balance:	3,921,972.55
Total Withdrawal:	0.00	Ending Balance:	4,821,972.55

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

www.treasurer.ca.gov/pmia-laif/laif.asp
 October 16, 2014

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

PMIA Average Monthly Yields

Account Number: .



Tran Type Definitions

July 2014 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
7/15/2014	7/14/2014	QRD	1439287	SYSTEM	1,753.60
7/23/2014	7/22/2014	RD	1440418	KIM SANTIN	500,000.00
7/31/2014	7/30/2014	RD	1441062	KIM SANTIN	3,000,000.00

Account Summary

Total Deposit:	3,501,753.60	Beginning Balance:	420,218.95
Total Withdrawal:	0.00	Ending Balance:	3,921,972.55

Morgan Stanley

CalMHSA Account Review

Wednesday, November 19, 2014

Prepared for: CalMHSA Finance Committee Meeting: December 1, 2014

155 Cadillac Drive
Sacramento, CA 95825
tel: (916) 567-2030
fax: (916) 927-8500

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

Table of Contents

Holdings Summary	3
Projected Monthly Income Summary	6
Dividends and Interest Received Since January 1, 2012	7
Bond Ratings	16
Bond Maturity Schedule	17
Asset Appraisal Report	18
Performance Executive Summary through October 31, 2014	20

POSITIONS: Custom View

As of 02:26 PM EST, 11/19/2014

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 178-116821-451 Consulting and Evaluation Services
 Corp Account / Profit Corporation / MGR: PFM Asset Mgmt
 - ST 1-3 yr FI
 \$22,686,945.07 (prev. close) / Reserved Prestige

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY (PFM)
 SUITE 200
 RNCHO CORDOVA CA 95670-6394
 (916) 859-4800 (B) | kim.santin@georgehills.com

POSITIONS 8 NET CASH \$110,175.06																		
Symbol/CUSIP	Security Description	Quantity	Price (\$)	Market Value (\$)	Chg. (\$)	Unit Cost (\$)	Total Cost (\$)	G/L (\$)	G/L (%)	Net Value Incr/Decr (\$)	% Of Account (LMV)	Product	Div Re/CG Re	Accrued Interest	APY	Curr Yield	MS Rtg	S&P Rank
-	Cash	-	-	-4,410.92	-	-	-	-	-	-	-	Cash	-	-	-	-	-	-
AAMT	MS ACTIVE ASSETS MONEY TRUST	-	-	114,585.98	-	-	-	-	-	-	0.50	Money Market	-	-	-	-	-	-
191216AX8	COCA-COLA CO Coupon 0.75% Mature 03/13/2015 (A2P6X)	4,667,000.000	100.168	4,674,840.56	-	100.08	4,670,651.44	4,189.12	0.09	-	20.60	Corporate Fixed Income	-	6,319.86	-	0.74	-	-
22549TQD3	CREDIT SUISSE NEW YORK YCD Coupon 0.51% Mature 12/18/2014 (B2KE3)	5,000,000.000	100.027	5,001,350.00	-	100.00	5,000,000.00	1,350.00	0.03	-	22.04	Corporate Fixed Income	-	0.00	-	0.50	-	-
25468PCQ7	WALT DISNEY COMPANY Coupon 0.88% Mature 12/01/2014(AJ6H0)	4,000,000.000	100.019	4,000,760.00	-	100.02	4,000,687.14	72.86	0.00	-	17.63	Corporate Fixed Income	-	16,236.08	-	0.87	-	-
713448BX5	PEPSICO INCCoupon 0.75% Mature 03/05/2015 (AM06X)	2,485,000.000	100.122	2,488,031.70	-	100.10	2,487,536.67	495.03	0.02	-	10.96	Corporate Fixed Income	-	3,779.26	-	0.74	-	-
89233P4B9	TOYOTA MOTOR CREDIT CORP Coupon 3.20% Mature 06/17/2015(AJ5W6)	2,365,000.000	101.635	2,403,667.75	-	101.59	2,402,689.06	978.69	0.04	-	10.59	Corporate Fixed Income	-	31,743.55	-	3.14	-	-
94974BFA3	WELLS FARGO & COMPANY Coupon 1.25% Mature 02/13/2015(CF08U)	4,000,000.000	100.203	4,008,120.00	-	100.16	4,006,206.70	1,913.30	0.05	-	17.66	Corporate Fixed Income	-	13,194.44	-	1.24	-	-
Sub-Total - Advisory Assets				\$22,686,945.07														
Sub-Total - Non-Advisory Assets				\$0.00														
Totals				\$22,686,945.07			\$22,567,771.01	\$8,999.00						\$71,273.20				

Cash, MMF and Deposits - Bank deposits are held at (1) Morgan Stanley Bank, N.A. and/or Morgan Stanley Private Bank, National Association, affiliates of Morgan Stanley Smith Barney, LLC, or (2) Citibank, N.A., each FDIC members. Deposits are eligible for FDIC insurance up to applicable limits and in accordance with FDIC rules.

Fixed Income - Bond prices are typically updated on a daily basis through an overnight batch feed, therefore prices do not reflect current intra-day values. Prices displayed in the official account statement may differ from the prices utilized in this material due to, among other things, the use of different reporting methods, date of the report, rounding, delays, market conditions and interruptions. For floating rate securities, the accrued interest is an estimate based on the current floating coupon rate and may not reflect historic rates within the accrual period.

Certificates of Deposit - CDs are insured by the FDIC, an independent agency of the U.S. Government, up to a maximum amount of \$250,000 (including principal and accrued interest) for all deposits held in the same insurable capacity (e.g. individual account, joint account, IRA etc.) per CD depository. Investors are responsible for monitoring the total amount held with each CD depository. All deposits at a single depository held in the same insurable capacity will be aggregated for purposes of the \$250,000 federal deposit insurance limit, including deposits (such as bank accounts) maintained directly with the depository and CDs of the depository held through Morgan Stanley Smith Barney LLC. A secondary market in CDs may be limited. CDs sold prior to maturity are subject to market risk and therefore investors may receive more or less than the amount invested or the face value. Callable CDs are callable at the sole discretion of the issuer. For more information about FDIC insurance, please visit the FDIC website at www.fdic.gov.

Mutual Funds - Mutual Funds are typically priced daily. The price provided is the previous business day's closing price. The amount of Net Value Increase/ (Decrease) compares your Total Purchases (all purchases less Dividend Re-Investments) with the Market Value of all shares you hold of the fund. This calculation is of informational purposes only, does not reflect your total unrealized gain or loss and should not be used for tax purposes. Please note that we are not able to identify the mutual fund position as Margin "M" if the position balance is made up of shares that are new (less than 30 days old).

Unit Investment Trusts - Unit Investment Securities are typically priced daily. The price provided is the previous day's closing price.

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Annuities/Insurance Products - Insurance and Annuity products and values are displayed for informational purposes only. Values reflect in force Insurance purchased through Morgan Stanley Smith Barney LLC in conjunction with its licensed insurance agency affiliates as of date shown as reported by the Insurance carrier. Amounts shown may be subject to surrender and other contract charges. Invested premium is defined as either the original purchase price plus additions, minus withdrawals or principal withdrawals. Display of insurance or annuity products on the Morgan Stanley Smith Barney LLC account statement does not confer or imply ownership or beneficial interest on the part of the account holder. All ownership, rights, benefits and payments are controlled by the contract between the insurance company and the contract owner as shown on your policy copy. Annuitized information as provided by the insurance carrier reflects the value of the last payment made as per your instructions and does not imply that the funds were re-deposited into a Morgan Stanley Smith Barney LLC account and is provided for informational purposes only. Surrendered or annuitized policies will not appear as assets on this statement.

Exchange Traded Funds/Stock/Option Pricing - Current prices are available for Exchange Traded Funds, Stocks and Options only. All other current pricing reflects the most recently available price for that security. For example, Mutual Fund current prices are the most recent business day's Net Asset Value.

Risk/Ratings - Research Ratings may be displayed for certain securities. Neither Morgan Stanley nor Standard & Poor's uses the rating system displayed. For ease of comparison, we have normalized their ratings so that (1) = Buy, (2) = Hold, and (3) = Sell. **You should not infer the investment risks or profile of any security from these ratings but refer to the research reports for a complete description of the research provider's rating system, rating and views on the security.**

Consulting Group Investment Advisor Research (CG IAR). Investment products on the Focus List have CG IAR's highest level of confidence. CG IAR believes these investment products have the potential to outperform an appropriate benchmark or peer group over a longer period, typically greater than three years. There can be no guarantee, however, that any Focus List investment product will outperform its benchmark or peer group. Investment products on the Approved List have been evaluated by CG IAR and meet acceptable standards. They have usually been subject to a less comprehensive evaluation process than investment products on CG IAR's Focus List. The Not Approved List identifies investment products that in CG IAR's opinion no longer warrant research coverage due to a specific concern(s) or material event.

Unless otherwise indicated, this information is not intended to be a substitute for the official account statements that you receive from us. This information is approximate and subject to adjustment, updating and correction and is for illustrative and general reference purposes only. We are not responsible for any clerical, computational or other inaccuracies, errors or omissions. We obtain market values and other data from various standard quotation services and other sources, which we believe to be reliable. However, we do not warrant or guarantee the accuracy or completeness of any such information. The values that you actually receive in the market for any investment may be higher or lower than the values reflected herein. To the extent there are any discrepancies between your official account statement and this information, you should rely on the official account statement. This information should not be considered as the sole basis for any investment decision.

The Bank Deposit Program (BDP) is a cash sweep feature whereby clients can choose to have their available free credit balances automatically deposited into interest bearing, FDIC-insured deposit accounts at up to three banks ("Program Banks"): (1) Morgan Stanley Bank, N.A. and/or Morgan Stanley Private Bank, National Association (together, the "Morgan Stanley Banks"), or (2) Citibank, N.A. The Program Banks are FDIC members. Morgan Stanley Smith Barney LLC ("Morgan Stanley") is a registered broker-dealer, not a bank. Morgan Stanley and the Morgan Stanley Banks are affiliates. Unless specifically disclosed to you in writing, other investments and services offered to you through Morgan Stanley are not insured by the FDIC, are not deposits of or other obligations of, or guaranteed by, the Program Banks and involve investment risks, including possible loss of principal amount invested.

New Treasury regulations require that we report your adjusted cost basis and classify the gain or loss as either long-term or short-term on the sale of covered securities acquired on or after January 1, 2011. These regulations also require that we make basis adjustments due to wash sales, certain corporate actions and transfers by gift or inheritance, which will be reflected on your Form 1099-B. This section may not reflect all of the basis adjustments we are required to make for tax reporting purposes. The information in this section is provided for informational purposes only and should not be used in the preparation of your income tax returns.

GUIDE TO MORGAN STANLEY & CO. LLC (MORGAN STANLEY) AND STANDARD & POOR'S RESEARCH RATINGS

Morgan Stanley Research Ratings

Morgan Stanley does not assign ratings of Buy, Hold or Sell to the stocks they cover. Morgan Stanley's ratings, Overweight, Equal-weight, Not-Rated and Underweight, are not the equivalent of Buy, Hold, and Sell, but represent recommended relative weightings. To satisfy regulatory requirements, Morgan Stanley corresponds Overweight, their most positive stock rating, with a Buy recommendation, they correspond

Equal-weight and Not-Rated to Hold and Underweight to Sell recommendations, respectively. For ease of comparison, we have normalized these ratings so that (1) corresponds to Buy recommendations, (2) corresponds to Hold recommendations, and (3) corresponds to Sell recommendations. Please refer to a Morgan Stanley research report for a complete description of

Morgan Stanley's rating system and Morgan Stanley's actual proprietary rating on any covered company.

Morgan Stanley's ratings are described below:

Morgan Stanley Wealth Management Normalized Code / Morgan Stanley Rating: Definition

- 1 / **Overweight (O)**: 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 (E)**: 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 (NR)**: 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 (U)**: 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.

Standard & Poor's Equity Research Ratings

For ease of comparison, we have normalized Standard & Poor's proprietary research ratings to a 1 (Buy), 2 (Hold), and 3 (Sell), which differs from Standard & Poor's rating system.

Please refer to a Standard & Poor's research report for a complete description of Standard & Poor's rating system and Standard & Poor's actual proprietary rating on any covered company. Standard & Poor's ratings are described below:

Morgan Stanley Wealth Management Normalized Code / Standard & Poor's Rating: Definition

- 1 / **5-Stars (Strong Buy)**: Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis
- 1 / **4-Stars (Buy)**: Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis
- 2 / **3-Stars (Hold)**: Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis
- 3 / **2-Stars (Sell)**: Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain.

M = Position purchased on Margin, S = Short Position, E = External Account, C = Reinvest None, R = Reinvest, P = Reinvest Principal (UIT's), I = Reinvest Income (UIT's), RTH = Recommend to Hold, O = Open Order, SK = Position held in Safekeeping

Page 2 of 3

POSITIONS: Custom View

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3 / 1- Stars (Strong Sell): Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis

Relevant benchmarks: In North America the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are generally the S&P Europe 350 Index and the S&P Asia 50 Index.

Moody's Investors Service and Standard & Poor's Credit Ratings

The credit rating from Moody's Investors Service and Standard & Poor's may be shown for certain fixed income securities. All credit ratings represent the "opinions" of the provider and are not representations or guarantees of performance.

CG IAR Statuses in Investment Advisory Programs

Consulting Group Investment Advisor Research (CG IAR) reviews covers a range of investment managers and products in the Consulting and Evaluation Services, Fiduciary Services, Select UMA, TRAK Fund Solution, Institutional Consulting Group and Fiduciary Asset Management programs. CG IAR statuses for these products are:

Investment products on the Focus List have CG IAR's highest level of confidence. CG IAR believes these investment products have the potential to outperform an appropriate benchmark or peer group over a longer period, typically greater than three years. There can be no guarantee, however, that any Focus List investment product will outperform its benchmark or peer group. Investment products on the Approved List have been evaluated by CG IAR and meet acceptable standards. They have usually been subject to a less comprehensive evaluation process than investment products on CG IAR's Focus List. The Not Approved List identifies investment products that in CG IAR's opinion no longer warrant research coverage due to a specific concern(s) or material event.

As of 11/18/2014

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

Acct. 178-116821-451

	Current Month	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Twelve Month Total
Fixed Income	—	55,340	—	25,000	26,820	—	—	37,840	—	—	—	—	—	145,000
Income Total	—	55,340	—	25,000	26,820	—	—	37,840	—	—	—	—	—	145,000

	Account Totals*	Projected Income	% Yield**
Fixed Income	\$22,576,770	\$145,000	0.64%
Total	\$22,576,770	\$145,000	0.64%

* 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 Annual Income (EAI) is calculated on a pre-tax basis and does not include any reduction for applicable non-US withholding taxes, if any. EAI for certain securities may include return of principal or capital gains which could overstate such estimates. For securities that have a defined maturity date within the next 12 months, EAI is reflected only through maturity date. Actual income or yield may be lower or higher than the estimates. Estimated yield reflects only the income generated by an investment, and does not reflect changes in its price. Accrued interest, annual income and yield for structured products with a contingent income feature (such as Range Accrual Notes or Contingent Income Notes) are estimates and assume specified accrual conditions are met during the relevant period and payment in full of all contingent interest. For Floating Rate Securities, the accrued interest, annual income and yield are estimates based on the current floating coupon rate and may not reflect historic rates within the accrual period.

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. © 2014 Morgan Stanley Smith Barney LLC. Member SIPC.

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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
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	—
11/15/13	06406HBL2	BANK OF NEW YORK 4300 14MY15 Maturity Date: 05/15/14 Coupon: 4.30%	—	—	59,340.00	—
05/15/14	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	—
03/13/14	191216AX8	COCA-COLA CO 0750 15MH13 Maturity Date: 03/13/15 Coupon: 0.75%	—	—	17,501.25	—
09/15/14	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	—
02/20/14	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	—

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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	—
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	—
07/16/12	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	—
07/16/12	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	—

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Date	Symbol/ CUSIP	Description	Taxable Dividends	Tax Free Dividends	Taxable Interest	Tax Free Interest
07/15/13	3134A4UU6	FHLMC 5000 14JL15 Maturity Date: 07/15/14 Coupon: 5.00%	—	—	\$67,375.00	—
01/15/14	3134A4UU6	FHLMC 5000 14JL15 Maturity Date: 07/15/14 Coupon: 5.00%	—	—	67,375.00	—
07/15/14	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	—
01/30/14	3137EACU1	FHLMC MTN 1000 14JL30 Maturity Date: 07/30/14 Coupon: 1.00%	—	—	14,700.00	—
07/30/14	3137EACU1	FHLMC MTN 1000 14JL30 Maturity Date: 07/30/14 Coupon: 1.00%	—	—	14,700.00	—
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	—
02/11/13	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	—

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Date	Symbol/ CUSIP	Description	Taxable Dividends	Tax Free Dividends	Taxable Interest	Tax Free Interest
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	—
12/18/13	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	—
08/06/12	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	—
02/05/14	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	—
09/17/12	31398AYY2	FNMA 3000 14SP16 Maturity Date: 09/16/14 Coupon: 3.00%	—	—	41,775.00	—
03/18/13	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	—
03/17/14	31398AYY2	FNMA 3000 14SP16 Maturity Date: 09/16/14 Coupon: 3.00%	—	—	41,775.00	—

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09/16/14	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	—
03/17/14	36962GK86	GEN ELEC CAP CORP 4750 14SP15 Maturity Date: 09/15/14 Coupon: 4.75%	—	—	66,975.00	—
09/15/14	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	—

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Date	Symbol/ CUSIP	Description	Taxable Dividends	Tax Free Dividends	Taxable Interest	Tax Free Interest
06/01/12	46625HHN3	JP MORGAN CHASE 4650 14JN01 Maturity Date: 06/01/14 Coupon: 4.65%	—	—	\$64,983.75	—
12/03/12	46625HHN3	JP MORGAN CHASE 4650 14JN01 Maturity Date: 06/01/14 Coupon: 4.65%	—	—	64,983.75	—
06/03/13	46625HHN3	JP MORGAN CHASE 4650 14JN01 Maturity Date: 06/01/14 Coupon: 4.65%	—	—	64,983.75	—
12/02/13	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	—	—	—
12/04/12	60687GP51	MIZUHO CORP BK CD 0390 12DE03 Maturity Date: 12/03/12 Coupon: 0.39%	—	—	6,608.34	—
07/31/12	AAMT	MS ACTIVE ASSETS MONEY TRUST	4.72	—	—	—
08/01/12	AAMT	MS ACTIVE ASSETS MONEY TRUST	4.72	—	—	—
08/02/12	AAMT	MS ACTIVE ASSETS MONEY TRUST	-4.72	—	—	—
08/31/12	AAMT	MS ACTIVE ASSETS MONEY TRUST	15.69	—	—	—
09/28/12	AAMT	MS ACTIVE ASSETS MONEY TRUST	5.93	—	—	—
11/02/12	AAMT	MS ACTIVE ASSETS MONEY TRUST	22.93	—	—	—
11/30/12	AAMT	MS ACTIVE ASSETS MONEY TRUST	18.14	—	—	—
01/02/13	AAMT	MS ACTIVE ASSETS MONEY TRUST	28.41	—	—	—
01/31/13	AAMT	MS ACTIVE ASSETS MONEY TRUST	14.72	—	—	—
02/28/13	AAMT	MS ACTIVE ASSETS MONEY TRUST	28.89	—	—	—
03/28/13	AAMT	MS ACTIVE ASSETS MONEY TRUST	10.37	—	—	—
04/30/13	AAMT	MS ACTIVE ASSETS MONEY TRUST	10.64	—	—	—
05/31/13	AAMT	MS ACTIVE ASSETS MONEY TRUST	8.51	—	—	—
06/28/13	AAMT	MS ACTIVE ASSETS MONEY TRUST	0.36	—	—	—
07/31/13	AAMT	MS ACTIVE ASSETS MONEY TRUST	2.72	—	—	—
08/30/13	AAMT	MS ACTIVE ASSETS MONEY TRUST	23.76	—	—	—
09/30/13	AAMT	MS ACTIVE ASSETS MONEY TRUST	25.17	—	—	—

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10/31/13	AAMT	MS ACTIVE ASSETS MONEY TRUST	\$3.85	—	—	—
11/29/13	AAMT	MS ACTIVE ASSETS MONEY TRUST	5.16	—	—	—
01/02/14	AAMT	MS ACTIVE ASSETS MONEY TRUST	10.04	—	—	—
01/31/14	AAMT	MS ACTIVE ASSETS MONEY TRUST	9.41	—	—	—
02/28/14	AAMT	MS ACTIVE ASSETS MONEY TRUST	11.35	—	—	—
03/31/14	AAMT	MS ACTIVE ASSETS MONEY TRUST	5.63	—	—	—
04/30/14	AAMT	MS ACTIVE ASSETS MONEY TRUST	11.81	—	—	—
05/30/14	AAMT	MS ACTIVE ASSETS MONEY TRUST	24.02	—	—	—
06/30/14	AAMT	MS ACTIVE ASSETS MONEY TRUST	0.68	—	—	—
07/31/14	AAMT	MS ACTIVE ASSETS MONEY TRUST	6.17	—	—	—
08/29/14	AAMT	MS ACTIVE ASSETS MONEY TRUST	0.58	—	—	—
09/30/14	AAMT	MS ACTIVE ASSETS MONEY TRUST	62.92	—	—	—
10/31/14	AAMT	MS ACTIVE ASSETS MONEY TRUST	0.95	—	—	—
03/05/14	713448BX5	PEPSICO INC 0750 15MH05 Maturity Date: 03/05/15 Coupon: 0.75%	—	—	9,318.75	—
09/05/14	713448BX5	PEPSICO INC 0750 15MH05 Maturity Date: 03/05/15 Coupon: 0.75%	—	—	9,318.75	—
04/25/12	713448BQ0	PEPSICO INC 0875 13OC25 Maturity Date: 10/25/13 Coupon: 0.87%	—	—	21,656.25	—
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 0300 14AP17 Maturity Date: 04/17/14 Coupon: 0.30%	—	—	3,884.73	—

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10/17/13	78009NMK9	RYL BK CANADA YCD 0300 14AP17 Maturity Date: 04/17/14 Coupon: 0.30%	—	—	\$3,629.17	—
01/17/14	78009NMK9	RYL BK CANADA YCD 0300 14AP17 Maturity Date: 04/17/14 Coupon: 0.30%	—	—	3,627.78	—
04/23/14	78009NMK9	RYL BK CANADA YCD 0300 14AP17 Maturity Date: 04/17/14 Coupon: 0.30%	—	—	3,430.55	—
03/20/13	85325BRY2	STD CHARTD BK YCD 0470 13MH19 Maturity Date: 03/19/13 Coupon: 0.47%	—	—	9,856.95	—
12/17/13	89233P4B9	TOYOTA MOTOR 3200 15JN17 Maturity Date: 06/17/15 Coupon: 3.20%	—	—	37,840.00	—
06/17/14	89233P4B9	TOYOTA MOTOR 3200 15JN17 Maturity Date: 06/17/15 Coupon: 3.20%	—	—	37,840.00	—
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	—
12/02/13	25468PCQ7	WALT DISNEY CO 0875 14DE01 Maturity Date: 12/01/14 Coupon: 0.87%	—	—	17,500.00	—
06/02/14	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	—
02/13/14	94974BFA3	WELLS FARGO & CO 1250 15FB13 Maturity Date: 02/13/15 Coupon: 1.25%	—	—	25,000.00	—
08/13/14	94974BFA3	WELLS FARGO & CO 1250 15FB13 Maturity Date: 02/13/15 Coupon: 1.25%	—	—	25,000.00	—
12/10/13	96121TRH3	WESTPAC BKG YCD 0380 13DE03 Maturity Date: 12/03/13 Coupon: 0.38%	—	—	19,263.89	—

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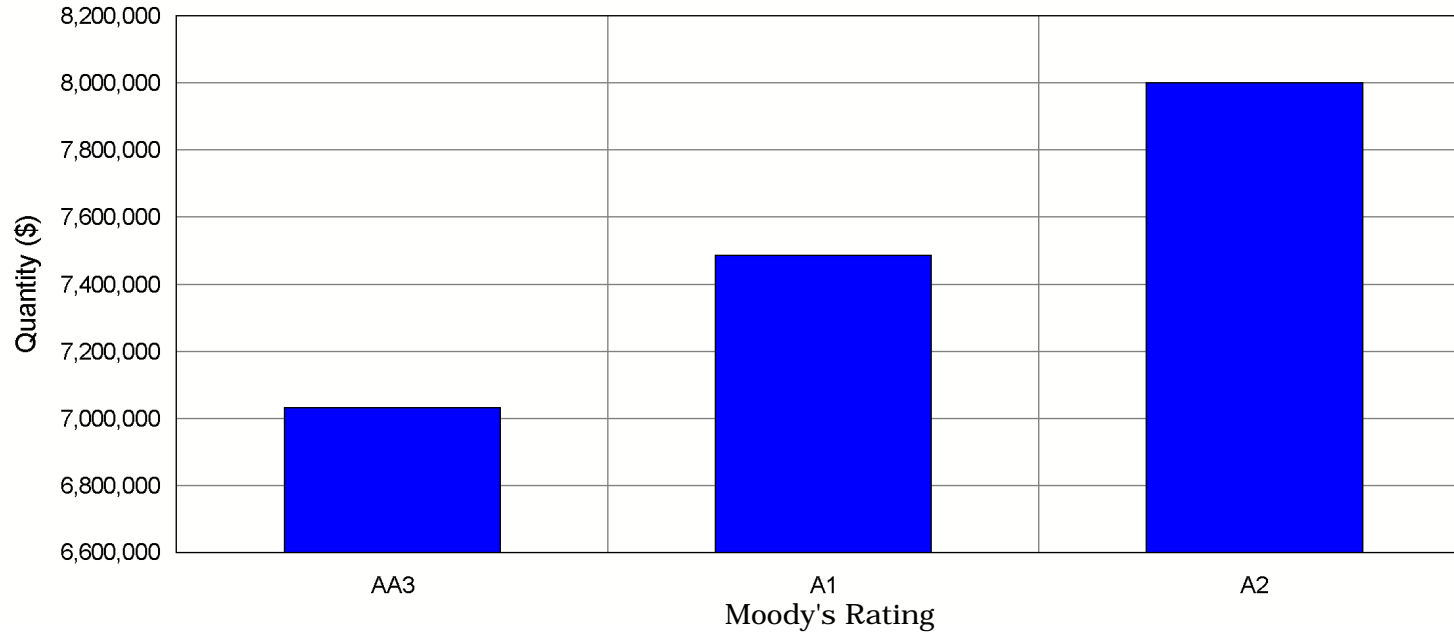
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Date	Symbol/ CUSIP	Description	Taxable Dividends	Tax Free Dividends	Taxable Interest	Tax Free Interest
01/22/13	96121TLK2	WESTPAC BKG YCD 0730 13JA22 Maturity Date: 01/22/13 Coupon: 0.73%	—	—	\$37,006.95	—
Total			\$573.76	—	\$3,396,466.28	—

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. © 2014 Morgan Stanley Smith Barney LLC. Member SIPC.



*This report includes External Holdings

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. © 2014 Morgan Stanley Smith Barney LLC. Member SIPC.

Bond Maturity Schedule - Detail *
As of 11/18/2014

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

Mature	Bond Description	CUSIP	Security	Total Par Value
30 Days				
12/01/14	WALT DISNEY COMPANY R/MD 0.88 12/01/2014	25468PCQ7	0000AJ6H0	\$4,000,000
12/18/14	CREDIT SUISSE NEW YORK YCD R/MD 0.51 12/18/2014	22549TQD3	0000B2KE3	5,000,000
Total 30 Days				\$9,000,000
30+ Days to 90 Days				
02/13/15	WELLS FARGO & COMPANY R/MD 1.25 02/13/2015	94974BFA3	0000CF08U	4,000,000
Total 30+ Days to 90 Days				\$4,000,000
90+ Days to 1 Year				
03/05/15	PEPSICO INC R/MD 0.75 03/05/2015	713448BX5	0000AM06X	2,485,000
03/13/15	COCA-COLA CO R/MD 0.75 03/13/2015	191216AX8	0000A2P6X	4,667,000
06/17/15	TOYOTA MOTOR CREDIT CORP R/MD 3.20 06/17/2015	89233P4B9	0000AJ5W6	2,365,000
Total 90+ Days to 1 Year				\$9,517,000
Total				\$22,517,000

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. © 2014 Morgan Stanley Smith Barney LLC. Member SIPC.

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

Acct. 178-116821-451

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											
COCA-COLA CO Coupon 0.75% Mature 03/13/15	191216AX8	4,667,000.000	\$100.08	\$4,670,651	\$100.17	\$4,674,841	\$4,189	0.1%	\$17,502	0.4	20.6%
CREDIT SUISSE NEW YORK YCD Coupon 0.51% Mature 12/18/14	22549TQD3	5,000,000.000	100.00	5,000,000	100.03	5,001,350	1,350	0.0	- ¹	-	22.0
PEPSICO INC Coupon 0.75% Mature 03/05/15	713448BX5	2,485,000.000	100.10	2,487,537	100.12	2,488,032	495	0.0	9,319	0.4	11.0
TOYOTA MOTOR CREDIT CORP Coupon 3.20% Mature 06/17/15	89233P4B9	2,365,000.000	101.59	2,402,689	101.64	2,403,668	979	0.0	75,680	3.1	10.6
WALT DISNEY COMPANY Coupon 0.88% Mature 12/01/14	25468PCQ7	4,000,000.000	100.02	4,000,687	100.02	4,000,760	73	0.0	17,500	0.4	17.6
WELLS FARGO & COMPANY Coupon 1.25% Mature 02/13/15	94974BFA3	4,000,000.000	100.16	4,006,207	100.20	4,008,120	1,913	0.0	25,000	0.6	17.6
ACCRUED INTEREST						\$71,273					
Fixed Income Totals				\$22,567,771		\$22,648,043	\$8,999	0.0%	\$145,001	0.6%	99.2%
Cash & Equivalents											
CASH		(4,410.920)	1.00	(4,411)	1.00	(4,411)	N/A	N/A	- ¹	-	(0.0)
MS ACTIVE ASSETS MONEY TRUST	AAMT	114,585.980	1.00	114,586	1.00	114,586	N/A	N/A	- ¹	-	0.5
Cash & Equivalents Totals				\$110,175		\$110,175	-	-	-	-	0.5%
Asset Total				\$22,677,946		\$22,758,218	\$8,999	0.0%	\$145,001	0.6%	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.

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.

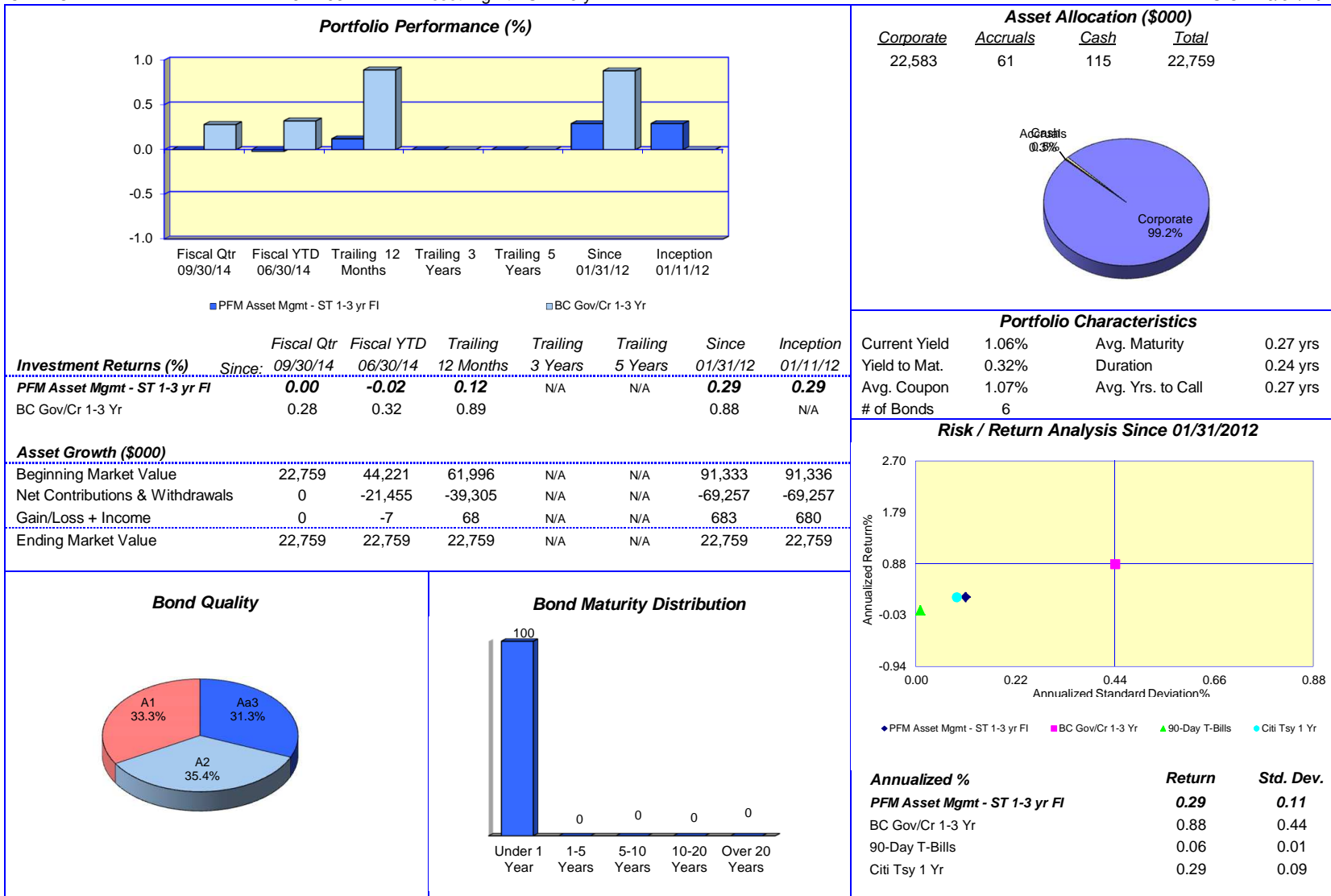
Estimated Annual Income (EAI) is calculated on a pre-tax basis and does not include any reduction for applicable non-US withholding taxes, if any. EAI for certain securities may include return of principal or capital gains which could overstate such estimates. For securities that have a defined maturity date within the next 12 months, EAI is reflected only through maturity date. Actual income or yield may be lower or higher than the estimates. Estimated yield reflects only the income generated by an investment, and does not reflect changes in its price. Accrued interest, annual income and yield for structured products with a contingent income feature (such as Range Accrual Notes or Contingent Income Notes) are estimates and assume specified accrual conditions are met during the relevant period and payment in full of all contingent interest. For Floating Rate Securities, the accrued interest, annual income and yield are estimates based on the current floating coupon rate and may not reflect historic rates within the accrual period.

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ACCOUNT - EXECUTIVE SUMMARY

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

AS OF 10/31/2014



Report Created: 11/12/2014

Please refer to the attached Disclosures for important information.

Morgan Stanley

Information Disclosures

Please notify your Financial Advisor if there have been any changes in your financial situation or investment objectives, or if you wish to impose any reasonable restrictions on the management of your Investment Advisory accounts, or to reasonably modify existing restrictions.

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: 11/12/2014

Morgan Stanley

Fiscal Year

Acct# 178-116821's fiscal year ends on 2015/06

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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Additional Information about your Floating Rate Notes

For floating rate securities, the estimated accrued interest and estimated annual income are based on the current floating coupon rate and may not reflect historic rates within the accrual period.

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/Cr 1-3 Yr: The Barclays 1-3 Year Government/Credit Bond Index contains bonds that are investment grade 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.

Citi Tsy 1 Yr: Total Returns for the current one-year Treasury that has been in existence for the entire month.

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.

Report Created: 11/12/2014

Morgan Stanley

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.

CalMHSA Board of Directors Investment Policy

Resolution No. 11-06

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

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

NOW THEREFORE, the Board of Directors hereby confirms that the Board of Directors Investment Policy is effective as of the date of this meeting, October 13, 2011.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

Board of Directors Investment Policy

I. Statement of Purpose

The purpose of this document is to clearly identify the objectives and guidelines for the investment and management of funds under the direction of the California Mental Health Services Authority (CalMHSA). This policy is intended to comply with the California Government Code Sections 53600-53610 and 53630-53686.

II. Scope

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

III. Delegation of Authority

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

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

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

IV. General Investment Principles

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

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

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

VI. Investment Time Horizon

The time period over which the investment objectives, as described in this statement, are expected to be met is 1-3 years.

VII. Permitted Investments

- A. U.S. Treasuries (bills, notes, and bonds) for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- B. U.S. Agency Obligations. Federal agency or U.S. government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully

guaranteed as to principal and interest by federal agencies or U.S. government-sponsored enterprises.

- C. California State and Local Agency Obligations. Obligations of the State of California or any local agency within the State, including bonds payable solely out of revenues from a revenue-producing property owned, controlled or operated by the State or any local agency or by a department, board, agency or authority of the State or any local agency.
- D. Other State Obligations. Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenue from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California.
- E. Medium-term Corporate Notes. Notes defined as all corporate and depository institutional debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operated within the United States or by depository institutions licensed by the United States or any state and operating within the U.S. Medium-term notes must be rated "A" or better (or its equivalent) by a nationally recognized statistical rating organization (NRSRO) and may not exceed 30 percent of the CalMHSAs investment portfolio.
- F. FDIC insured or fully collateralized time Certificates of Deposit in a state or national bank, savings association or federal association, federal or state credit union in the State of California.
- G. Negotiable Certificates of Deposit. Negotiable CDs issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit shall not exceed 30 percent of the CalMHSAs investment portfolio.
- H. State of California's Local Agency Investment Fund (LAIF)
- I. Bankers' Acceptances. Purchases of bankers' acceptances may not exceed 180 days maturity or 40 percent of the Cal MHSAs investment portfolio. No more than 30 percent of the CalMHSAs investment portfolio may be invested in the bankers' acceptances of any one commercial bank.

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

1. The entity meets the following criteria: a) Is organized and operating in the U.S. as a general corporation, b) Has total assets in excess of five hundred million dollars (\$500,000,000), c) Has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical rating organization (NRSRO).
2. The entity meets the following criteria: a) Is organized within the U.S. as a special purpose corporation, trust, or limited liability company, b) has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond, c) has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating organization (NRSRO).

Eligible commercial paper shall have a maximum maturity of 270 days or less. Purchases of eligible commercial paper may not represent more than 25 percent of the CalMHSAs investment portfolio, with no more than 10 percent of the outstanding commercial paper invested in any single issuer.

K. Repurchase Agreements. Investments in repurchase agreements may be made on an investment authorized in this investment policy statement, when the term of the agreement does not exceed one year. The market value of securities that underlie a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day. The counterparty will deliver the underlying securities to CalMHSAs by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank's customer book-entry account may be used for book-entry delivery.

L. Money Market Funds. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 801-1 et seq.). To be eligible for investment, companies shall have met either of the following criteria: 1) attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations (NRSROs), 2) have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years experience investing in money market mutual funds and with assets

under management in excess of five hundred million dollars (\$500,000,000). The purchase price of shares shall not exceed 20 percent of the CalMHSA investment portfolio.

VIII. Investment Guidelines and Constraints

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

IX. Reporting

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

X. Investment Policy Adoption and Review

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

Date Adopted: October 13, 2011

Date of Last Revision: N/A

Replaces Resolution No: N/A

Ayes: 28 Noes: 0 Abstains: 0 Absent: 13

<u>Maureen F. Baum</u>	<u>Secretary</u>	<u>10/13/11</u>
NAME	TITLE	DATE
Maureen F. BAUM		

STATEWIDE PEI PROGRAM PRESENTATION
Agenda Item 6.A.

SUBJECT: Each Mind Matters Program and Resource Catalogue Website

ACTION FOR CONSIDERATION:

None, information only.

BACKGROUND AND STATUS:

The Stigma and Discrimination Reduction Consortium and Each Mind Matters Community Outreach team have produced the Each Mind Matters Program and Resource Catalogue website. This website is designed to be the “hub” of deliverables produced through the CalMHSA initiatives.

This website organizes all programs and resources created including brief summaries, top downloadable materials and the website and contact information of each. The programs and resources are searchable by keyword, target audience, program type, and program area. If you are interested in accessing tools and resources to reduce stigma and discrimination, increase student mental health, and/or prevent suicide, you can find and print them from this website.

The Program and Resource Catalogue website is designed primarily for County Behavioral/Mental Health staff to search and easily find programs and resources created through CalMHSA. This website is accessible to other mental health professionals, community-based organizations, and the general public as well.

Program and Resource Catalogue Website Address: www.catalogue.eachmindmatters.org

For more information, contact Aubrey Lara at Aubrey.Lara@calmhsa.org or (916) 389-2622.

FISCAL IMPACT:

None.

RECOMMENDATION:

None, information only.

TYPE OF VOTE REQUIRED:

None, information only.

REFERENCE MATERIAL(S) ATTACHED:

- None.

MEMBERSHIP
Agenda Item 7.A.

SUBJECT: County Outreach – 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 provide general information and updates regarding county outreach.

FISCAL IMPACT:

None.

RECOMMENDATION:

None, information only.

TYPE OF VOTE REQUIRED:

None, information only.

REFERENCE MATERIAL(S) ATTACHED:

- Letters Of Recommendation Matrix

Letters of Acknowledgement

<input type="checkbox"/> Verbal Commitment <input type="checkbox"/> Letter of Acknowledgement	FY 14-15 Funding		Funding Received	FY 15-16 Funding		FY 16-17 Funding	
	\$	%	\$	\$	%	\$	%
County							
Alameda County	\$380,240.00	4%		\$342,215.00	3%	\$290,883.00	3%
*Alpine County							
*Amador County	\$8,000.00	4%	\$ 8,000.00				
Butte County	\$0.00	0%					
*Calaveras County	\$2,693.64	1%	\$ 2,694.00				
City of Berkeley							
Colusa County	\$11,413.72	7%	\$ 11,414.00				
Contra Costa County							
Del Norte County							
El Dorado County	\$0.00	0%					
Fresno County	\$455,864.00	7%	\$ 455,864.00				
Glenn County	\$8,800.00	5%	\$ 8,800.00				
Humboldt County							
Imperial County	\$48,916	4%					
Inyo County							
Kern County							
Kings County	\$48,915.50	5%	\$ 48,916.00				
Lake County	\$27,027.69	7%	\$ 27,028.00				
Lassen County							
Los Angeles County	\$0.00	0%					
Madera County							
Marin County	\$101,536.00	7%	\$ 101,536.00				
Mariposa County	\$11,413.72	7%	\$ 11,414.00				
Mendocino County	\$5,348.14	1%	\$ 5,348.00				
*Merced County	\$40,000.00	4%	\$ 40,000.00				
Modoc County	\$6,522.13	4%	\$ 6,522.00				
Mono County							
Monterey County	\$208,460.20	7%	\$ 208,460.00				
Napa County	\$7,898.29	1%					
Nevada County							
Orange County	\$900,000.00	4%		\$ 900,000.00	4%	\$ 900,000.00	4%
Placer County	\$162,000.00	6%	\$ 162,000.00				
*Plumas County							
Riverside County	\$494,695.00	4%	\$ 482,953.00	\$ 516,058.00	4%	\$ 526,379.00	4%
Sacramento County	\$460,302.00	5%	\$ 460,302.00				
San Benito County							
San Bernardino County	\$561,894.23	4%	\$ 561,894.00				
San Diego County	\$650,000.00	3%	\$ 650,000.00				
San Francisco City And County	\$100,000.00	2%	\$ 100,000.00	\$ 100,000.00	2%	\$ 100,000.00	2%
San Joaquin County	\$174,662.54	4%					
San Luis Obispo County	\$67,308.34	4%	\$ 67,308.00				
San Mateo County	\$85,139.00	2%		\$ 90,508.00	2%	\$ 95,965.00	2%
Santa Barbara County							
Santa Clara County	\$502,699.41	4%					
Santa Cruz County							
Shasta County	\$11,485.46	1%					
*Sierra County							
Siskiyou County	\$11,674.61	5%	\$ 11,674.00				
Solano County							
Sonoma County	\$57,355.58	2%					
Stanislaus County	\$232,931.00	7%	\$ 232,931.00				
Sutter/Yuba County	\$39,185.00	4%	\$ 39,185.00				
*Tehama County							
Tri-City Mental Health Center	\$13,324.70	1%	\$ 7,093.00	\$ 14,852.00	1%	\$ 15,181.00	1%
Trinity County	\$6,522.13	6%	\$ 6,522.13	TBA	6%	TBA	6%
Tulare County	\$31,443.17	1%	\$ 31,443.00	\$ 31,443.17	1%	\$ 31,443.17	1%
Tuolumne County	\$15,750.94	5%	\$ 15,751.00	\$ 16,715.00	5%	\$ 16,715.00	5%
Ventura County	\$55,000.00	1%	\$ 55,000.00				
Yolo County	\$70,000.00	5%	\$ 70,000.00				
TOTAL	\$6,076,422.09	4%	\$ 3,890,052.13	\$ 2,011,791.17	3%	\$ 1,976,566.17	3%

FINANCIAL MATTERS
Agenda Item 8.A.

SUBJECT: Report from the CalMHSA Finance Committee – Scott Gruendl, Chairperson

ACTION FOR CONSIDERATION:

None, information only.

BACKGROUND AND STATUS:

The Finance Committee members are:

Chair	Mr. Scott Gruendl, Glenn County
Bay Area	<i>Vacant</i>
Central	Mr. Tom Sherry, Sutter-Yuba Counties
Los Angeles	Dr. William Arroyo, Los Angeles County
Superior	<i>Vacant</i>
Southern	Ms. Tanya Bratton, San Bernardino County
Ex Officio	Ms. Maureen F. Bauman, CalMHSA President, Placer County

The Finance Committee met by teleconference on December 1, 2014. The following items were included on the agenda and the discussion is included in the attached draft committee minutes:

1. CalMHSA Treasurer's Report as of September 30, 2014 (*Agenda Item 3.2*)
2. CalMHSA Investment Update (*Agenda Item 4*)
3. Draft of Financial Audit, June 30, 2014 (*Agenda Item 5*)
4. Phase Two Sustainability Plan (*Agenda Item 6*)
5. Stigma and Discrimination Reduction (SDR) Conference (*Agenda Item 7*)
6. Short Doyle and Department of State Hospital Billing/Collection (*Agenda Item 8*)

See discussion in the Draft Finance Committee Minutes for more information on above items.

FISCAL IMPACT:

None.

RECOMMENDATION:

None, information only.

TYPE OF VOTE REQUIRED:

None, information only.

REFERENCE MATERIAL(S) ATTACHED:

- Draft December 1, 2014 Finance Committee Minutes



CalMHSA Finance Committee

TELECONFERENCE MINUTES FROM DECEMBER 1, 2014

Finance Committee Members

Present

- Maureen Bauman, CalMHSA President (Ex-Officio)
- Dr. William Arroyo, Los Angeles County
- Scott Gruendl, Treasurer, Glenn County

Absent

- Tom Sherry, Sutter/Yuba County
- Tanya Bratton, San Bernardino County

CalMHSA Staff

- John Chaquica, Executive Director
- Kim Santin, Finance Director
- Ann Collentine, Program Director
- Laura Li, JPA Administrative Manager
- Tami Cowgill, Executive Assistant
- Armando Bastida, Administrative Assistant
- Doug Alliston, Legal Counsel
- Stephanie Welch, Program Manager

Consultants/Presenters

- John T. Liddle, Morgan Stanley Smith Barney
- Michael Manduca, James Marta & Company
- James Marta, CPA, ARPM, James Marta & Company

Public

- Rusty Selix, Mental Health Association of California
- Melen Vue, National Alliance on Mental Illness (NAMI)
- Sharon Mendonca, Merced County

1. **Call to Order**

The CalMHSA Finance Committee teleconference was called to order at 3:05 p.m. on December 1, 2014 by Treasurer, Scott Gruendl, Glenn County. All participants were asked to introduce themselves, followed by instructions for the teleconference process.

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

JPA Administrative Manager, Laura Li called roll and a quorum was not established, with two absentee members. Scott Gruendl, Treasurer, reviewed the public comment instructions and noted items not on the agenda would be reserved for public comment at the end of the agenda.

3. **Consent Calendar**

Committee Chair Gruendl asked for any changes to the July 29, 2014 minutes, and Treasurer's Reports as of September 30, 2014. There were none.

Action: Approval of the consent calendar.

No action was taken due to the lack of a quorum, however support was received by members present.

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

None

4. **CalMHSA Investment Update**

John Liddle provided an overview of the current market place and individual holding. Most recently the treasury has had a six day rally due to the price of oil, German manufacturing has slowed down, and Moody's Corp. has downgraded from A1 to Aa3 causing interest rates to go down. The 10 year treasury has interest rates dropped from 2.21% to 2.15%. The current yield is 0.64% which is in good standing. CalMHSA received a inquiry regarding investments in a sugary beverage companies. After discussion amongst members and input from Mr. Liddle, it was determined the concern is a public health policy and not an investment policy issue. Given the input, the committee decided against including a social responsibility clause in the investment policy at this time.

Action: None, Information only.

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

None

5. **Review of Draft Financial Audit June 30, 2014**

James Marta presented a summary power point and explained the procedures of auditing and summarized there were no material weaknesses identified, no instances of noncompliance or other matter and audit conducted as planned without material modifications, and an unqualified (clean) opinion was issued.

Action: Finance Committee to discuss and/or recommend to the Board of Directors filing of the draft Financial Audit.

No action was taken due to the lack of a quorum, however support was received by those members present.

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

None

6. **Draft Phase Two Sustainability Plan**

Ann Collentine, Program Director, gave an overview of the draft Phase Two Sustainability Plan and the funding allocations recommended. Dr. Arroyo gave a recommendation to combine Diverse Communities with all the strategies in order for it to be more feasible.

Public Comment:

Rusty Selix expressed his concern for no funding for the Wellness Area – Workplace. His current contract with CalMHSA is specifically for Workplace and they are not where they need to be in order to be sustainable. Requested the committee reconsider.

The Committee agreed to share Mr. Selix's letter related to this concern with the Sustainability Taskforce, for reconsideration. The final recommendation will be presented to the CalMHSA Board on December 11, 2014.

1. Adopt Sustainability Taskforce Recommendations for County PEI Funded Activities in Phase II FY 2015–2017

2. Adopt the allocation of funds as follows: 80% for Programs, 15 % for administration, 5% for Evaluation.

No action was taken due to the lack of a quorum, however support was received by members present.

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

Rusty Selix

7. **Stigma and Discrimination Reduction (SDR) Conference (Verbal)**

John Chaquica, Executive Director, provided the committee a status update on the conference, indicating a need for additional funding. Given the slow registration process and sponsorships, it has caused some cash flow issues, leading to the request up to \$200,000 on top of the \$150,000. Mr. Chaquica indicated there was no guarantee the funds would be recouped, as it is dependent on revenue. Members could not support at this time, however requested staff provide more information and look to CIBHS to provide part of that additional funding. An updated request will be presented to the Board after a thorough review of conference expenses.

Action: None, Information only.

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

None

8. **Short Doyle and Department of State Hospital Billing/Collection**

Kim Santin, Finance Director, added this item just as a reference to the committee on dollar amounts collected from both projects.

Action: Action: None, Information only.

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

None

9. **General Public Comment**

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

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

None

10. **Closing Comments**

Committee Chair Gruendl asked for any closing comments.

11. **Adjournment**

Hearing no further comments, the meeting was adjourned at 4:15 p.m.

FINANCIAL MATTERS
Agenda Item 8.B.

SUBJECT: Financial Audit June 30, 2014 and 2013 - Kim Santin

ACTION FOR CONSIDERATION:

None, information only.

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, 2014.

On December 1, 2014, 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, 2014 and 2013.

FISCAL IMPACT:

None.

RECOMMENDATION:

None, information only.

TYPE OF VOTE REQUIRED:

None, information only.

REFERENCE MATERIAL(S) ATTACHED:

- Financial Audit of Fiscal Year ending June 30, 2014 and 2013



James Marta & Company, LLP
Certified Public Accountants
Accounting, Auditing, Consulting, and Tax

California Mental Health Services Authority June 30, 2014 Audit

Presented by
James Marta, CPA, ARPM
Michael Manduca

Audit

- The audit process is a process of accountability to the Board, Members and the Public
- Page 1-2; our draft opinion is unmodified

Management Discussion and Analysis

- Pages 3-13
- It addresses the financial highlights, important trends and the issues CalMHSA is facing.
- This is an excellent resource for you to assess how CalMHSA is doing.

Financial Results

- Revenues increased \$709k (94%): *Feasibility study funding of \$300k; new PEI statewide income of \$210k*
- Investment income of \$305K down by 39% as the funds are being used decreasing investment balances.
- CalMHSA is moving through Phase II, PEI spending increased from \$35.4mil to \$56.5mil as contracts are being run out.
- Total Project Expenses increased from \$38.2mil to \$60.5mil
- Total General and Admin expenses decreased 5%
- Total assets decreased \$51mil (53%) as the program expenses are incurred
- Total Fund Balance/Net Position decreased \$59.9mil to \$30.7M

Condensed Statement of Net Position

	2014	2013	2012	Change Over Prior Year
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 875,222	\$ 14,250,192	\$ 39,436,531	-94%
Investments - current portion	43,931,766	53,969,429	29,399,596	-19%
Contractor prepayments		368,996	3,369,932	-100%
Accounts receivable	979,768	580,592	815,493	69%
Total Current Assets	45,786,756	69,169,209	73,021,552	-34%
Investments - Noncurrent		27,449,689	61,299,798	-100%
Total Assets	45,786,756	96,618,898	134,321,350	-53%
LIABILITIES				
Current Liabilities				
Accounts payable	14,992,620	6,041,242	5,445,801	148%
Deferred revenue	39,185			100%
WET Program Funding			155,220	
Total Current Liabilities	15,031,805	6,041,242	5,601,021	149%
RESTRICTED NET POSITION	\$ 30,754,951	\$ 90,577,656	\$128,720,329	-66%

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5

Condensed Statement of Revenues, Expenses and Changes in Net Position

	2014	2013	2012	Change Over Prior Year
Operating revenues	\$ 1,462,874	\$ 754,021	\$ 41,034,000	94%
Operating expenses:				
Program expenses	60,500,806	38,241,533	16,422,882	58%
Indirect expenses	1,089,271	1,150,716	888,756	-5%
Total operating expenses	61,590,077	39,392,249	17,311,638	56%
Operating income/(loss)	(60,127,203)	(38,638,228)	23,722,362	56%
Nonoperating income	304,498	495,555	389,946	-39%
Increase/(decrease) in net assets	(59,822,705)	(38,142,673)	24,112,308	
Net position, beginning of year	90,577,656	128,720,329	104,608,021	-30%
Net position, end of year	\$ 30,754,951	\$ 90,577,656	\$128,720,329	-66%

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6

PEI Plan updates

- The initial Phases of the PEI funding are winding down with a no-cost extension to complete the run out of the initial PEI Programs moving forward.
- In 2014, the Board approved Phase I Funding Plan to sustain existing projects through June 30, 2014
- Also in 2014, the Board approved Phase II Funding Plan for continuing work related to PEI projects.
- Funding will come from current county members committing 1-7%

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7

Sustainability Strategic Funding Goals

Sustainability Funding Category	Strategic Funding Goals			
	FY 14/15	FY 15/16	FY 16/17	Total
Contingency	-	-	-	-
PEI - Unobligated Carry over	5,766,603	-	-	5,766,603
PEI - Interest Earnings	1,032,103	1,032,103	1,032,103	3,096,310
Matching	100,000	1,000,000	1,500,000	2,600,000
Private/Other	100,000	1,000,000	1,500,000	2,600,000
State (1)	7,600,000	10,000,000	15,000,000	30,000,000
Local - County Sustainability Contributions (2)	7,600,000	10,000,000	15,000,000	32,600,000
Total Revenue	22,198,706	23,032,103	34,032,103	76,662,913
Expenditures				
Program	18,413,476	18,700,000	28,050,000	65,163,476
Evaluation	1,083,146	1,100,000	1,650,000	3,833,146
General and Administrative	2,166,291	2,200,000	3,300,000	7,666,291
Total Expenditures	21,662,913	22,000,000	33,000,000	76,662,913
Total Unexpended Funds	535,793	-	-	-

Note: Carry over funds and interest of \$8,862,758, were allocated to FY 14/15 only. Contingency Reserve of \$2,940,152 still maintained and not budgeted for expenditure.

- (1) Funding objective is to establish a state matching process of local – county sustainability contributions.
- (2) Funding goal is to have all counties contribute 7%. The 2016-2017 budget represents approximately 6%.
- (3) The allocation of interest income may change based on necessity.

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8

Short Doyle Modernization Project Feasibility Study

- Goal
 - Decreasing denied Medi-Cal claims
 - Improving timeliness and accuracy of Medi-Cal billing
- Counties shared the estimated \$300,000 cost for the feasibility study.
- Based on responses from counties intended to participate.

Letters

Along with the audit report, there are two corresponding letters:

- SAS 115 Report- Report on Internal Control over Financial Reporting and on Compliance
 - No Material weaknesses identified
 - No instances of noncompliance or other matters
- Communication to those Charged with Governance
 - Audit conducted as planned without material modifications.

Conclusion

- CalMHSA is still working through contracts with the original CDMH funding.
- CalMHSA is looking into ways to work with the members to create a sustained program helping in the mental health community

We would like to thank the George Hills staff for their hard work to complete this audit and their attention to detail in maintaining the accounts and records.

Questions?

James Marta CPA, ARPM
916-993-9494
jmarta@jpmcpa.com

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

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2014 AND 2013**



California Mental Health Services Authority

Board of Directors

JUNE 30, 2014

Executive Committee

Maureen F. Bauman, LCSW	President	Placer County
Scott Gruendl, MPA	Vice President	Glenn County
CaSonya Thomas, MPA, CHC	Secretary	San Bernardino County
Wayne Clark, PhD	Treasurer	Monterey County
Michael Kennedy, MFT	Bay Area Region	Sonoma County
Jo Robinson	Bay Area Region	San Francisco County
Vic Singh	Central Region	San Joaquin County
Rita Austin, LCSW	Central Region	Tuolumne County
Marvin Southard, PhD	Los Angeles Region	Los Angeles County
William Arroyo, MD	Los Angeles Region	Los Angeles County
Mary Hale	Southern Region	Orange County
Alfredo Aguirre, LCSW	Southern Region	San Diego County
Karen Stockton, PhD, MSW	Superior Region	Modoc County
Donnell Ewert, MPH	Superior Region	Shasta County
Jerry Wengerd, LCSW	At-Large Member	Riverside County

Board Members

Manuel Jimenez	Alameda County	Robin Roberts, MFT	Mono County
Steven Grolnic-McClurg, LCSW	City of Berkeley	William J Carter	Napa County
Dorian Kittrell	Butte County	Michael Heggarty, MFT	Nevada County
Terence M. Rooney, PhD	Colusa County	Uma Zykofsky, LCSW	Sacramento County
Cynthia Belon, LCSW	Contra Costa County	Allan Yamamoto, LCSW	San Benito County
Barbara Pierson	Del Norte County	Anne Robin, LMFT	San Luis Obispo
Don Ashton	El Dorado County	Stephen Kaplan	San Mateo County
Dawan Utecht	Fresno County	Dr. Takashi Wada, MD, MPH	Santa Barbara County
Barbara LaHaie	Humboldt County	Nancy Pena, PhD	Santa Clara County
Michael W. Horn, MFT	Imperial County	Erik Riera, Med, CAS, MBA	Santa Cruz County
Gail Zweir, PhD	Inyo County	Terry Barber	Siskiyou County
Bill Walker	Kern County	Halsey Simmons, MFT	Solano County
Mary Anne Ford Sherman, MA	Kings County	Madelyn Schlaepfer, PhD	Stanislaus County
Linda Morris	Lake County	Tony Hobson	Sutter-Yuba County
Pamela Grosso	Lassen County	Jesse H. Duff	Tri-City Mental Health Center
Dennis P. Koch, MPA	Madera County	Noel J. O'Neill, MFT	Trinity County
Suzanne Tavano, PHN, PhD	Marin County	Timothy Durick, PsyD	Tulare County
Ann Conrad	Mariposa County	Meloney Roy, LCSW	Ventura County
Stacey Cryer	Mendocino County	Karen Larsen	Yolo County

California Mental Health Services Authority

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Governmental Fund Balance Sheets – Statements of Net Position	13
Statements of Governmental Fund Revenues, Expenditures and Changes in Fund Balances/Net Position – Statements of Activities	14
Notes to the Basic Financial Statements	15
Required Supplementary Information	
Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP) and Actual General Fund – June 30, 2014	22
Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP) and Actual General Fund – June 30, 2013	23
Other Auditor's Report	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	24

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, 2014 and 2013, and the related notes to the financial statements, which collectively comprise CalMHSA's basic financial statements as listed in the table of contents.

Managements Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of California Mental Health Services Authority as of June 30, 2014 and 2013, and the respective changes in financial position for the fiscal years then ended in conformity with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and State regulations governing special districts.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and Statements of Revenues, Expenditures and Change in Fund Balance – Budget (Non-GAAP) 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 **DATE** on our consideration of California Mental Health Services Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

DRAFT

James Marta & Company
Certified Public Accountants
Sacramento, California

DATE

MANAGEMENT'S DISCUSSION AND ANALYSIS

DRAFT

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2014 AND 2013

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, 2014 and 2013. 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 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/behavioral health projects and educational programs at the state, regional and local levels. California county members can act alone or in collaboration, to participate in the statewide PEI projects, contract and/or negotiate with State or other providers for mental hospital beds, contract and/or negotiate with the State or federal government for administration of mental health services, operate program risk pools, technical assistance and capacity building program, workforce education training program, and other projects as deemed appropriate. As of June 30, 2014, 52 members (50 counties, one city and one JPA) work together to develop, fund and implement PEI programs, on a statewide or regional basis that conform with the “Guidelines for PEI Statewide Programs” issued by the MHSOAC. Total funding available for the CalMHSA members was \$147 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.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014 AND 2013

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;
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.

Guiding Principles for Budget Development

The operations of CalMHSA included in these Financial Statements are:

- Technical Assistance/Capacity Building - \$668,600
- 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.

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, 2014 AND 2013

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. CalMHSA is required to expend these funds on services by June 30, 2014.

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.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014 AND 2013

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

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 eleven 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 ten 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).

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014 AND 2013

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.

- 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 Reserve ¹	7.5% Evaluation ²	7.5% Admin ²	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>\$120,362,736</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%
San Benito County funds October 29, 2013	\$6,648	\$184,814	\$4,432	\$16,620	\$9,086	\$221,600
December 31, 2013 Total	\$4,476,290	\$122,547,550	\$2,940,152	\$11,025,570	\$6,018,036	\$147,007,598
December 31, 2013 Percentage	3.0%	83.4%	2.0%	7.5%	4.1%	100%

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014 AND 2013

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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.
 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.
 9. San Benito County contributed PEI funds to CalMHSA on October 29, 2013 - \$221,600.

Statewide PEI Program Initial Contract Closeout

The three initial Statewide PEI projects were implemented in June 2011 with an end date of June 2014 with 25 contracts issued to roll out Student Mental Health, Stigma and Discrimination Reduction and Suicide Prevention projects. As such, a comprehensive process was put in place six months prior to end of the contract term, to close out contracts in the most efficient and effective manner.

Effective January 2014 a 10%-15% holdback requirement was put in place intended for contractor invoices received between January 2014 and June 2014. Holding back a percentage from each invoice allows CalMHSA to comply with its fiduciary responsibility to the State, Board, Stakeholders and Communities, to ensure expenditures are in accordance with scopes of work identified in their contracts. In addition to holdbacks, spending patterns were monitored to include verification of high expenses by contractor and approval from contract managers. Upon receiving a final invoice a fiscal reconciliation (from inception) was executed to ensure contract funding amounts were not exceeded. The final fiscal reconciliation report was shared with each contractor to obtain their approval of final outcomes prior to issuing final payments.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2014 AND 2013

In addition to the fiscal reconciliation the Executive Director, Finance Director, Contract Managers, and JPA Administrative Manager signed off confirming contractor’s compliance of all requirements under their agreements, to include scope of work, general terms and budget terms and conditions.

Budget Highlights

Since the development of the initial budget, membership has exceeded management’s expectations and is currently at 52 members. As of October 2013, member counties have directed \$147 million (\$160 million is statewide total) to CalMHSA. This majority of this revenue was recognized during the fiscal years ended June 30, 2011 and 2012, when counties became official members of CalMHSA and the California Department of Mental Health received the funding request. Expenditures are recorded when they are incurred.

Financial Highlights for the Fiscal Year Ended June 30, 2014

Revenues	\$1.8 million	Operating revenues increased \$708,853 or 94% over the prior year. The rise in revenues was due to increases in funding levels for several existing programs along with funding for a new project in 2014.
Expenses	\$61.6 million	Expenses increased \$22.1 million or 56% over the prior year primarily as a result of payments to contractors for final execution of deliverables.
Assets	\$45.8 million	Assets decreased \$50.8 million over the prior year due to payments to contractors.
Liabilities	\$15.0 million	Liabilities increased \$9.0 million over the prior year due to increased amounts due to contractors at year-end.

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 **Statements 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 **Statements of Revenues, Expenses and Changes in Net Position – Statements of Activities** is CalMHSA’s income statement. Revenues earned and expenses incurred during the year are classified as

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014 AND 2013

either “operating” or “nonoperating”. All revenues and expenses are recognized as soon as the underlying event occurs, regardless of timing of the related cash flows.

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

Analysis of Overall Financial Position and Results of Operations

The following sections provide additional details on CalMHSA’s financial position and activities for fiscal years 2014 and 2013, and a look ahead at economic conditions that may affect CalMHSA in the future.

I. Statements of Net Position

	2014	2013	2012	Change Over Prior Year
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 875,222	\$ 14,250,192	\$ 39,436,531	-94%
Investments - current portion	43,931,766	53,969,429	29,399,596	-19%
Contractor prepayments		368,996	3,369,932	-100%
Accounts receivable	979,768	580,592	815,493	69%
Total Current Assets	45,786,756	69,169,209	73,021,552	-34%
Investments - Noncurrent		27,449,689	61,299,798	-100%
Total Assets	45,786,756	96,618,898	134,321,350	-53%
LIABILITIES				
Current Liabilities				
Accounts payable	14,992,620	6,041,242	5,445,801	148%
Deferred revenue	39,185			100%
WET Program Funding			155,220	
Total Current Liabilities	15,031,805	6,041,242	5,601,021	149%
RESTRICTED NET POSITION	\$ 30,754,951	\$ 90,577,656	\$ 128,720,329	-66%

The above net position is restricted and represents amounts that can be spent only for specific purposes.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014 AND 2013

Assets

Total assets decreased by \$50.8 million from \$96.6 million at June 30, 2013 to \$45.8 million at June 30, 2014. The assets were expected to decrease as programs were implemented.

Cash and cash equivalents was \$875,222 as of June 30, 2014 compared to \$14.2 million as of June 30, 2013. The \$13.4 million decrease is a result of the payments to contractors for final execution of deliverables and production of products.

Total accounts receivable were \$979,768 as of June 30, 2014 compared to \$580,592 as of June 30, 2013. The increase is mainly attributable to the new Short Doyle Modernization Project Feasibility Study (SD3), State Hospital Beds (SHB) and Technical Assistance/Capacity Building (TTACB) funding revenue that was billed prior to year end, but funds were not received until after the fiscal year end. These increases were offset by a decrease in the amount of interest receivable. Interest receivable of \$179,907 and \$417,927 are included in the receivable amounts above, respectively.

II. Condensed Statements of Revenues, Expenses and Changes in Net Position – Statements of Activities

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014 AND 2013

	2014	2013	2012	Change Over Prior Year
Operating revenues	\$ 1,462,874	\$ 754,021	\$ 41,034,000	94%
Operating expenses:				
Program expenses	60,500,806	38,241,533	16,422,882	58%
Indirect expenses	1,089,271	1,150,716	888,756	-5%
Total operating expenses	61,590,077	39,392,249	17,311,638	56%
Operating income/(loss)	(60,127,203)	(38,638,228)	23,722,362	56%
Nonoperating income	304,498	495,555	389,946	-39%
Increase/(decrease) in net assets	(59,822,705)	(38,142,673)	24,112,308	
Net position, beginning of year	90,577,656	128,720,329	104,608,021	-30%
Net position, end of year	\$ 30,754,951	\$ 90,577,656	\$ 128,720,329	-66%

Revenues (Operating and Nonoperating)

Operating revenue was \$1.5 million in fiscal year 2014 mainly comprised of current year funding for TTACB of \$668,600; SD3 of \$299,167; SHB of \$272,257 and the PEI Statewide Program of \$210,520. Operating revenue is increased \$708,853 or 94% over fiscal year 2013 due to increases in funding for TTACB, SHB and the PEI Statewide Program and because the SD3 program was new this year.

For the fiscal year ended, June 30, 2014, total revenue (operating and nonoperating) increased by \$517,846. At June 30, 2014, 52 counties were members of CalMHSA. One of the counties joined CalMHSA during the fiscal year ended, June 30, 2014.

Expenses

Operating expenses were \$61.6 million in fiscal year 2014. This was a \$22.1 million or 56% increase compared to 2013. During the fiscal year 2012, CalMHSA entered into 28 contracts with 28 program partners. Expenditures on these contracts for fiscal year 2013 were \$36.1 million with a focus on development and dissemination of information. Expenditures for these contracts for fiscal year 2014 were \$58.5 million and focused on final execution of deliverables and production of products.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2014 AND 2013

Economic Outlook

The administration of community and statewide mental health programs in California has undergone significant change. The California Governor’s 2012-2013 Budget eliminated the California Department of Mental Health (DMH). The shift in the state’s role, with emphasis on local effort in mental health presents additional challenges and opportunities for California counties, CalMHSA and California Behavioral Health Directors Association (CBHDA), for statewide administration of programs. CalMHSA is currently positioned to administer additional Statewide Prevention and Early Intervention (PEI) projects and Statewide/Regional Workforce, Education and Training (WET) projects, and State Hospital Beds Projects. These opportunities would extend beyond the existing contract with DMH, which has been given a no-cost extension to complete run out of the PEI Programs. In April 2014, the CalMHSA Board approved a Phase I Funding Plan to sustain the existing Statewide PEI projects through June 30, 2014. Additionally, in August 2014, the CalMHSA Board approved a Phase II Funding Plan for purpose of continuing work related to PEI projects. Funding for both plans will derive from current county members committing 1% to 7% funding from their local PEI funds for the next three fiscal years, in addition to CalMHSA seeking other funding to include state and federal resources.

**California Mental Health Services Authority
Sustainability Strategic Funding Goals**

Sustainability Funding Category	Strategic Funding Goals			
	FY 14/15	FY 15/16	FY 16/17	Total
Contingency	-			-
PEI - Unobligated Carry over	5,766,603			5,766,603
PEI - Interest Earnings	1,032,103	1,032,103	1,032,103	3,096,310
Matching	100,000	1,000,000	1,500,000	2,600,000
Private/Other	100,000	1,000,000	1,500,000	2,600,000
State (1)	7,600,000	10,000,000	15,000,000	30,000,000
Local - County Sustainability Contributions (2)	7,600,000	10,000,000	15,000,000	32,600,000
Total Revenue	22,198,706	23,032,103	34,032,103	76,662,913
Expenditures				
Program	18,413,476	18,700,000	28,050,000	65,163,476
Evaluation	1,083,146	1,100,000	1,650,000	3,833,146
General and Administrative	2,166,291	2,200,000	3,300,000	7,666,291
Total Expenditures	21,662,913	22,000,000	33,000,000	76,662,913
Total Unexpended Funds	535,793	-	-	-

Note: Carry over funds and interest of \$8,862,758, were allocated to FY 14/15 only. Contingency Reserve of \$2,940.152 still maintained and not budgeted for expenditure.

(1) Funding objective is to establish a state matching process of local – county sustainability contributions.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014 AND 2013

-
- (2) Funding goal is to have all counties contribute 7%. The 2016-2017 budget represents approximately 6%.
 - (3) The allocation of interest income may change based on necessity.

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BASIC FINANCIAL STATEMENTS

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CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

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

JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 875,222	\$ 14,250,192
Investments- Current Portion	43,931,766	53,969,429
Contractor prepayments	-	368,996
Receivables	979,768	580,592
Total Current Assets	<u>45,786,756</u>	<u>69,169,209</u>
Non Current Assets		
Investments	-	27,449,689
Total Assets	<u>\$ 45,786,756</u>	<u>\$ 96,618,898</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 14,992,620	\$ 6,041,242
Unearned PEI Program funding	39,185	-
Total Current Liabilities	<u>15,031,805</u>	<u>6,041,242</u>
FUND BALANCE / NET POSITION		
Net Postion:		
Restricted		
Tech asst/capacity building	239,597	60,017
Operations	884,807	680,168
PEI funding	29,016,637	89,688,921
WET Program Funding	148,470	148,470
Feasibility Funding	271,130	-
SHB Program Funding	194,310	80
Total Restricted	<u>30,754,951</u>	<u>90,577,656</u>
Total Liabilities and Fund Balance/Net Position	<u>\$ 45,786,756</u>	<u>\$ 96,618,898</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, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
REVENUES:		
Technical Assistance/Capacity Building	\$ 668,600	\$ 504,711
PEI Statewide Programs - Planning	11,080	-
PEI Statewide - Program Implementation	210,520	-
WET Program Funding	-	155,220
SHB Funding	272,257	94,090
Feasibility Study Funding	299,167	-
Fees	1,250	-
Investment Income	304,498	495,505
Total Revenue	<u>1,767,372</u>	<u>1,249,526</u>
EXPENDITURES/EXPENSES:		
Program Expenses		
Technical Assistance/Capacity Building	467,735	432,523
WET Program Funding	-	6,750
SHB Program Funding	78,027	94,010
Feasibility Study Funding	28,037	-
PEI Statewide Programs	56,504,288	35,391,976
Evaluation Expense	3,049,693	1,908,627
Planning Expense	373,026	407,597
Total Project Expense	<u>60,500,806</u>	<u>38,241,483</u>
General and Administration	<u>1,089,271</u>	<u>1,150,716</u>
Total Expenditures/Expenses	<u>61,590,077</u>	<u>39,392,199</u>
Change in Fund Balance/Net Position	(59,822,705)	(38,142,673)
FUND BALANCE/NET POSITION		
Beginning of year	<u>90,577,656</u>	<u>128,720,329</u>
End of year	<u>\$ 30,754,951</u>	<u>\$ 90,577,656</u>

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

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, 2014 and 2013, 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, 2014 AND 2013

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, 2014 AND 2013

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, 2014 AND 2013

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 \$39,185 in fiscal year 2014 for the PEI Sustainability Program to be spent in the 2015 fiscal year. It is classified as unearned revenue in 2014 and will be recognized in 2015.

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, 2014 AND 2013

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.

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, 2014 and 2013 consisted of the following:

	2014	2013
Cash in banks	\$ 344,039	\$ 216,032
Money Market Account	110,839	-
LAIF	420,344	14,017,420
Money Market Trust	-	16,740
	<u>\$ 875,222</u>	<u>\$ 14,250,192</u>

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

Cash in Bank

As of June 30, 2014 and 2013, CalMHSA's balances per the bank of \$344,039 and \$216,032 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, 2014, CalMHSA's had cash in a money fund managed by Morgan Stanley Smith Barney LLC.

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 maturity of 232 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.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

2. CASH AND INVESTMENTS (Continued)

B. Investments

Investments are reported 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.

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.

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	\$ 8,444,198	\$ 8,444,198	\$ -
Corporate Notes	35,487,568	35,487,568	-
Total	\$ 43,931,766	\$ 43,931,766	\$ -

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.

<u>Investment Type</u>	<u>Total</u>	<u>AA+</u>	<u>AA</u>	<u>AA-</u>
Federal Agencies	\$ 8,444,198	\$ 2,845,859	\$ 4,683,428	\$ 2,429,967
Corporate Notes	35,487,568	2,801,961	-	-
Total	\$43,931,766	\$ 5,647,820	\$ 4,683,428	\$ 2,429,967

<u>Investment Type</u>	<u>A+</u>	<u>A</u>	<u>A-</u>
Federal Agencies	\$ 4,023,360	\$ 4,011,200	\$ 2,492,544
Corporate Notes	-	-	-
Total	\$ 4,023,360	\$ 4,011,200	\$ 2,492,544

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

B. Investments (continued)

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:

<u>Investment</u>	<u>Investment Type</u>	<u>Fair Value</u>	<u>% of Portfolio</u>
Fed Home LN MTG Corp	Federal Agencies	\$ 5,642,238	13%
Credit Suisse New York YCD	Corporate Bonds	\$ 5,004,250	11%
JPMorgan Securities LLC C/P	Corporate Bonds	\$ 4,998,500	11%
BNP Paribas Finance Inc C/P	Corporate Bonds	\$ 4,998,450	11%
Coca-Cola Co	Corporate Bonds	\$ 4,683,428	11%
Wells Fargo & Company	Corporate Bonds	\$ 4,023,360	9%
Walt Disney Company	Corporate Bonds	\$ 4,011,200	9%
General Electric Capital Corp	Corporate Bonds	\$ 2,845,859	6%
Fed Natl MTG Assn	Federal Agencies	\$ 2,801,960	6%
Pepsico Inc	Corporate Bonds	\$ 2,492,554	6%
Toyota Motor Credit Corp	Corporate Bonds	\$ 2,429,967	6%

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. RECEIVABLES

The receivables balance represents funding revenue for programs that was billed prior to year end, but funds were not received until after year end.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 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 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 2014 financial statements for subsequent events through **DATE**, 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.

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REQUIRED SUPPLEMENTARY INFORMATION

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CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

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

FOR THE YEAR ENDED JUNE 30, 2014

	Original and Final Budget	Actual	Budget Variance Favorable (Unfavorable)
REVENUES:			
Technical Assistance/Capacity Building	\$ 473,000	\$ 668,600	\$ 195,600
PEI Statewide Programs - Planning	3,750	11,080	7,330
PEI Statewide - Program Implementation	71,250	210,520	139,270
SHB Funding	-	272,257	272,257
Feasibility Study Funding	-	299,167	299,167
Fees	-	1,250	1,250
Investment Income	642,000	304,498	(337,502)
Total Revenue	<u>1,190,000</u>	<u>1,767,372</u>	<u>577,372</u>
EXPENDITURES/EXPENSES:			
Program Expenses			
Technical Assistance/Capacity Building	515,036	467,735	47,301
WET Program Funding	147,720	-	147,720
SHB Program Funding	-	78,027	(78,027)
Feasibility Study Funding	-	28,037	(28,037)
PEI Statewide Programs	50,062,065	56,504,288	(6,442,223)
Evaluation Expense	4,456,413	3,049,693	1,406,720
Planning Expense	800,000	373,026	426,974
Total Project Expense	<u>55,981,234</u>	<u>60,500,806</u>	<u>(4,519,572)</u>
General and Administration	2,007,500	1,089,271	918,229
Total Expenditures/Expenses	<u>57,988,734</u>	<u>61,590,077</u>	<u>(3,601,343)</u>
Change in Fund Balance/Net Position	(56,798,734)	(59,822,705)	4,178,715
FUND BALANCE/NET POSITION			
Beginning of year	<u>90,577,656</u>	<u>90,577,656</u>	<u>-</u>
End of year	<u>\$ 33,778,922</u>	<u>\$ 30,754,951</u>	<u>\$ 4,178,715</u>

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

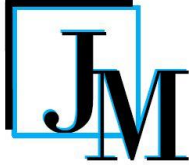
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND**

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
Feasibility Study Funding	-	-	-
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)
Feasibility Study Funding	-	-	-
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 Expenditures/Expenses	<u>67,299,342</u>	<u>39,392,199</u>	<u>27,907,143</u>
Change in Fund Balance/Net Position	(65,475,942)	(38,142,673)	(28,481,017)
FUND BALANCE/NET POSITION			
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>

OTHER AUDITOR'S REPORT

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James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund, and the aggregate remaining information of California Mental Health Services Authority, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise California Mental Health Services Authority's basic financial statements, and have issued our report thereon dated **DATE**.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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James Marta & Company LLP
Certified Public Accountants
Sacramento, California

DATE

REPORT FROM CALMHSA SEARCH COMMITTEE
Agenda Item 9.A.

SUBJECT: Report from CalMHSA Search Committee

ACTION FOR CONSIDERATION:

None, information only.

BACKGROUND AND STATUS:

Since the June Board meeting, the Search Committee has met several times which lead to the development and distribution of the Executive Director job announcement, development of a screening tool for resumes submitted, and the scheduling of first interviews. The Committee received a total of forty (40) resumes, eleven (11) of which were considered with a total of five (5) candidates scheduled to be interviewed.

The initial recruitment process did not result in a recommendation for the Executive Director position. Accordingly, the Search Committee has reevaluated its restructure plan to ensure it is addressing CalMHSA's evolving needs.

The Search Committee requests the members to approve a revised restructure plan, which includes a timeline, to allow for a second recruitment effort.

To date we have received fifty six (56) applications from various posting sites, ten (10) considered with final interviews to take place later the week. The total number to be interviewed has yet to be determined.

The Search Committee will be requesting a Special Meeting of the full Board, should this effort result in a recommendation, in December 2014 (later this month).

FISCAL IMPACT:

The projected fiscal impact is unchanged from the prior proposal. The budget impact is estimated to be a minimum, half of the \$280,000. This shall be funded by new funding sources in 2014-15, and is expected the new ED shall, over time, generate sufficient funding to sustain this position and grow the program operations to meet the goals and objectives of CalMHSA.

RECOMMENDATION:

None, information only.

TYPE OF VOTE REQUIRED:

None, information only.

REFERENCE MATERIAL(S) ATTACHED:

- None.

PROGRAM MATTERS
Agenda Item 10.A.

SUBJECT: Report from CalMHSA Program Director – Ann Collentine

ACTION FOR CONSIDERATION

None, information only.

BACKGROUND AND STATUS

Suicide Prevention Highlights

Emerging Best Practices Addresses California's Diverse Populations

CalMHSA's 6 Regional Suicide Prevention Networks developed 7 locally-derived programs to address each region's unique populations and needs as it pertains to suicide prevention. These practices include:

- 1) From the Superior Region: Reducing access to lethal means: Firearm safety
- 2) From the Bay Area: LGBT Older Adult Gatekeeper Program and Mental Health Sign Alignment for Law Enforcement
- 3) From the Central Region: Older Adult Depression Screening Program
- 4) From the Southern (Kern) Region: Survivor Outreach Team Program
- 5) From Los Angeles: Survivors of Suicide Attempts Support Group Manual
- 6) From the Southern (San Diego) Region: Guide to using Facebook to Promote Suicide Prevention and Mental Illness Stigma Reduction

All of these practices were submitted to the Suicide Prevention Resource Center's National Best Practices Registry, making these resources available to a national audience. Two of the practices – The Manual for Support Groups for Suicide Attempt Survivors, and the Guide to Using Facebook – have been accepted into the Best Practices Registry, and the remaining practices are under review and are expected to be accepted shortly.

Recently, these Emerging Best Practices were showcased at a conference in Oakland on October 24th, drawing over 150 individuals from across Northern California. Eighteen counties (Alameda, Contra Costa, Del Norte, Fresno, Lake, Marin, Mendocino, Napa, Placer, Sacramento, Santa Clara, Santa Cruz, San Francisco, Shasta, San Mateo, Solano, Sonoma, and Yolo) were represented at this Summit. Additionally, there were two out of state attendees-from Nevada and Kansas that were represented as well.

Combined, the Northern and Southern California Summit (held in September) reached nearly 400 stakeholders from around the state about these emerging best practices.

The Know the Signs suicide prevention campaign releases culturally-adapted materials

The Know the Signs Campaign developed cultural adaptations of suicide prevention outreach materials to reach helpers in the African American, LGBTQ and Spanish-speaking communities as well as eight Asian and Pacific Islander (API) communities throughout California, including Cambodia (Khmer), Chinese, Filipino (Tagalog), Hmong, Korean, Lao, Vietnamese and API Youth. A previously released culturally-adapted product included a catalog of existing suicide prevention resources for Native American communities.

Available materials vary by cultural group and include posters, brochures, print ads, billboards, online ads, flip charts, and TV and radio spots. All materials can be viewed and downloaded at <http://resource-center.yourvoicecounts.org/>. For questions or support in ordering materials please contact: Jana Sczersputowski at jana@yoursocialmarketer.com

In addition, please also check out these Each Mind Matter resources with and for API communities:

- Our Story: Recovery and Mental Wellness- Lao
 - This twenty minute video is in Lao with English subtitles and includes interviews with mental health workers and individuals with lived experience.
 - <http://www.eachmindmatters.org/portfolio/story-lao/>
- Our Story: Cambodian
 - This twenty minute video is in Khmer with English subtitles and includes interviews with mental health workers and individuals with lived experience.
 - <http://www.eachmindmatters.org/portfolio/story-cambodian/>
- Stories of Hope
 - Youth stories that describe mental health in a culturally relevant and appropriate way to dispel myths in the community. Available in English, Hmong and Mien.
 - <http://www.eachmindmatters.org/blog/story-hope-storytelling-winners-announced/>
- Mental Health Terms and Mental Health Myths and Facts
 - Glossary and fact sheets available in Hmong, Khmer, Mien and Lao
 - <http://www.speakourminds.org/resource-categories/to-say/>
- API Videos in the Great Minds Gallery
 - Short first-person stories from individuals with lived experience.
 - <http://www.eachmindmatters.org/great-minds-gallery/>

For questions please contact: Nicole Jarred at njarred@RS-E.com

Stigma and Discrimination Reduction Highlights

Each Mind Matters (EMM) and Know the Signs (KTS) Technical Assistance Teams - Working Together to Support to Counties and Their Constituencies

To streamline communication efforts and make it easier for counties to access and use the wide spectrum of resources available through county contributions to CalMHSA – particularly the two large social marketing campaigns Each Mind Matters (EMM) and Know The Signs (KTS) – each

county now has a dedicated technical assistance (TA) consisting of representatives from both of these campaigns.

The TA teams will work with counties to integrate Each Mind Matters and Know the Signs materials into their local Prevention and Early Intervention efforts through monthly emails, webinars, and hands-on support in making the most of the resources available. Areas of technical assistance will include:

- strategic planning,
- public and media relations including marketing,
- event planning for community engagement, and
- support for engaging culturally diverse audiences.

Suicide prevention experts on the Know the Signs team are available to assist counties with planning for suicide prevention activities and content for suicide prevention presentations. Social marketing specialists will build county-specific Each Mind Matters marketing plans; and for qualifying counties this will include implementation budgets to cover hard costs for customized outreach materials. Initial meetings with counties to introduce their TA team and available resources are underway, and marketing plans will begin to roll out next month.

The response so far has been favorable, *"I just wanted to let you know that the staff LOVED the cultural training last Thursday. A BIG thank you to you for pulling this altogether and helping bring this wonderful presentation to our county. I look forward to working with you again in the future!"* – Trinity County MHSA Coordinator

For questions or assistance with KTS please contact: Jana Sczersputowski at jana@yoursocialmarketer.com

For questions or assistance with EMM please contact: Nicole Jarred at njarred@RS-E.com

Each Mind Matters (EMM) Mini-Grant Programs Continue to Support Local Implementation and Impact

The Stigma and Discrimination Reduction (SDR) Consortium, in collaboration with Each Mind Matters, is happy to report that another round of mini-grants to community educational programs around the state has been awarded. At this point in time nearly \$700,000.000 in funds has been granted to diverse organizations in 39 counties to integrate stigma and discrimination reduction messaging and mental health awareness educational activities into their local events.

A detailed list of grantees and target populations/geographic regions can be found below. For more information on any of the specific grantees, please contact the Staff Lead listed.

The goals of Each Mind Matters (EMM) Community Engagement grant are:

1. Enhance the impact of the *Each Mind Matters* movement in communities across the state.
2. Engage communities to actively participate in the *Each Mind Matters* movement.
3. Distribute *Each Mind Matters* and anti-stigma messaging throughout the state via local communities.

The EMM Community Engagement grantees have been provided with a “Mini-Grant Launch Toolkit” which includes:

- Each Mind Matters and SDR messaging, talking points, discussion starters, and fact sheets
- Outreach Flyers and Handouts, including customizable templates
- Each Mind Matters Style Guide and Logos
- A sample of Each Mind Matters outreach promotional items available
- *Most of these resources can be found at www.eachmindmatters.org*

The goals of SDR Speakers Bureau grant are:

1. Incorporate SDR messages into speaker presentations
2. Increase the number of speaking engagements
3. Provide stipends to individuals speaking about mental health and SDR

The SDR Speakers Bureau grantees have been provided with a “Mini-Grant Launch Toolkit” which includes:

- SDR Messaging, Talking Points, Discussion Starters, and Fact Sheets
- Outreach Flyers, Posters and Handouts, including customizable templates
- Speaker Training Tools and Tips
- *Most of these resources are available in multiple languages; all resources can be found at www.speakourminds.org*

EMM Community Engagement Mini-Grants

Organization	County Location	Staff Lead	Target Audience Geographic Region	Target Audience Population	Amount Funded
NAMI Orange County	Orange	Aubrey.Lara@calmhsa.org	Orange County	Underserved/Unserviced-Latinos, Vietnamese, Korean, LGBTQ, Faith and Businesses	10,000
Valley Oak Children’s Center	Butte	Evan.Oliva@calmhsa.org	Butte, Yuba / Sutter, Plumas, Glenn, Colusa, Tehama, Sierra and Lassen Counties	Families, Parents	8,500
John Muir Charter School	Nevada	Aubrey.Lara@calmhsa.org	Statewide	Staff, Students and Teachers at 43 Schools	10,000
Special Services Group-Asian Pacific Counseling and Treatment Center	LA	Gerald.White@calmhsa.org	LA County	Asian Americans/Pacific Islanders (Chinese, Cambodian, Filipino, Vietnamese)	10,000
Alliance for Community Transformation and Wellness, University of Redlands	San Bernardino	Asher.Hamilton-Kilili@calmhsa.org	Inland Empire-San Bernardino and Riverside Counties	General Public, University MH Counseling Students and Physicians In Training	9,000

CalMHSA JPA
Board of Directors Meeting
December 11, 2014

Safe Haven Stamp Out Stigma Fund	Colusa	Evan.Oliva @calmhsa.org	Colusa County	Rural County, Latinos and Native Americans	6,214
Redwood Children's Services	Mendocino	Evan.Oliva @calmhsa.org	Mendocino and Lake Counties	Youth, General Public, Latinos	10,000
I'm A Winner	Contra Costa	Joseph.Robinson @calmhsa.org	Contra Costa, Fresno and San Bernardino Counties	African American Faith Centers and Churches	10,000
Muslim American Society-Social Services Foundation	Sacramento	Gerald.White @calmhsa.org	Sacramento, Placer, Yolo, Sutter/Yuba, San Joaquin Counties	Muslim	9,912
Peer Art Recovery Project	Modesto	Asher.Hamilton-Kilili@calmhsa.org	Stanislaus	General Public	9,175
Mental Health Advocacy Project-Law Foundation of Silicon Valley	Santa Clara	Aubrey.Lara @calmhsa.org	Santa Clara and San Mateo	Consumers, General Public	5,000
					97,801

SDR Speakers Bureaus Mini-Grants

Organization	County Location	Staff Lead	Target Audience Geographic Region	Target Audience Population	Amount Funded
Center for Lao Studies	SF	Gerald.White @calmhsa.org	Bay Area, Sacramento, Fresno/Central Valley, San Diego areas	Lao	15,000
CSH	San Diego	Joseph.Robinson @calmhsa.org	San Diego County	Businesses, Consumers	15,000
Institute for Multicultural Counseling and Education Services	LA	Joseph.Robinson @calmhsa.org	Greater LA area	Middle-Eastern/Eastern European (Armenian, Farsi, and Russian), Latino	15,000
MHA Northern California	Sacramento	Aubrey.Lara @calmhsa.org	Sacramento, Yolo, and Placer Counties	Youth, Youth Providers, LGBTQ	15,000
San Mateo County BHRS-ODE	San Mateo	Joseph.Robinson @calmhsa.org	San Mateo County	General Public	15,000
Inspire USA	SF	Aubrey.Lara @calmhsa.org	19 Counties	Youth Schools, CBOs, Youth Providers	10,845
					85,845

Student Mental Health Highlights

SMHI Phase I

The Student Mental Health Initiative (SMHI) continues to sustain activities by providing training opportunities for students, faculty, and staff. Campus based grants for higher education campuses have been reduced or cut and in numerous cases, the raised awareness of mental health wellness as a critical component of student academic success has resulted in some funding to maintain activities on that campus. The SMHI program partners are all very engaged in strategically addressing the needs of students, staff and faculty which have become more visible as a result of the many CalMHSA funded activities. While it is difficult to see activities being reduced, the reach of the CalMHSA activities continues on a system level through the continued coordination by the UCOP, CSU Office of the Chancellor, the partnership of the Community Colleges Foundation and Community Colleges Chancellors Office, CDE and CCSESA. One such example is noted below.

California Community Colleges: Student Mental Health Training July 1 – September 20, 2014

For Phase One, 14 California Community Colleges received continued funding for select activities that were initiated and showed promise during the initial grant period and training continued to be offered to all 110 campuses. California Community Colleges Student Mental Health Program will continue to showcase and heighten the visibility of the accomplishments at each college through their campus-based grant profiles available on their website <http://www.cccstudentmentalhealth.org/main.php> and through their monthly newsletter.

For the first quarter of 2014-2015, California Community Colleges reported the following number of participants trained:

- A total of 14,042 Faculty, Staff and Students were engaged in CCC SMHP trainings, training of trainers, events, workshops, presentations, seminars, and Kognito. Training participant breakdown:
 - 9,732 faculty, staff, and students engaged in 179 various campus grant activities, trainings, presentations, workshops, events & outreach
 - 4,080 faculty, staff, and students participated in Kognito On-line Suicide Prevention Gatekeeper
 - 129 students participated in BACHHUS Peer Certification Training at San Diego City College and Orange Coast College
 - 101 people attended the Welcome Home: Veterans on Campus Training and American River College

CalMHSA Program Staff Highlights

In November, CalMHSA staff and CalMHSA's Past President, Wayne Clark, presented at the American Public Health Association (APHA) conference held in New Orleans. CalMHSA's programs were

represented in two presentations; an invitational presentation that addressed the need for a public health approach to addressing mental health, and a program-specific presentation that addressed the suicide prevention, stigma and discrimination reduction and student mental health initiatives. APHA presented a unique opportunity for CalMHSA to disseminate its resources to a public health audience, and create new partnerships with interested parties.

RECOMMENDATION:

None, information only.

TYPE OF VOTE REQUIRED:

None, information only.

REFERENCE MATERIAL(S) ATTACHED:

- Know The Signs: Cultural Adaptations of Suicide Prevention Outreach Materials

Pain Isn't Always Obvious



Suicide Is Preventable

Cultural Adaptations of Suicide Prevention Outreach Materials

Following a collaborative community input process, the Know the Signs suicide prevention campaign developed cultural adaptations of suicide prevention outreach materials to reach helpers in the African-American, the LGBTQ and Spanish-speaking communities as well as eight Asian and Pacific Islander (API) communities throughout California, including the following: Cambodian (Khmer), Chinese (Traditional), Filipino (Tagalog), Hmong, Korean, Lao, Vietnamese and API Youth. In addition, a resource catalog was created to document suicide prevention resources by and for Native Communities.

All campaign materials can be viewed, customized and downloaded in the Resource Center on Your Voice Counts (www.yourvoicecounts.org)—an online suicide prevention forum designed to facilitate a dialog about suicide prevention in California and to engage stakeholders in the development and distribution of the **Know the Signs** campaign materials. The **Know the Signs** campaign is part of statewide efforts funded by counties through the Mental Health Services Act, formerly known as Prop 63.

Download materials from the Resource Center at www.YourVoiceCounts.org

The Collaborative Workgroup Process

A workgroup was developed for each cultural group and members were recruited in several ways. Ethnic service managers, CalMHSA program partners and county liaisons were asked to refer community members representing or engaged in outreach to the particular population of focus. In addition, organizations serving the cultural group were contacted directly and provided with a workgroup recruitment flyer. Workgroup members guided the development of the materials through their collaboration and participation in webinars, phone calls and online discussions. Discussions varied by workgroup, but generally included the following topics:

- How the topic of suicide is discussed (or not)
- Who is at risk for suicide and who are the most appropriate helpers in a position to recognize warning signs and offer support
- Existing suicide prevention materials
- Strategies to reach the identified helper

Language Adaptation

For each API language adaptation, an individual or organization representing the cultural group was contracted to provide the language adaptation based on the content from existing **Know the Signs** campaign materials. They were asked to use the existing English brochure as a guide to adapt the information to be both culturally relevant and linguistically appropriate, without translating the information directly. The language adaptation was then further reviewed by workgroup members and additional community members.

Design

For each cultural group, an organization in a county with high population numbers of the particular group was contracted to oversee the development process for the language adaptation, the design, focus group testing and to distribute materials locally in their county. The creative process was aided by research into colors, cultural icons and symbols, existing materials and advertisements, and by observing people representing these communities. For each API cultural group, an organization in a county with high population numbers of the particular group was contracted to oversee the development process for the language adaptation, the design, focus group testing and to distribute materials locally in their county.

For more information or to receive materials please
contact eunice@yoursocialmarketer.com

EACH MIND
MATTERS
California's Mental Health Movement



Cultural Adaptations At-a-Glance

The Know the Signs campaign developed cultural adaptations of suicide prevention outreach materials to reach helpers in the African-American, the LGBTQ and Spanish-speaking communities as well as eight Asian and Pacific Islander (API) communities throughout California, including the following: Cambodian (Khmer), Chinese (Traditional), Filipino (Tagalog), Hmong, Korean, Lao, Vietnamese and API Youth. In addition, a catalog of existing suicide prevention resources for Native American communities was created.

Available materials vary by cultural group and include posters, brochures, print ads, billboards, online ads, a flip chart, as well as TV and radio spots.



Spanish-speaking



African-American (English)



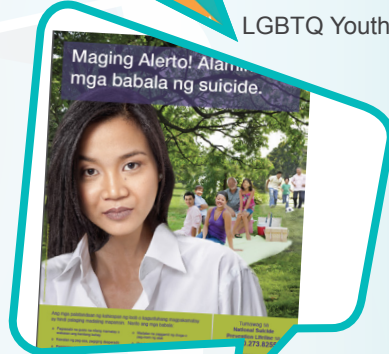
LGBTQ Youth (English)



Cambodian (Khmer)



Chinese (Traditional)



Filipino (Tagalog)



Hmong



Korean



Lao



Vietnamese



API Youth (English)



Native American (English)

PROGRAM MATTERS
Agenda Item 10.B.

SUBJECT: Phase Two Plan – Ann Collentine

ACTION FOR CONSIDERATION:

1. Adopt Sustainability Taskforce Recommendations for County PEI Funded Activities in Phase II FY 2015–2017.
2. Adopt the allocation of funds as follows: 80% for Programs, 15 % for administration, 5% for Evaluation, as endorsed by the Sustainability Taskforce and Finance Committee.
3. Authorize the Sustainability Taskforce to further refine the RFP's based on the funding available and define specific criteria within the RFP's such as: match requirements.

BACKGROUND AND STATUS:

The CalMHSA Board adopted the Phase Two Sustainability Plan in August 2014. Development of key recommendations for operationalizing the plan was delegated to the Sustainability Taskforce. The first recommendations from the Sustainability Taskforce prioritize the use of local PEI funds from counties which have been committed to the Phase Two Plan and the allocation of funds. If these recommendations are adopted, RFP's will be developed and released in early 2015 to solicit proposals for programs which will be implemented by July 1, 2015.

The referenced narrative describes the priority recommendations and the recommendation for allocation of funds. Several topics are still being discussed by the taskforce and may result in some changes to the current recommendations. Some of these topics are: match definitions and requirements, allocation of available funding for releasing each RFP.

The initial recommendations from the Sustainability Taskforce were presented to the Finance Committee. The Finance Committee adopted the allocation of funding but requested that recommendations be further ranked in the event that the funding goal of \$10M per year from counties is not met. Additionally, the Finance Committee suggested that address disparities and disproportionality be integrated into each RFP as a requirement. Discussion continued on whether to include Workplace as a target wellness area. Workplace is now included with the recommended priorities (if funding is available) and with the requirement of a higher cash match for any funding distributed under Workplace Wellness.

FISCAL IMPACT:

Release of RFP's will be based upon the funding available. The Funding Goal is \$10M per year for FY 15/16 and FY 16/17 and is based upon the CalMHSA Budget adopted on June 12, 2014. If additional funding becomes available, further Board action will be required.

RECOMMENDATIONS:

1. Adopt Sustainability Taskforce Recommendations for County PEI Funded Activities in Phase II FY 2015–2017
2. Adopt the allocation of funds as follows: 80% for Programs, 15 % for administration, 5% for Evaluation, as endorsed by the Sustainability Taskforce and the Finance Committee.
3. Authorize the Sustainability Taskforce to further refine the RFP's based on the funding available and specific criteria within the RFP's such as: match requirements.

TYPE OF VOTE REQUIRED:

Majority vote of the Board of Directors.

REFERENCE MATERIAL(S) ATTACHED:

- County PEI Funded Activities in Phase II FY 2015-2017
- Phase Two Sustainability Plan (adopted August 14, 2014)
- Strategic Funding Goals

**CalMHSA Staff Recommendations for
County PEI Funded Activities in Phase II
FY2015-17**

*Presented to the CalMHSA Board of Directors on
December 11, 2014*

I. BACKGROUND

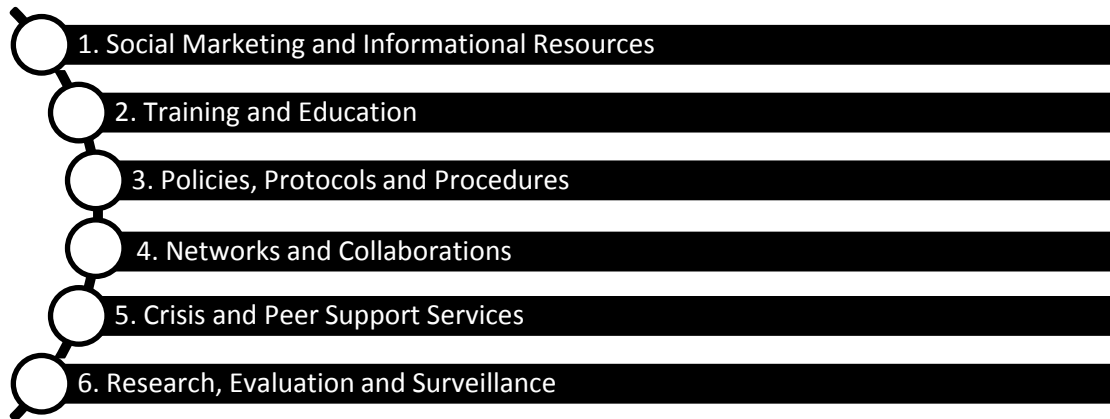
The Phase Two Strategic Plan for Statewide PEI Projects was approved by the CalMHSA Board of Directors on August 14, 2014. The Plan was approved based on the understanding that the document would serve as a guiding framework for several years into the future and that portions of the Plan would be implemented as funding becomes available. The Plan will require a phased approach and diverse sources of funding. Significant contributions from county PEI allocations of at least five-percent annually, on average, from each county will be important to partially meet the financial goal of an estimated \$20 million annually in order to fully implement the Plan. Other funding sources that will need to be considered to raise the balance of the funds are fee-for-service, government and private foundation grants, and federal and state funding streams. It will be necessary to require applicants to demonstrate their ability to secure matching funds in order to be competitive in the contract bidding process. Based on this context, this document presents CalMHSA Staff's recommendations for the best use of those county contributions for FY2015-1017.

The Phase Two Strategic Plan was developed as a result of input from numerous stakeholders including the CalMHSA Statewide PEI Projects Phase II Sustainability Steering Committee members from local, state and national organizations with diverse expertise in the areas of mental health, substance use, public health, and education, consumers and family members, underserved ethnic and cultural groups, youth, older adults, community clinics, community-based organizations, faith-based organizations, foundations, health plans, research and surveillance institutions, public colleges and universities, county and state government agencies, statewide offices, state legislative officials, and national policy advocacy groups. The Phase Two Plan was developed with considerable input from counties and designed to support and enhance local PEI work through a comprehensive set of strategies and activities that would be unduplicated at the local county level and more efficient and cost-effective to conduct at a statewide level. The full Phase Two Strategic Plan approved by the CalMHSA Board of Directors can be found on the CalMHSA website with the following link: http://calmhsa.org/wp-content/uploads/2014/10/8D1_Final-Phase-Two-Plan1.pdf

Diagram 1 below lists the six strategies from the Phase Two Plan. Staff's funding recommendations are as a result of examining all six strategies against a set of guiding

questions, as well as input and direction received from the CalMHSa Sustainability Taskforce and Finance Committee.

Diagram 1. Six Strategies from the Phase Two Strategic Plan



In order to identify these priority areas for immediate funding using county contributions, Staff considered a range of important guiding questions that are listed below. These questions were developed based on the criteria that was originally adopted by the CalMHSa Board in August 15, 2013, and used to evaluate and determine which of the current projects would be continued in Phase I. These questions cover nine important areas such as: “statewideness”; regional value; builds on initial investment; improves health equity (important to continue exploring practices that work better in various racial, ethnic and cultural communities); timeliness (especially in the Health Care Wellness Area); economic value (in terms of procurement of quality materials and media buys at significantly lower cost); feasibility and potential for impact in current funding environment (that is, significantly less money than the initial investment and over a shorter period of time); and potential for other funding sources.

Guiding Questions for Determining Immediate Funding Using County Contributions

- a) *Is the strategy critical for creating a publicly identifiable branded and comprehensive statewide movement for promoting mental health wellness and suicide prevention?*
- b) *Is the strategy critical to enhancing the impact of local PEI activities, including the work being done in small counties?*
- c) *Does the strategy build on past work? For instance: Does it capitalize on resource materials already developed from the original investment? Is it critical to sustaining the gains from the original investment? Will a gap in funding have a detrimental impact to progress and impact already achieved? Is it essential for demonstrating long-term outcomes and benefits of PEI activities?*

- d) *Is the strategy critical to improving health equity?*
- e) *Would timely action (i.e., implementation) be critical for leveraging new funding or partnering opportunities?*
- f) *Is there significant economic benefit (i.e. economies of scale) from procurement at a state-level?*
- g) *Is it feasible to implement and is there potential for significant impact given the current funding environment?*
- h) *Are there alternative funding sources that should be seriously considered prior to committing the use of county funds?*

II. RECOMMENDATIONS FOR IMMEDIATE FUNDING

This section presents CalMHSAs Staff’s recommendations for immediate funding using county PEI contributions. In this section, we first list which strategies and wellness areas from the Phase Two Strategic Plan are included in the recommendations, followed by a description of the RFPs and an explanation of how strategies not fully funded with county funds will still be addressed. Funding for RFPs will be dependent upon available funding. The recommendations presented here are based on a targeted funding goal of \$10M per year for FY 15/16 and FY 16/17. In the event that this funding goal is not met, then the RFPs will have to be reduced and/or combined.

County PEI Funded Activities:

Staff recommends the use of FY2015-2017 County PEI funds to support:

- Strategy 1 (Social Marketing and Informational Resources), Strategy 2 (Training and Education), Strategy 3 (Policies, Protocols and Procedures) and Strategy 4 (Networks and Collaborations) for the Workforce, Schools, Health Care and Diverse Communities Wellness Areas;
- Strategy 5 (Crisis and Peer Support Services) for the Diverse Communities Wellness Area only; and
- Strategy 6 (Research, Evaluation & Surveillance) for the Workplace, Schools, Health Care and Diverse Communities Wellness Areas.

This set of recommendations includes all six strategies and all four wellness areas that were approved within the Phase Two Strategic Plan. In Table 1 below, the specific strategies and wellness areas that are being recommended for county PEI funding are indicated with a check mark.

Table 1. Summary of Staff Recommendations for County PEI Funding*

STRATEGIES	WELLNESS AREAS												
	Workplace	Schools	Health Care	Diverse Communities									
Strategy 1. Social Marketing & Informational Resources (highest priority)	√	√	√	√									
Strategy 2. Training & Education (third highest priority)	√	√	√	√									
Strategy 3. Policies, Protocols & Procedures (second highest priority)	√	√	√	√									
Strategy 4. Networks & Collaborations (highest priority)	√	√	√	√									
Strategy 5. Crisis & Peer Support Services (fourth highest priority)				√									
Strategy 6. Research, Evaluation & Surveillance (automatically 5% of total based on the approved allocation)	√	√	√	√									
<p>*assumes that Total CalMHSA Phase Two Funding will be allocated as follows:</p> <table> <tr> <td>Evaluation</td> <td>5%</td> <td>(external evaluation of CalMHSA PEI Statewide Programs)</td> </tr> <tr> <td>Administration</td> <td>15%</td> <td>(legal, audit, insurance, indirect administrative staffing)</td> </tr> <tr> <td>Program</td> <td>80%</td> <td>(program contracts, contract management, legal)</td> </tr> </table>					Evaluation	5%	(external evaluation of CalMHSA PEI Statewide Programs)	Administration	15%	(legal, audit, insurance, indirect administrative staffing)	Program	80%	(program contracts, contract management, legal)
Evaluation	5%	(external evaluation of CalMHSA PEI Statewide Programs)											
Administration	15%	(legal, audit, insurance, indirect administrative staffing)											
Program	80%	(program contracts, contract management, legal)											

The funding allocations indicated at the bottom of Table 1 were reviewed and accepted by the CalMHSA Sustainability Taskforce and Finance Committee. As it was stated earlier in this document, all contractors will be required to provide a match, both cash and non-cash. Staff will work with the CalMHSA Sustainability Taskforce to define what qualifies as a match and determine the exact percentage required.

Staff recommends issuing four RFPs by January 31, 2014. The four RFPs in ranked order and with estimated allocation of available program funding are:

- 1) RFP 1. Effectively Reaching and Supporting California and its Diverse Communities to Achieve Mental Health and Wellness. (55% of available funding)

- 2) RFP 2. Creating Healthier Organizations and Communities through Policy Change. (10% of available funding)
- 3) RFP 3. Training and Education to Increase Awareness of Mental Health, Substance Use and Suicide Prevention. (30% of available funding)
- 4) RFP 4. Crisis and Peer Support Strategies for Underserved Communities. (5% of available funding)

Appendix B. provides a general description of the four proposed RFPs. Further refinement of the RFPs and the necessary changes in the event of reduced funding for the RFPs will be performed by Staff under the guidance of the CalMHSA Sustainability Taskforce.

Non-County Funded Activities:

Due to the limited funding available, Staff is recommending that workplace activities be minimally funded using county funds and will require a high cash match from contractors. Staff sees promise that such programs could continue through a fee-for-service funding model such as employers or employee assistance programs paying the cost for trainings and resource materials or through other funding sources. In the event that the funding goal is exceeded, the level of match could be reduced accordingly.

Staff saw opportunities for CalMHSA to be able to address Strategy 5 (Crisis and Peer Support Services) for the Schools and Health Care Wellness Areas through other Strategies. For example, through Strategies 1 and 2, CalMHSA could support those that are providing crisis and peer support services to high suicide risk subgroups within those other Wellness Areas (e.g., Friendship Lines) by continuing to raise public awareness and knowledge of the warning signs of suicide, delivering training and education, and supporting the outreach and dissemination of diverse informational resources to those service providers. Through Strategy 3, gaps in policies, protocols and procedures could be addressed to improve practice such as addressing challenges in accessing and using timely data. Finally, through Strategy 4, CalMHSA could play a statewide role in convening service providers to share practices, and to explore which practices would work better for various diverse communities.

Regarding Strategy 6 (Research, Evaluation and Surveillance), staff recommends using 5% of funds for continuing the external evaluation (as noted in Table 1). Contractors will be required to submit predetermined quantitative and/or qualitative data to the external evaluators. If the contractor(s) plans to conduct an internal program evaluation, this is welcomed, however it would need to be funded from other sources.

III. OUTCOMES

This section summarizes the outcomes that are expected to be impacted by this partial implementation of the Phase Two Plan. Appendix A, found at the end of this document, is the logic model from the Phase Two Plan. The logic model articulates eight short-term outcomes covering a set of knowledge, skills, attitudes, beliefs and practices that are expected to lead to ten long-term outcomes. The long-term outcomes reflect broader changes in levels of resilience and functioning and the public health benefits measured at the population level.

Presented here is a list of the eight short-term outcomes from the Phase Two Plan.

List of Short-term Outcomes (SO)

- **SO 1.** Increased knowledge and skills for recognizing signs and facilitating help-seeking
- **SO 2.** Decreased stigma against persons with mental health and/or substance use challenges
- **SO 3.** Increased adoption/use of materials and protocols
- **SO 4.** Increased early identification and intervention
- **SO 5.** Increased access to peer-based support and education
- **SO 6.** Increased access/use of PEI, treatment and support services
- **SO 7.** Increased understanding of suicide risk factors
- **SO 8.** Increased understanding of effectiveness of PEI strategies

Based on the logic model for the Phase Two Plan, Strategies 1, 2, 3, 4 and 5 are expected to produce positive changes in SO1 through SO6 – that is, six of the eight short-term outcomes. These short-term outcomes are highlighted in Appendix A.

This next list is the ten long-term outcomes from the Phase Two Plan.

List of Long-term Outcomes (LO)

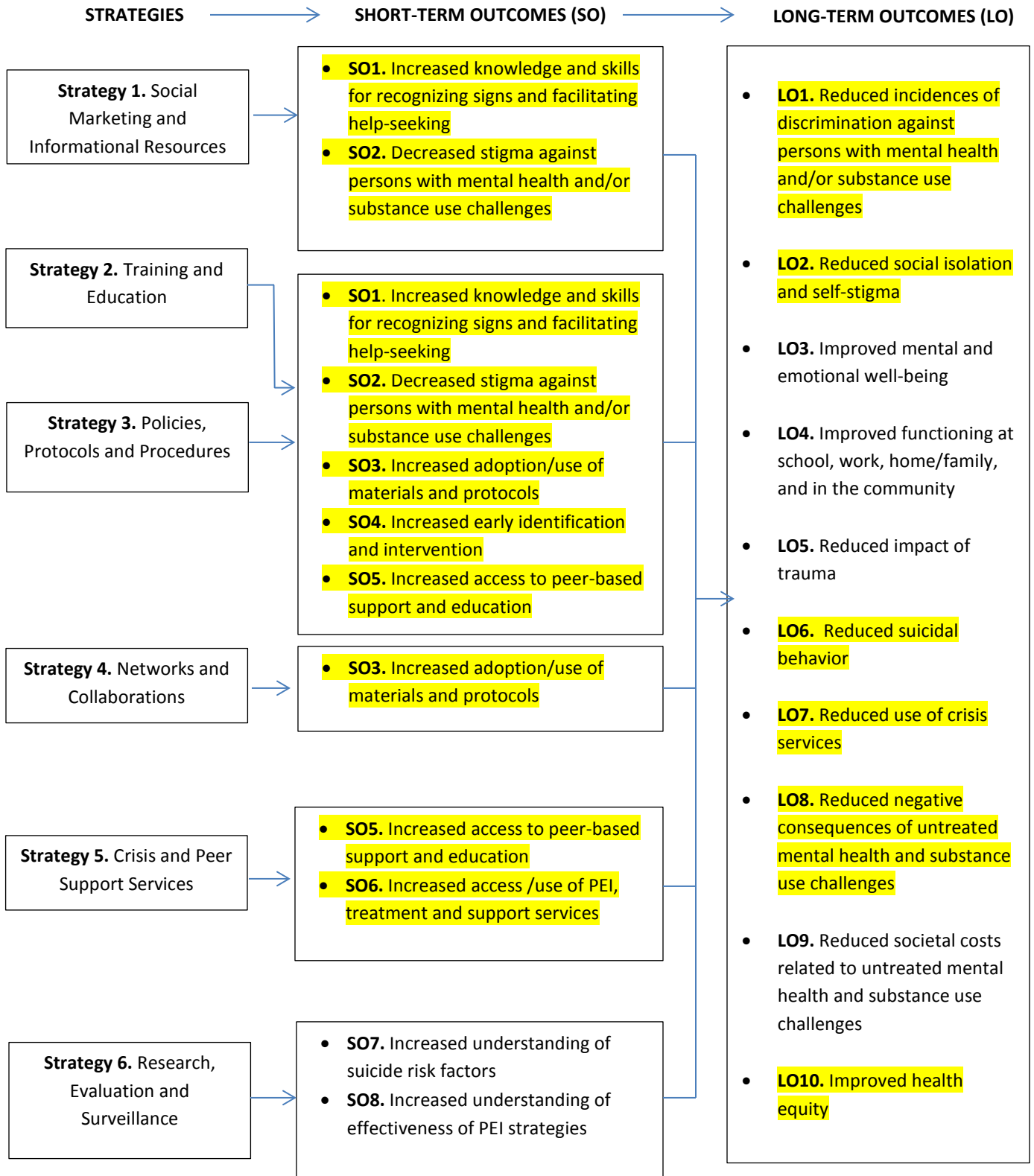
- **LO 1.** Reduced incidences of discrimination against persons with mental health and/or substance use challenges
- **LO 2.** Reduced social isolation and self-stigma
- **LO 3.** Improved mental and emotional well-being
- **LO 4.** Improved functioning at school, work, home/family, and in the community
- **LO 5.** Reduced impact of trauma
- **LO 6.** Reduced suicidal behavior
- **LO 7.** Reduced use of crisis services
- **LO 8.** Reduced negative consequences of untreated mental health and substance use challenges

- **LO 9.** Reduced societal costs related to untreated mental health and substance use challenges
- **LO 10.** Improved health equity

Given that the types of activities under Strategies 1, 2, 3, 4 and 5, focus more heavily on information dissemination and adoption of resource materials, Staff expects to see the most impact on: LO1, LO2, LO6, LO7, LO8 and LO10. These long-term outcomes are highlighted in Appendix A.

Finally, in Appendix C we have provided a preliminary list of indicators to be used to measure process, short-term and long-term outcomes. The Implementation Outcomes are equivalent to process indicators and are conceptually distinguished from Short-term Outcomes. The Evaluation and Surveillance Goals are process indicators specific to implementing an evaluation of statewide PEI projects.

Appendix A. Phase Two Plan Logic Model Adopted by CalMHSB Board of Directors



Appendix B. General Description of RFPs

Overview of All Four RFPs

For all RFPs, the following areas will be clearly defined: amount of funds to be awarded; anticipated number of awards; contractor qualities; scope of work, deliverables, and any requirements including but not limited to collaboration with counties; outcome indicators and evaluation reporting requirements; review process and scoring criteria; a timetable for award notification and protest period; and the processes and instructions for submitting questions and proposals. All proposers will be specifically required to describe how they will effectively reach diverse communities. In addition, all proposers will be asked to demonstrate their ability to secure matching funds in order to be competitive in the contract bidding process. Proposers for workplace activities will be asked to demonstrate a high cash match due to limited available funding.

RFP 1. Effectively Reaching and Supporting California and its Diverse Communities to Achieve Mental Health and Wellness.

The purpose of RFP 1 (Effectively Reaching California and its Diverse Communities to Achieve Mental Health and Wellness) is to further disseminate and support the local use of mental health and substance use awareness and suicide prevention tools and resources developed under the Each Mind Matters umbrella to effectively reach California and its diverse communities. RFP 1 further acknowledges that California's diverse communities include racial, ethnic, and cultural communities as well as other underserved, special populations. Some examples of special populations include LGBTQ, foster youth, veterans, older adults and individuals living with more than one disability. California's diverse communities have specific needs that warrant a tailored approach in order to maximize effectiveness. In some cases, such tailoring will involve developing new mental health and substance use awareness and suicide prevention tools and resources. In other cases, such tailoring will involve adapting or expanding existing tools and resources. This work is critical to being responsive to California's diverse communities, including special populations, and will ultimately result in strengthening the tools and resources that are currently available under the Each Mind Matters umbrella. In addition to supporting the momentum of Each Mind Matters with California and its diverse communities, RFP 1 focuses on utilizing schools (including preschools, K-12 and higher education), health care providers, and employers as partners for the dissemination of quality resource materials that are culturally responsive, linguistically appropriate, and tailored for the special populations that comprise California's diverse communities. The RFP is contains two components:

- 1) Social Marketing and Informational Resources – The Social Marketing and Informational Resources Component includes the implementation of a state-level social marketing program which builds upon existing investments to cost-effectively accelerate norm change at a population level by: using a range of already developed tools and resources such as social media, media products, print materials and others that are appropriate for the target audiences and promote consistent messaging statewide; continued enhancement of the Each Mind Matters website; and the active refinement and/or development of new materials that are

meaningful and useful to California's diverse communities, including special populations, which require tailored and targeted approaches.

- 2) Networks and Collaborations – The Networks and Collaborations component includes the partnering with existing, as well as fostering new, networks and collaborations to influence policy related to the adoption of Each Mind Matters tools and resources. In addition, existing and new networks and collaborations will facilitate the creation, dissemination, and local use of tools and resources for California's diverse communities.

RFP 2. Creating Healthier Organizations and Communities through Policy Change

The purpose of RFP 2 (Creating Healthier Organizations and Communities through Policy Change) is to identify and support policy changes that will result in greater adoption of mental health and substance use awareness and suicide prevention practices within organizations, in local communities and at a state-level. RFP 2 focuses on the schools (including preschools, K-12 and higher education), health care providers, and employers as partners due to their potential to reach broad segments of the population especially California's diverse communities, including special populations that are high risk. Reducing stigma related to mental health, substance use, and suicide will be an important part of this RFP with the goal of fostering environments that are more supportive of persons experiencing mental, emotional or behavioral health challenges.

RFP 3. Training and Education to Increase Awareness of Mental Health, Substance Use and Suicide Prevention

The purpose of RFP 3 (Training and Education to Increase Awareness of Mental Health, Substance Use and Suicide Prevention) is to further the awareness of mental health and substance use issues and of suicide prevention strategies among diverse communities in the schools (including preschools, K-12 and higher education), health care and workplace settings. Training topics to be addressed through this RFP will include: recognizing signs and symptoms of substance use and depression and warning signs of suicide risk; understanding how to assist those with mental health needs or who are at risk for suicide, and facilitate access to appropriate services; the use of positive messaging and non-stigmatizing language when discussing mental health and substance use disorders; the negative consequences of stigma (e.g., bullying behavior in the schools, poor self-management of chronic physical conditions in the health care setting, and reduced productivity in the workplace); the appropriate usage of already developed tools and resources (e.g., *Kognito*, *Ending the Silence*); adapting the use of already developed tools for high risk special populations (e.g., LGBTQ, veterans, foster youth); and where and how to seek help. Proposers will be expected to describe how they plan to collaborate with a diverse set of program partners in order to ensure that trainings are informed by individuals with lived experiences and appropriately tailored to California's diverse communities including racial, ethnic and cultural communities, including other underserved and/or high risk special populations. The majority of the funds allocated to RFP 3 will be awarded for the delivery of programming. A small set aside of up to \$150,000 will be used for a contract for the purpose of cataloguing individuals who have been trained to-date as trainers through initial MHSA funding investments (including investments that

have been made with local PEI and WET funds in addition to CalMHSA's investment), and for developing a sustainable fee-for-service model that can be fully implemented by January 2015. A separate RFI will be issued for this purpose.

RFP 4. Crisis and Peer Support Strategies for Reaching Underserved Communities

The purpose of RFP 4 (Crisis and Peer Support Strategies for Reaching Underserved Communities) is to develop and expand crisis and peer support strategies for California's diverse communities. RFP 4 further acknowledges that California's diverse communities include racial, ethnic, and cultural communities as well as other underserved, special populations. Some examples of special populations include LGBTQ, foster youth, veterans, older adults and individuals living with more than one disability. California's diverse communities have specific needs that warrant a tailored approach in order to maximize effectiveness (e.g., older adult friendship lines). The development of specifically tailored, peer-led crisis alternatives to better reach diverse communities is an imperative to reach high risk populations. This RFP will focus specifically on the wellness area of diverse communities and support the development and piloting of approaches that are most effective for racial, ethnic and cultural subgroups and special populations that are the hardest to reach and most underserved.

Appendix C. Preliminary List of Indicators

Implementation Outcomes (process outcomes)

- I-1. Broader dissemination of and greater exposure to PEI strategies among target audiences/populations
- I-2. Improved reach of PEI strategies to higher-risk and underserved populations, using strategies appropriate for culturally diverse communities
- I-3. Improved adoption of and adherence to evidence-based practices or best practices
- I-4. Improved organizational capacities to meet PEI implementation goals among organizations contracted to deliver PEI strategies (including training and maintaining staffing, reaching targeted PEI activity goals, and use of evaluation data in quality improvement processes)
- I-5. Increased coordination of PEI statewide strategies with other local PEI and treatment resources

Short-term Outcomes (expected changes in knowledge, attitudes, and behaviors among those directly exposed to PEI strategies)

- S-1. Increased knowledge and confidence for recognizing signs and facilitating help-seeking and use of appropriate treatment resources among those in a position to help
- S-2. Decreased attitudes and behavior reflecting stigma and discrimination against persons with mental health challenges
- S-3. Increased knowledge, attitudes and behavior reflecting peer-support of persons with mental health challenges
- S-4. Decreased distress and increased perceptions of support among those reaching out for help during a crisis, after a traumatic event, or experiencing other mental health challenges
- S-5. Increased experience of school climate being supportive of students experiencing mental health challenges

Long-term Outcomes (expected indirect and longer-term accumulating effects of broadly disseminated and high quality PEI strategies)

L-1. Increased social support and quality of life, reduced self-stigma, and reduced experienced discrimination among those experiencing mental health challenges

L-2. Increased awareness of, knowledge about, and willingness to seek help and/or appropriate treatment if experiencing mental health challenges

L-3. Increased use of treatment services and shorter delays in seeking treatment among those with mental health needs, and reduced racial and cultural disparities in unmet need for treatment

L-4. Improved community mental health, including improved mental and emotional well-being, reduction in suicide attempts and completed suicides, reduction in mental health related functional impairment, and reduction in trauma-related mental health challenges

L-5. Reduced use of emergency services as a mental health resource

L-6. Reduced negative consequences of mental health challenges, including school drop-out, unemployment, homelessness, and criminal justice involvement

Evaluation and Surveillance Goals

E-1. Organizations contracted to deliver PEI strategies systematically assess and report on implementation outcomes

E-2. External research contractor evaluates effectiveness of selected PEI strategies in achieving short-term outcomes, in collaboration with delivery organizations that assist in collection of short-term outcome data

E-3. External research contractor, in collaboration with CalMHSA and input from stakeholders, develops plan and options for surveillance and evaluation of long-term outcomes, and implements high priority components of that plan

CalMHSA Staff Recommendations for County PEI Funded Activities in Phase II FY2015-17

*CalMHSA Board of Directors Meeting
December 11, 2014*



Overview

- Recommendations for use of county contributions
- Assumes targeted goal of \$10m/yr for FY15/16 and FY 16/17
- Alternate scenario for reduced funding



Background

- Phase Two Strategic Plan for Statewide PEI Projects approved on Aug. 14, 2014, as guiding framework.
- Due to limited funding a phased approach and diverse sources of funding will be required
- A 4-7% annual county PEI contribution needed to meet goal.



Review of Phase 2 Strategic Plan Strategies

1. Social Marketing and Informational Resources
2. Training and Education
3. Policies, Protocols and Procedures
4. Networks and Collaborations
5. Crisis and Peer Support Services
6. Research, Evaluation and Surveillance



Guiding Questions for Determining Funding Priorities

- “Statewideness”
- Regional Value
- Builds On Initial Investment
- Improves Health Equity
- Timeliness
- Economic Value
- Feasible And Potential For Impact In Current Funding Environment
- Potential For Other Funding Sources



Recommendations for Immediate funding using County Dollars (based on \$10million/year)

STRATEGIES	WELLNESS AREAS												
	Workplace	Schools	Health Care	Diverse Communities									
Strategy 1. Social Marketing & Informational Resources	√	√	√	√									
Strategy 2. Training & Education	√	√	√	√									
Strategy 3. Policies, Protocols & Procedures	√	√	√	√									
Strategy 4. Networks & Collaborations	√	√	√	√									
Strategy 5. Crisis & Peer Support Services				√									
Strategy 6. Research, Evaluation & Surveillance	√	√	√	√									
<p>*assumes that Total CalMHSA Phase Two Funding will be allocated as follows:</p> <table> <tr> <td>Evaluation</td> <td>5%</td> <td>(external evaluation of CalMHSA PEI Statewide Programs)</td> </tr> <tr> <td>Administration</td> <td>15%</td> <td>(legal, audit, insurance, indirect administrative staffing)</td> </tr> <tr> <td>Program</td> <td>80%</td> <td>(program contracts, contract management, legal)</td> </tr> </table>					Evaluation	5%	(external evaluation of CalMHSA PEI Statewide Programs)	Administration	15%	(legal, audit, insurance, indirect administrative staffing)	Program	80%	(program contracts, contract management, legal)
Evaluation	5%	(external evaluation of CalMHSA PEI Statewide Programs)											
Administration	15%	(legal, audit, insurance, indirect administrative staffing)											
Program	80%	(program contracts, contract management, legal)											



Allocation amounts for the \$10m

- Evaluation = 5%
- Administration = 15%
- Programming = 80%



All RFPs will include...

- Amount of funds to be awarded
- Anticipated number of awards
- Contractor qualities
- Scope of work & deliverables
- Requirement of contractor to show evidence of collaboration/partnerships with counties
- Requirement to address California's Diverse Communities
- Outcome indicators and evaluation reporting requirements
- Review process and scoring criteria
- A timetable for award notification and protest period
- Processes and instructions for submitting questions and proposals
- Amount of match required for each program



RFP Descriptions

- **RFP 1.** Strategies 1 & 4. Effectively Reaching and Supporting California and its Diverse Communities to Achieve Mental Health and Wellness. (**55%** of available funding)
- **RFP 2.** Strategy 3. Creating Healthier Organizations and Communities through Policy Change. (**10%** of available funding)
- **RFP 3.** Strategy 2. Training and Education to Increase Awareness of Mental Health, Substance Use and Suicide Prevention. (**30%** of available funding)
- **RFP 4.** Strategy 5. Crisis and Peer Support Strategies for Underserved Communities. (**5%** of available funding)



RFP 1. Effectively Reaching and Supporting California and its Diverse Communities to Achieve Mental Health and Wellness

- Disseminate and support tools and resources developed under the Each Mind Matters umbrella to effectively reach California and its diverse communities
- Focuses on utilizing schools (including preschools, K-12 and higher education), health care providers, and employers as partners for the dissemination of materials
- RFP contains two components:
 - Social Marketing and Information Resources
 - Networks and Collaborations



RFP 2. Creating Healthier Organizations and Communities through Policy Change

- Identify and support policy changes that will result in greater adoption of mental health and substance use awareness and suicide prevention practices within organizations, in local communities and at a state-level
- Focuses on the schools (including preschools, K-12 and higher education), health care providers, and employers as partners due to their potential to reach broad segments of the population especially California's diverse communities, including special populations that are high risk
- Goal of fostering environments that are more supportive of persons experiencing mental, emotional or behavioral health challenges



RFP 3. Training and Education to Increase Awareness of Mental Health, Substance Use and Suicide Prevention

- Further the awareness of mental health and substance use issues and of suicide prevention strategies among diverse communities in the schools (including preschools, K-12 and higher education), health care and workplace settings
- Proposers will be expected to describe how they plan to collaborate with a diverse set of program partners to ensure that trainings are informed by individuals with lived experiences and appropriately tailored to diverse communities
- The majority of the funds allocated to RFP 3 will be awarded for the delivery of programming
- A small set aside of up to \$150,000 (separate RFI) will be used for a contract to catalogue individuals who have been trained to-date as trainers through initial MHSA funding investments, and for developing a sustainable fee-for-service model



RFP 4. Crisis and Peer Support Strategies for Reaching Underserved Communities

- Develop and expand crisis and peer support strategies for California's diverse communities
- Focus specifically on the wellness area of diverse communities and support the development and piloting of approaches that are most effective for racial, ethnic and cultural subgroups and special populations that are the hardest to reach and most underserved



Non-County Funded Activities

- Due to the limited funding available, a high cash match for workforce activities
- Address Strategy 5 through Strategies 1, 2, 3, and 4
 - S. 1 and 2, provide crisis and peer support services to high suicide risk subgroups within those other Wellness Areas (e.g., Friendship Lines)
 - S. 3, address challenges in accessing and using timely data
 - S. 4, support service providers to share practices, and to explore which practices work better for various diverse communities



Scenario for Reduced Funding - Strategies

STRATEGIES	WELLNESS AREAS												
	Workplace	Schools	Health Care	Diverse Communities**									
Strategy 1. Social Marketing & Informational Resources	✓	✓	✓	✓									
Strategy 2. Training & Education	✓	✓	✓	✓									
Strategy 3. Policies, Protocols & Procedures	✓	✓	✓	✓									
Strategy 4. Networks & Collaborations	✓	✓	✓	✓									
Strategy 5. Crisis & Peer Support Services				✓									
Strategy 6. Research, Evaluation & Surveillance	✓	✓	✓	✓									
<p>* assumes that Total CalMHSAs Phase Two Funding will be allocated as follows:</p> <table data-bbox="106 992 1213 1106"> <tr> <td>Evaluation</td> <td>5%</td> <td>(external evaluation of CalMHSAs PEI Statewide Programs)</td> </tr> <tr> <td>Administration</td> <td>15%</td> <td>(legal, audit, insurance, indirect administrative staffing)</td> </tr> <tr> <td>Program</td> <td>80%</td> <td>(program contracts, contract management, legal)</td> </tr> </table> <p>** if funding goal not met – this will be collapsed into other areas and become criteria for funding</p>					Evaluation	5%	(external evaluation of CalMHSAs PEI Statewide Programs)	Administration	15%	(legal, audit, insurance, indirect administrative staffing)	Program	80%	(program contracts, contract management, legal)
Evaluation	5%	(external evaluation of CalMHSAs PEI Statewide Programs)											
Administration	15%	(legal, audit, insurance, indirect administrative staffing)											
Program	80%	(program contracts, contract management, legal)											



Scenario for Reduced Funding - RFPs

- RFP 1. Strategies 1 & 4. Effectively Reaching and Supporting California and its Diverse Communities to Achieve Mental Health and Wellness. (55% of available funding)
 - **\$5m is the minimum to have statewide reach and impact. If funding goal not met, all other RFP's decreased to meet this goal.**
- RFP 2. Strategy 3. Creating Healthier Organizations and Communities through Policy Change. (10% of available funding)
 - **reduced to 5% if funding goal not met.**
- RFP 3. Strategy 2. Training and Education to Increase Awareness of Mental Health, Substance Use and Suicide Prevention. (30% of available funding)
 - **reduced % if funding goal not met**
- RFP 4. Strategy 5. Crisis and Peer Support Strategies for Underserved Communities. (5% of available funding)
 - **collapsed into other RFP if funding goal not met**

Further refinement of the RFPs and necessary changes in the event of reduced funding will be performed by Staff under the guidance of the CalMHSA Sustainability Taskforce.



Evaluation

- staff recommends using 5% of funds for continuing the external evaluation
- Contractors will be required to submit predetermined quantitative and/or qualitative data to the external evaluators



List of Short-term Outcomes (SO)

- **SO 1. Increased knowledge and skills for recognizing signs and facilitating help-seeking**
- **SO 2. Decreased stigma against persons with mental health and/or substance use challenges**
- **SO 3. Increased adoption/use of materials and protocols**
- **SO 4. Increased early identification and intervention**
- **SO 5. Increased access to peer-based support and education**
- **SO 6. Increased access/use of PEI, treatment and support services**
- SO 7. Increased understanding of suicide risk factors
- SO 8. Increased understanding of effectiveness of PEI strategies

Based on the logic model for the Phase Two Plan, Strategies 1, 2, 3, 4 and 5 are expected to produce positive changes in SO1 through SO6 – six of the eight short-term outcomes.



List of Long-term Outcomes (LO)

- **LO 1. Reduced incidences of discrimination against persons with mental health and/or substance use challenges**
- **LO 2. Reduced social isolation and self-stigma**
- **LO 3. Improved mental and emotional well-being**
- **LO 4. Improved functioning at school, work, home/family, and in the community**
- **LO 5. Reduced impact of trauma**
- **LO 6. Reduced suicidal behavior**
- **LO 7. Reduced use of crisis services**
- **LO 8. Reduced negative consequences of untreated mental health and substance use challenges**
- **LO 9. Reduced societal costs related to untreated mental health and substance use challenges**
- **LO 10. Improved health equity**

Staff expects to see the most impact on: LO1, LO2, LO6, LO7, LO8 and LO10.



Recommendations

- Adopt Sustainability Taskforce Recommendations for County PEI Funded Activities in Phase II FY 2015–2017
- Adopt the allocation of funds as follows: 80% for Programs, 15 % for administration, 5% for Evaluation, as endorsed by the Sustainability Taskforce and the Finance Committee.
- Authorize the Sustainability Taskforce to further refine the RFP's based on the funding available and specific criteria within the RFP's such as: match requirements.



Phase Two Plan for Sustaining CalMHSA Statewide Prevention and Early Intervention Projects

Approved by the California Mental Health Services Authority

Board of Directors, August 14, 2014



Table of Contents

Acknowledgments	i
CalMHSA Statewide PEI Projects Sustainability Steering Committee.....	ii-iii
I. EXECUTIVE SUMMARY	1-3
II. BACKGROUND	3-4
III. GUIDING FRAMEWORK	4-5
IV. EACH MIND MATTERS – CALIFORNIA’S MOVEMENT TOWARDS MENTAL HEALTH AND WELLNESS.....	5-6
V. AIMS	6-7
VI. WELLNESS AREAS AND TARGET POPULATIONS FOR PROMOTING PREVENTION AND MENTAL HEALTH.....	7-9
Diverse Communities	8
Schools.....	8
Health Care.....	8-9
Workplace	9
VII. STRATEGIES	9-14
Strategy 1. Social Marketing and Informational Resources	10-11
Strategy 2. Training and Education	11-12
Strategy 3. Policies, Protocols and Procedures	12-13
Strategy 4. Networks and Collaborations	13
Strategy 5. Crisis and Peer Support Services.....	13
Strategy 6. Research, Evaluation and Surveillance.....	14
VIII. EVALUATION	14
A. Short-term Outcomes	14-15
B. Long-term Outcomes	15-16
C. Performance Monitoring	16
IX. PRELIMINARY FUNDING PLAN	16-17
DIAGRAM 1. Wellness Areas	7
DIAGRAM 2. Key Strategies	9

APPENDIX A. Phase Two Plan Logic Model	18
APPENDIX B. Logic Model for Diverse Communities	19-20
APPENDIX C. Logic Model for Schools	21-22
APPENDIX D. Logic Model for Health Care.....	23-24
APPENDIX E. Logic Model for Workplace.....	25-26

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The Phase Two Plan for Sustaining the California Mental Health Services Authority (CalMHSA) Statewide Prevention and Early Intervention Projects represents the commitment of many individuals and organizations to maintaining prevention and early intervention activities in California. We are grateful for the support and direction given by the CalMHSA Sustainability Taskforce, the Advisory Committee, the Executive Committee and several county behavioral health directors, County liaisons, and MHSAs and PEI Coordinators. All who helped to refine the priorities and activities laid out in this Plan. We are sincerely appreciative of the guidance from the CalMHSA Statewide PEI Projects Sustainability Steering Committee. This group of individuals from the fields of mental health, substance use, public health, and education, who represented a diverse range of perspectives including consumers and family members, underserved ethnic and cultural groups, youth, older adults, community clinics, community-based organizations, faith-based organizations, foundations, health plans, research and surveillance institutions, public colleges and universities, county and state government agencies, statewide offices, state legislative officials, and national policy advocacy groups provided us with valuable input throughout the development process. We especially acknowledge the staff of the California Institute for Behavioral Health Solutions – Karen Kurasaki, PhD, Kelly Bitz, and Kimberly Mayer, MSSW – for facilitating the strategic planning process, ensuring diverse input and writing a plan that reflects the best thinking of statewide and national experts, CalMHSA and its diverse stakeholders.

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I. EXECUTIVE SUMMARY

For the past decade, California has steadily grown a statewide movement toward prevention and early intervention. When California voters passed The Mental Health Services Act (MHSA) (Proposition 63) in 2004, Prevention and Early Intervention (PEI) was one of the five components. PEI provided a historic investment of 20% of MHSA funds to address early signs of mental illness including suicide risk and to improve access to early services including and especially by addressing stigma and discrimination related to mental illness. PEI was seen as a critical strategy to prevent mental illness from becoming severe and disabling and to reduce the negative outcomes of untreated mental illness.

In 2007, a one-time investment of MHSA funds of \$160 million over four-years for statewide PEI projects created three significant initiatives: Suicide Prevention (SP), Stigma and Discrimination Reduction (SDR) and Student Mental Health (SMH). The California Mental Health Services Authority (CalMHSA) a Joint Powers Authority was created by the counties in 2010, to administer the three initiatives on a statewide basis. In 2013, with the end of the four-year period nearing, the CalMHSA Board of Directors adopted a two-phase planning strategy for continuing the investment in statewide PEI efforts. Phase One focused on sustaining current CalMHSA PEI Statewide Projects for one additional year with existing funds. The purpose of this short-term sustainability plan was to provide program partners with additional time to successfully complete their activities and deliverables, and to reduce the risk of any adverse consequences of discontinuing activities (e.g., the ability to measure long-term impact). This document pertains to Phase Two, which focuses on developing a long-term plan and new funds for future statewide projects to continue the investment in promoting prevention and early intervention strategies. The arguments for sustaining statewide PEI projects long-term include being able to implement population-based strategies that will result in larger social impact (e.g., statewide social marketing campaign), working on policy recommendations that can benefit counties statewide, procuring resources at lower cost (e.g., in the case of media buys), fostering cross-systems collaboration among statewide partners (e.g., in higher education), and ultimately making a significant impact on reducing the need for treatment services.

The present document is the Phase Two Plan. The Phase Two Plan was developed with considerable input from counties and designed to support and enhance local PEI work through a comprehensive set of strategies and activities that would be unduplicated at the local county level and more efficient and cost-effective to conduct at a statewide level. Therefore, in the implementation of the Plan, CalMHSA will need to diligently work in collaboration and partnership with local county jurisdictions early in the planning stages of any work done in local communities in order to avoid confusion and duplication of work, reduce any burden to communities, and maximize impact.

The Plan builds upon the initial statewide PEI investment by bringing three current initiatives (i.e., SP, SDR and SMH) together under one common umbrella – Each Mind Matters. Each Mind Matters will provide a branded comprehensive campaign and recognizable messaging across the state to support a movement in California to promote mental health and wellness and reduce the likelihood of mental illness, substance use and suicide among all Californians. By organizing multiple activities under Each

Mind Matters, California can continue to make strides in preventing mental illness, substance use disorders and suicide, improving student mental health, increasing open-mindedness and compassion toward persons experiencing mental health and substance use challenges, and improving health equity by addressing the specific needs of California's diverse ethnic, racial and cultural communities.

It is noteworthy that the Plan is much broader in scope than the current three initiatives. The Phase Two Plan covers several new sectors through the delineation of four Wellness Areas – Diverse Communities, Schools, Health Care and Workplace – with the Public Safety sector included under Diverse Communities. The Plan also expands the scope of statewide PEI efforts to include primary prevention activities with attention to reducing the impact of early childhood (i.e., children ages 0-5) trauma and targeting mothers with post-partum depression. Finally, the Plan integrates prevention activities for increasing public awareness of substance use and mental health issues, and fostering emotional health and resilience against not just mental illness but substance use disorders as well.

The Plan takes a public health approach and this is reflected throughout the strategies and activities in this document. Population-based strategies were deliberately selected for effecting community changes that would be deep and long-lasting changes. Broad dissemination in multiple languages of substance use, mental health and suicide prevention tools and resources under the social marketing strategy is one example of how this population-based approach is articulated in the Plan. The Evaluation section of this Plan describes the importance of developing clear, state-level metrics for measuring the overall effectiveness of these population-based activities, and this reflects CalMHSA's continued commitment to a rigorous evaluation of the state's and counties' investment in PEI.

The following bullets summarize the Plan's key features:

- A comprehensive set of strategies and activities that would be unduplicated at the local county level and be more efficient and cost-effective to conduct at a statewide level or regional level;
- Strategies and activities that may enhance those operating at the county or regional level;
- A population-based/public health approach to effect deep and long-lasting change, and greater societal impact;
- Integration of elements of the three current initiatives into a single, statewide PEI movement to provide a branded comprehensive campaign and recognizable messaging across the state;
- Continuation of the three current initiatives' targeted efforts to tailor materials for ethnic, racial and cultural groups to eliminate stigmatizing language and use language that instills dignity and hope;
- Expansion to other sectors using existing resource materials and tools from the three current initiatives to leverage new relationships and partnerships;
- Expansion to include substance use prevention awareness;

- Expansion to include activities that may focus on groups at highest risk for suicide (i.e., white transitional aging males, older adults, rural communities);
- Expansion to include primary prevention activities focused on reducing impact of trauma among early childhood population (children ages 0-5) thereby reducing the potential adult morbidity (i.e., suicidality, chronic medical conditions);
- Leverages new opportunities with the Affordable Care Act that did not exist a decade ago, and other health initiatives in the health care sector, public health and education to maximize impact;
- Continued commitment to accountability and evaluating overall effectiveness.

II. BACKGROUND

In 2004, California voters passed Proposition 63 (The Mental Health Services Act) (MHSA), landmark legislation that created an ongoing funding source and a framework for transforming California's traditional community mental health system into a system equipped to support prevention and wellness, and on addressing the unmet needs of California's diverse and underserved population groups with culturally relevant and effective services and education. In 2007, the Mental Health Services Oversight and Accountability Commission (MHSOAC), which was created as a stipulation of the MHSA to oversee the management of these funds, approved a one-time investment of \$160 million in Prevention and Early Intervention (PEI) funds for the implementation of statewide projects across a four-year period. The intent of the one-time allocation was to strengthen the capacity and infrastructure to support PEI activities locally, regionally and statewide. Three strategic initiatives were identified through a stakeholder process and approved by the MHSOAC in May 2008, for the distribution of this one-time allocation: \$40 million for Suicide Prevention (SP), \$60 million for Student Mental Health (SMH), and \$60 million for Stigma and Discrimination Reduction (SDR). In 2010, the counties came together and acted collectively to create the California Mental Health Services Authority (CalMHSA) a Joint-Powers Authority to efficiently and effectively administer the three initiatives on a statewide basis. In January 2011, the MHSOAC approved the CalMHSA PEI Statewide Projects Implementation Work Plan. A total of 25 providers were identified through an RFP process to implement the Work Plan by June 30, 2014, with the evaluation to be completed by the following year.

In 2013, the CalMHSA Board of Directors adopted a two-phase planning strategy for sustaining CalMHSA PEI Statewide Projects. It was during their 2013 Strategic Planning meeting that CalMHSA Board Members discussed in concept this two-phase approach and their desire to sustain PEI Statewide Projects. This discussion resulted in a request that staff return to the Board with a more detailed plan. Since that time, the Board formally authorized the implementation of Phase One and the development of a Phase Two Plan. Phase One continues some of the current CalMHSA PEI Statewide Projects for fiscal year 2014-2015 using existing funds and a winding down of others pursuant to the guidance of stakeholders and Board. Phase One is recognized as a short-term sustainability solution for the purpose of providing program partners with additional time to successfully complete their activities and deliverables, and to reduce the risk of any adverse consequences of discontinuing activities (e.g., the

ability to measure long-term impact). The Board's vision for Phase Two is longer term. Some examples of their documented arguments for sustaining statewide PEI projects long-term include being able to implement population-based strategies that will result in larger social impact (e.g., statewide social marketing campaign), working on policy recommendations that can benefit counties statewide, procuring resources at lower cost (e.g., in the case of media buys), fostering cross-systems collaboration among statewide partners (e.g., in higher education), and ultimately making a significant impact on reducing the need for treatment services. The Board's expectation for the Phase Two Plan was that it would be a product of examining the original CalMHSA PEI Statewide Projects Implementation Work Plan and revising as necessary to reflect the information and data gleaned from the implementation of the first plan, and that it would incorporate new strategic direction as a result of major policy changes, such as the Affordable Care Act (ACA), and input from key stakeholders.

In January 2014, CalMHSA contracted with the California Institute for Mental Health, now the California Institute for Behavioral Health Solutions (CIBHS) to facilitate the development of the Phase Two Plan. CIBHS immediately established a Steering Committee to guide the development of the Phase Two Plan. The Steering Committee was comprised of 35 members from the fields of mental health, substance use, public health, and education, who represented a diverse range of perspectives including consumers and family members, underserved ethnic and cultural groups, youth, older adults, community clinics, community-based organizations, faith-based organizations, foundations, health plans, research and surveillance institutions, public colleges and universities, county and state government agencies, statewide offices, state legislative officials, and national policy advocacy groups. Several county behavioral health staff were involved in the Steering Committee. The Steering Committee convened several times over a four-month period (between February and May 2014) to develop priority areas and explore diverse funding options, including MHSAs funds and other public and/or private funding streams for sustaining the plan. In April, CIBHS also convened a focus group comprised of a small number of county directors and MHSAs and PEI Coordinators representing several regions in the state including small counties in order to obtain an operational perspective and input to the Phase Two Plan about what is working, not working and how statewide or state-level activities could better coordinate with and support local and regional PEI efforts.

The present document is the Phase Two Plan and is the culmination of a six-month, intensive planning process. The Phase Two Plan was written by CIBHS with CalMHSA staff for the CalMHSA Board of Directors and was approved at their meeting on August 14, 2014. The Plan has been vetted by the Steering Committee, the CalMHSA Sustainability Taskforce, CalMHSA Advisory Committee, CalMHSA Executive Committee, and several county behavioral health directors, County Liaisons, and MHSAs and PEI Coordinators.

III. GUIDING FRAMEWORK

The Prevention Institute's Spectrum of Prevention (Cohen & Swift, 1999) was adopted by CIBHS and supported by the Steering Committee to guide the development of the Phase Two Plan. The

Spectrum of Prevention was selected because it provided a comprehensive, multifaceted framework for influencing deep and long-lasting change. As such, the ideas presented in this Plan are comprehensive in scope and address strategies across the spectrums of strengthening individual knowledge and skills, promoting community education, organizing neighborhoods and communities, educating providers, changing organizational practices, fostering coalitions and networks, and influencing policy and legislation. Other instrumental documents included the National Prevention Strategic Plan, the National Suicide Prevention Strategic Plan, the MHSOAC 2010 PEI Work Plan, the California Reducing Disparities Project Strategic Plan to Reduce Mental Health Disparities, the California strategic plans for the three current initiatives – SMH, SP, SDR – and the CalMHSA Statewide PEI Evaluation Plan developed by RAND Corporation, to ensure that the Phase Two Plan builds upon CalMHSA’s initial investment and other efforts both statewide and nationally. The most important guiding theme that runs through the entire Phase Two Plan and should also be prioritized in the operationalization of the Plan is that all strategies and activities be designed to outreach to all of California’s diverse communities and create equitable access to services for all Californians.

IV. EACH MIND MATTERS – CALIFORNIA’S MOVEMENT TOWARD MENTAL HEALTH AND WELLNESS

One of the improvements proposed for Phase Two is to bring the three current initiatives – SP, SDR and SMH – together under one common umbrella. This concept of an umbrella framework emerged from the planning process as a way to simplify the message and thereby support a more effective statewide campaign. Key stakeholders were united in their viewpoint that all of the work needed to be connected under a common theme and framework.

Each Mind Matters – California’s Movement Toward Mental Health and Wellness – is being presented here as the umbrella framework for all of the strategies proposed under the Phase Two Plan. The proposed vision for Each Mind Matters is to *promote mental health and wellness, suicide prevention and health equity to reduce the likelihood of mental illness, substance use and suicide among all Californians in diverse communities, schools, health care and workplace*. By working to achieve this vision, California can continue to make strides in preventing suicide, improving student mental health and reducing stigma and discrimination.

While Each Mind Matters provides an umbrella to broadly organize multiple activities as part of it, the critical need for specific efforts developed by and for California’s diverse ethnic, racial and cultural communities remains paramount. The use of Each Mind Matters as a branded comprehensive campaign will create simple, consistent, and recognizable messaging across the state while still supporting Californians in very different communities to implement a wide set of activities as part of one statewide effort. For example *SanaMente*, *Native Communities of Care* and *Each Aggie Matters*, are all current efforts developed by and for diverse ethnic, racial and cultural communities. The flexibility to tailor resources and tools to be effective for California’s diverse communities would still be possible and expected under the umbrella of Each Mind Matters in order to achieve the vision.

Each Mind Matters builds on the original investment and includes all of the social marketing and informational resources developed under the three original statewide initiatives. Through a diverse set of program partners, all outreach activities, educational tools and products, and trainings and technical assistance would be packaged using the existing materials and resources and disseminated under the Each Mind Matters umbrella. Thus as a branded comprehensive campaign, Each Mind Matters is a vehicle for more centralized and coordinated dissemination and technical assistance with implementation. The dissemination process will support the capacity for local use and refinement of various products and informational resources, ensuring quality that addresses California's diversity. Each Mind Matters would resonate with the "wellness movements" happening outside of behavioral health (i.e., mental health and substance use) in other service sectors such as health care, public health, education, workplace (including both government and private sector), and for California's diverse populations across all the regions of the state and across the life span.

V. AIMS

In order to fulfill the Each Mind Matters vision to promote emotional health and reduce the likelihood of mental illness, substance use and suicide among all Californians in diverse communities, schools, health care and workplace, the following 10 aims are put forth. The set of aims are necessarily comprehensive and reflective of the reality that real change for a complex problem requires a comprehensive and multifaceted solution.

- **Aim 1.** Integrate mental health and substance use awareness and suicide prevention into diverse communities, schools, health care and the workplace.
- **Aim 2.** Promote understanding that resilience and recovery from mental illness and substance use disorders, and overcoming thoughts of suicide is possible.
- **Aim 3.** Promote early identification and multiple points of entry into prevention and treatment services.
- **Aim 4.** Promote a more supportive environment for persons experiencing mental health and/or substance use challenges, or thoughts of suicide.
- **Aim 5.** Promote access to peer-based support and education.
- **Aim 6.** Support policies and programs that enhance emotional well-being, and promote best practices in Prevention and Early Intervention.
- **Aim 7.** Leverage new opportunities created by the Affordable Care Act and other health initiatives in public health, education, public safety and the health care sectors.

- **Aim 8.** Promote health equity for California’s diverse population with particular attention to underserved ethnic, racial and cultural subgroups.
- **Aim 9.** Improve the usefulness of research, evaluation and surveillance data for improving performance of statewide Prevention and Early Intervention among California’s diverse populations.
- **Aim 10.** Support policies and programs that focus on primary prevention strategies to reduce the impact of trauma, especially early childhood trauma, and improve family functioning.

VI. WELLNESS AREAS AND TARGET POPULATIONS FOR PROMOTING PREVENTION AND MENTAL HEALTH

During the planning process, it became evident that broad coverage to a wide range of communities and population groups was favored. The Plan is built around four Wellness Areas in order to achieve that broad coverage. These Wellness Areas are: 1) Diverse Communities; 2) Schools; 3) Health Care; and 4) Workplace. (See Diagram 1.) The multiple target populations within each of these four Wellness Areas are described in this section.

Diagram 1. Four Wellness Areas



Diverse Communities

Diverse Communities is the broadest of the four Wellness Areas. Diverse Communities is intended to cover children (0-5), youth (6-15), Transition Age Youth (TAY) (16-25), adults, transitional aging adults, older adults, veterans and their families, justice-involved persons and their families, faith-based communities, rural communities, underserved racial and ethnic subgroups, and especially populations at high risk for suicide such as white transitional aging males and Lesbian/Gay/Bisexual/Transgender (LGBT) persons.

Effectively reaching all of the diversity in California with quality and culturally responsive materials and approaches is a fundamental priority. The targeted efforts of CalMHSA's current work with regard to ethnic and linguistic subgroups will be continued in Phase Two. This continued emphasis on ethnic and linguistic subgroups is based on early findings from existing investments analyzed by the RAND Corporation. For example, subgroups of Asian Americans and Latinos were shown to be particularly vulnerable due to cultural stigma regarding mental illness and also due to being less likely to be exposed to social marketing messages and other mainstream channels of information distribution as a result of language. Targeted efforts to reach these and other underserved groups known to be high risk for suicide such as Native Americans and LGBT persons, and for whom resources and tools require tailoring to be culturally responsive and non-stigmatizing will continue to be a main priority. The limited coverage in CalMHSA's current work were noted during the planning process and are included here as important populations to consider for Phase Two. The first of these are underserved, recent immigrant communities that are undergoing a fragile adjustment period stemming from trauma in their homeland and cultural adjustment to living in the U.S. Arab, Armenian, Iranian and Iraqi immigrants are some examples of these recent immigrant populations. The second grouping is subpopulations at highest risk for suicide according to surveillance research. These include transitional aging and older adults, white transitional aging males and rural residents. Focusing on these highest risk subgroups is necessary in order to really impact suicide rates. As additional findings emerge from the independent evaluation being conducted by the RAND Corporation, these will be incorporated into the Phase Two Plan.

Schools

Target populations within the Schools Wellness Area include pre-school/early childhood education children (0-5) and their parents/caregivers, K-12 students in public, private and alternative education and their parents/caregivers, career technical education students and their families, public and private college and university students and their families, TAY, foster care and LGBT TAY, student and veterans and their families. Because Schools are embedded within Diverse Communities, the target populations within the Schools Wellness Area also include the racial, ethnic and other underserved and/or high risk subgroups described in the previous section.

Health Care

The target populations within the Health Care Wellness Area are those that are users of services of the various health care systems, such as Federally Qualified Health Centers (FQHCs), Community Clinics, public health plans, private health plans, primary care clinics, integrated care clinics, emergency departments, and others. These include children (0-5), youth (6-15), TAY, adults, transitional aging

adults, older adults, and veterans. Because Health Care is embedded within Diverse Communities, the target populations within the Health Care Wellness Area are inclusive of the racial, ethnic and other underserved and/or high risk subgroups described above under Diverse Communities.

Workplace

Finally, the target populations within the Workplace Wellness Area are employers and employees and their families, and veteran employees and their families in both the government and private sectors. Targeted reach to private and public employers is vital and should focus particularly on individuals working in health care and public safety. Once again, because Workplaces are embedded within the Diverse Communities where they are located, the target populations within the Workplace Wellness Area will include the racial, ethnic and other underserved and/or high risk subgroups described earlier under Diverse Communities.

VII. STRATEGIES

The Phase Two Plan is organized around six Key Strategies: 1) Social Marketing and Informational Resources; 2) Training and Education; 3) Policies, Protocols and Procedures; 4) Networks and Collaborations; 5) Crisis and Peer Support Services; and 6) Research, Evaluation and Surveillance. (See Diagram 2.) Under each Strategy, there are many different kinds of activities that will be performed. These Strategies reflect a public health/population-based approach for advancing community change. It is worth noting here that there is a great deal of consistency between the labeling of Phase Two Key Strategies and the evaluation areas of the current initiatives. This was a deliberate decision on the part of CalMHSA staff to maintain consistency with the current evaluation areas wherever it was possible to do so, in order to benefit the evaluation of long-term outcomes.

Diagram 2. Key Strategies



Strategy 1. Social Marketing and Informational Resources

The primary activity proposed within Strategy 1. Social Marketing and Informational Resources is dissemination of an array of tools and resources under the Each Mind Matters umbrella.

Dissemination will consist of procurement of quality resource materials that are culturally responsive for California's diverse communities and in multiple languages; maintaining the Each Mind Matters website with informational resources tailored to the various target audiences, outreach and engagement to develop relationships with new partners in other sectors; and very importantly technical assistance around the refinement, tailoring and use of materials to achieve and ensure cultural relevance.

Dissemination as it is presented here is not expected to be a unilateral process. It will be a dynamic, interactive process to ensure the refinement and tailoring of materials to be meaningful and useful for California's diverse populations. This interactive process may include the adoption and then statewide dissemination of existing and effective resources and tools that have been developed by local communities. It will require some on-going costs associated with this process (e.g., staff time), but there are opportunities here to disseminate and promote materials and resources that are already developed with CalMHSA funds for a significant cost-saving approach.

Tools and resources for *dissemination* will go beyond print materials and written content on the Each Mind Matters website. CalMHSA has focused on social media in its current work and will continue to do so in Phase Two. Social media is important given how commonplace it has become as a source of information and means for communication for more and more segments of the population, but especially for younger generations. Media products are also important tools and serve multiple roles. Media products serve as a source of information (e.g., documentary, "breaking news"), entertainment (e.g., stories and characters that shape, reinforce and change perceptions while entertaining), and "contact" or connection with others. Stigma and discrimination reduction strategies benefit from message reinforcement in media and during times of isolation and loneliness, television and radio might be the only sources of "contact" with others. Media also serves as a tool for reaching low-literacy populations. CalMHSA will continue to promote and disseminate several low-literacy media products that have been developed for Lao, Cambodian, Vietnamese and Mien communities. It is important here to recognize the impactful role that partnerships with media can provide including the dissemination and use of social marketing tools, resources and messaging through journalism and entertainment that can widely reinforce key messaging to the broad public. Most importantly, under the Social Marketing and Informational Resources Strategy is a state-level media campaign for cost-effectively accelerating norm change at a population level.

Successful *dissemination* to reach all the target populations described under each of the four Wellness Areas will require extensive outreach and relationship building with an extremely wide array of community partners. There will be costs involved with this Strategy and marketing some of this work as a fee-for-service model will be necessary. The remainder of this section provides a fairly comprehensive although not complete list of prospective community partners under each of the four Wellness Areas.

Dissemination of tools and resources as part of the Each Mind Matters campaign will reach Diverse Communities through partnerships with community-based organizations (CBOs) (e.g., youth

organizations, Boys and Girls Clubs, senior wellness centers, YMCAs, food pantries, homeless and domestic violence shelters, ethnic-specific CBOs), other community organizations (e.g., sports leagues, scouts organizations, cultural organizations), City Parks and Recreation Departments, public libraries, Woman Infants and Children programs, child welfare agencies, California Department of Public Health programs, California First 5 Commission programs, faith-based organizations, community service organizations (e.g., Rotary Club, Lions Club), large commercial retailers and other natural networks (e.g., grocery chains, CVS and Walgreen’s pharmacies), local small business retailers (e.g., “mom and pop” grocery stores, barber shops, hair/nail salons), fire departments and other emergency responders, law enforcement agencies, and probation departments.

Dissemination of tools and resources under the Each Mind Matters umbrella will reach the Schools through partnerships with pre-schools and K-12 public and private schools, school boards, Special Education Local Plan Area, school-based behavioral health providers, the California Department of Education, Career Technical Education Programs, California Community Colleges Chancellor's Office, California State Universities Chancellor's Office, University of California Office of the President, individual college and university campuses both public and private and departments within those campuses such as student affairs departments, student health centers, student counseling centers and student organizations.

Dissemination of Each Mind Matters tools and resources will reach various Health Care settings through partnering with FQHCs, community clinics, emergency departments, pharmacists, home visitation programs, provider membership organizations such as the California Council of Community Mental Health Agencies, the California Primary Care Association, and California Association of Physician Groups, public and private health plans, the Department of Consumer Affairs, Department of In-home Health Services, California Council of Local Health Officers, American Association of Retired Persons, and Emergency Medical Services agencies.

Finally, *dissemination* of Each Mind Matters tools and resources will reach Workplace settings through partnerships with large private employers and corporations, chambers of commerce, government agencies, Employee Assistance Program (EAP) providers and regulatory bodies, and employee associations and unions.

Strategy 2. Training and Education

Strategy 2. Training and Education is complementary to Strategy 1. Operationally, training and education is actually interwoven with dissemination, however for the purposes of clarity has been broken apart in this Plan. *Training and Education* will cover a range of essential topics for increasing awareness around mental health and substance use issues, and suicide prevention. These topics will include: recognizing signs and symptoms of substance use and depression and warning signs of suicide risk; understanding how to assist those with mental health needs or at risk for suicide and facilitate access to appropriate services; the use of positive messaging (i.e., non-stigmatizing language) about mental health and substance use disorders; the negative consequences of stigma (e.g., bullying behavior in the schools, poor self-management of chronic physical conditions in the health care setting, reduced

productivity in the workplace); and where to seek help. *Training and Education* builds upon the training efforts that CalMHSA is currently funding under the three initiatives – e.g., Stigma Reduction Conferences. The same prospective community partners described above under Strategy 1 applies here to *Training and Education*. Collaboration with a diverse set of program partners will be crucial for ensuring that trainings are appropriately tailored to the racial, ethnic and other underserved and/or high risk subgroups described earlier under Diverse Communities. Like with Strategy 1, there will be costs involved with Strategy 2 and marketing some of this work as a fee-for-service model will be necessary.

Strategy 3. Policies, Protocols and Procedures

The primary activities proposed within Strategy 3. Policies, Protocols and Procedures are *consultation and technical assistance*. Strategy 3. Policies, Protocols and Procedures is complementary to Strategy 1 and Strategy 2. Operationally, *consultation and technical assistance* are an extension of dissemination, training and education. The ultimate goal is to effect wide change by targeting organizations that have the potential to reach broad segments of the population.

Consultation and technical assistance will be provided to organizations to support the implementation of organizational changes that reflect best practices in PEI. This will include identification and implementation of policy changes that create systemic support of mental health and substance use awareness and suicide prevention both locally and at the state-level. The main foci of the *consultations and technical assistance* will be around reducing stigma related to mental health and/or substance use, and creating a more supportive environment for those experiencing mental, emotional or behavioral health difficulties. That is to say, through organizational policies, protocols and procedures, fostering more open-mindedness and compassion toward persons experiencing mental health and/or substance use related challenges.

Some very specific areas for *consultation and technical assistance* emerged from the planning process as being highly important and of great value for PEI efforts, and are described here. In Diverse Communities, *consultation and technical assistance* is needed to create greater support for social inclusion and community integration of persons with mental health and substance use disorders, and access to housing, employment, education and other basic needs to improve opportunities in school, at work, at home and in the community. In Schools, *consultation and technical assistance* is needed to promote the inclusion of meaningful suicide prevention and mental health/substance use awareness activities in all K-12 School Safety Plans, provision of mental health and substance use services on all California Community College campuses, and Student Counseling Centers being responsible for developing and maintaining websites with information, online and chat support, wellness groups, and drop-in support services. Also in Schools, *consultation and technical assistance* should include advocacy for school districts to incorporate PEI activities, policies and funding allocations within their Local Control Accountability Plan to be consistent with the State’s priorities for student engagement, school climate and academic achievement. In Health Care settings, *consultation and technical assistance* is needed to promote screening for substance use, depression and suicide risk (including screening for access to firearms and poisons, and for a history of Adverse Childhood Experiences) as a reimbursable service under standard protocols. In Health Care settings, *consultation and technical assistance* is also

needed to promote the adoption and use of peers in integrated health care settings, and health plan policies and practices that will result in increased access to and utilization of preventive mental health and substance use services. The ACA requirement to integrate a behavioral health approach should be used as a leverage point for entrée into conversations with health care providers/plans to encourage implementation of such policies and procedures. In the Workplace, *consultation and technical assistance* is needed for promoting policies and procedures that encourage employees to use EAP services when needed and are supportive of persons living with mental health and/or substance use challenges being successful in the workplace. Similar to Strategy 1 and Strategy 2, there will be costs involved with Strategy 3 and marketing some of this work as a fee-for-service model will be necessary.

Strategy 4. Networks and Collaborations

The objective for Networks and Collaborations is to grow the pool of advocates and support local champions who are able to: influence policy, create and disseminate products for widespread impact and/or for deeper penetration into a “hard-to-reach” subgroup; and strengthen the movement around suicide prevention, mental health and substance use awareness both locally and at the state-level. The activities proposed under Strategy 4. Networks and Collaborations include but are not limited to: active outreach and relationship building with appropriate allies and advocates, participation as a member of a collaborative or network, and providing coordination support for a start-up or ongoing network or collaborative. One system of higher education, the California Community Colleges, offers us one example of the value and importance of Networks and Collaborations for meeting local needs. The California Community College system is very large and utilizes a model of regional representatives for feedback about various program areas. Supporting local networks and collaborations will help to ensure that local communities can participate in this regional structure and bring their voice to the table. Funding to support Strategy 4 is less likely to come from fee-for-service, and more likely to be procured from private foundation grants or county contributions.

Strategy 5. Crisis and Peer Support Services

The activities proposed under Strategy 5. Crisis and Peer Support Services support the goal of maintaining health and wellness in the community and reducing the need for crisis services. Examples of these activities include: live crisis and peer support services via online, text and telephone; friendship lines for older adults; warm lines for consumers; support groups for survivors and attempt survivors; emergency department follow-up; and collaboration, consultation and/or direct training for local crisis and peer support curriculum development and implementation. The approaches should be appropriate across the life span and support increased access to peer-led crisis alternatives. These and other peer-led crisis alternatives should be supported within suicide prevention efforts in all four Wellness Areas – Diverse Communities, on School campuses (K-12, colleges and universities), in Health Care settings, and in Workplace settings. Activities that facilitate partnering and support from counties and other provider agencies with ethnically and linguistically diverse communities will be paramount to ensure that peer-led crisis alternatives include and address the needs of those communities. Similarly, activities that facilitate capacity in the schools, including at K-12, colleges and universities for sustaining robust peer-to-peer programs is important for reducing the need for crisis services on school campuses.

Strategy 6. Research, Evaluation and Surveillance

The activities proposed within Strategy 6. Research, Evaluation and Surveillance are all toward the goal of improving understanding of suicide risk factors, population-level attitude change to see if stigma is being reduced, and effective prevention and early intervention strategies across institutions and communities. Activities would include developing metrics for and collecting data to evaluate the performance and outcomes of changes in Diverse Communities, Schools, Health Care and Workplace settings. This set of evaluation activities are described in greater detail in the next section. Activities would also include working with other agencies conducting population surveillance to promote more systematic data collection on risk factors. For example, county coroners and medical examiners can be encouraged to strive for greater uniformity in determining suicide as a cause of death and to participate in the California Violent Death Reporting System. California has several relevant population surveys, such as the California Health Interview Survey, the California Healthy Kids Survey, the California Youth Risk Behavior Survey, and the California Behavioral Risk Factor Surveillance Survey. These surveys are capable of providing more data on suicide risk, risk factors, mental health stigma and discrimination, and unmet needs for mental health services. More analysis of these and other sources can contribute to planning and evaluating programs and services. Disaggregation of data to examine and better understand differences and unique patterns within racial, ethnic and cultural subgroups is especially important and recommended as a priority area for addressing health equity. Disaggregated data analysis will serve to improve the field's understanding of effective practices with diverse population groups.

VIII. EVALUATION

CalMHSA is committed to using evaluation to measure the overall effectiveness of the Strategies in this Plan and for accountability purposes. Future contracting will incorporate measuring results including both process and outcomes as part of all contracted activities. CalMHSA plans to allocate between four- to seven-percent of the total Phase Two funds raised to support the evaluation work. The logic model for measuring overall effectiveness is presented in Appendix A. The logic model articulates eight short-term outcomes (listed below) covering a set of knowledge, skills, attitudes, beliefs and practices that are expected to lead to ten long-term outcomes (also listed below) covering behavioral indicators of mental health and wellness (e.g., reduced suicidal behavior, reduced use of crisis services, improved functioning at school, work, home and in the community), and costs to society.

Short-term Outcomes

The six Strategies in this Plan are expected to produce positive changes in eight short-term outcomes. These short-term outcomes cover changes in knowledge, skills, attitudes, beliefs and practices that are expected to result directly from the activities described under the six Strategies. The short-term outcomes are listed below. In addition, Appendices B through E provide more detail to show how the activities may vary for each Wellness Area.

List of Short-term Outcomes (SO)

- **SO 1.** Increased knowledge and skills for recognizing signs and facilitating help-seeking
- **SO 2.** Decreased stigma against persons with mental health and/or substance use challenges
- **SO 3.** Increased adoption/use of materials and protocols
- **SO 4.** Increased early identification and intervention
- **SO 5.** Increased access to peer-based support and education
- **SO 6.** Increased access/use of PEI, treatment and support services
- **SO 7.** Increased understanding of suicide risk factors
- **SO 8.** Increased understanding of effectiveness of PEI strategies

The methodology plan for evaluating these short-term outcomes will include multiple methods such as structured interviews, open-ended interviews and content analysis of documentation of organizational policies, protocols and procedures. Structured and open-ended interviews will be conducted electronically where possible (e.g., respondent is a mainstream organization reporting on their adoption/use of materials and protocols), as well as in-person and verbally in those cases where there are literacy, cultural and/or language translation considerations. Data will be collected from organizations and individuals who are the intended beneficiaries (e.g., congregation members, college and university students, student veterans, FQHC patients, employees). An independent evaluator will be contracted to provide technical assistance to program partners in the implementation of the evaluation. The exact methods, instruments and specific measurable objectives with performance benchmarks are beyond the scope of this Plan and will be developed by the independent evaluator. It will be important for the independent evaluator to work collaboratively with program partners and to maintain two-way feedback and communication about the evaluation process to ensure cultural appropriateness, data integrity and minimize unreasonable burden on program partners.

Long-term Outcomes

The logic model for the Phase Two Plan includes ten long-term outcomes. These long-term outcomes reflect broader changes in levels of resilience and functioning and the public health benefits measured at the population level. The long-term outcomes are listed below.

List of Long-term Outcomes (LO)

- **LO 1.** Reduced incidences of discrimination against persons with mental health and/or substance use challenges
- **LO 2.** Reduced social isolation and self-stigma
- **LO 3.** Improved mental and emotional well-being
- **LO 4.** Improved functioning at school, work, home/family, and in the community
- **LO 5.** Reduced impact of trauma
- **LO 6.** Reduced suicide rates
- **LO 7.** Reduced use of crisis services

- **LO 8.** Reduced negative consequences of untreated mental health and substance use challenges
- **LO 9.** Reduced societal costs related to untreated mental health and substance use challenges
- **LO 10.** Improved health equity

The methodology plan for evaluating these long-term outcomes will include population-based surveys, research and surveillance. An independent evaluator will be contracted to provide technical assistance to program partners in the implementation of the evaluation. The exact methods, instruments, indicators and specific measurable objectives are beyond the scope of this Plan and will be developed by the independent evaluator. It will be important for the independent evaluator to work collaboratively with program partners and ensure the inclusion of underserved ethnic and cultural subgroups in data collection, and cultural and linguistic appropriateness of data collection instruments.

Performance Monitoring

Data-driven quality improvement processes will be a requirement for all of the programs administered under this Plan. This Plan supports similar protocols as previous efforts by CalMHSA to ensure useful evaluation results. Currently the programs that operate as part of CalMHSA's statewide work on prevention and early intervention are required to both participate in an independent evaluation and to conduct individual program evaluations. Programs collect and report data to an independent evaluator based on an individual data collection plan. The independent evaluator provides technical assistance to comply with data collection activities and provides analyzed data back to program partners for quality improvement purposes. This relationship has strengthened the quality improvement capacity of our program partners as well as enhanced their ability to use data about their programs to document their impact and effectiveness. A similar approach will be implemented with this plan.

For performance and contract monitoring, CalMHSA will use a web-based data reporting system that has already been developed to collect quarterly process data (e.g., number and type of trainings, demographic information) from all program partners. This web-based reporting system allows CalMHSA to aggregate data to demonstrate coverage and outcomes of strategies and activities in diverse communities across the state. As such, it is a critical tool that can provide guidance on where more significant efforts are needed to reach underserved populations. The reporting system also provides CalMHSA with the ability to monitor when key activities are being accomplished and whether it is being completed within the required timeline.

IX. PRELIMINARY FUNDING PLAN

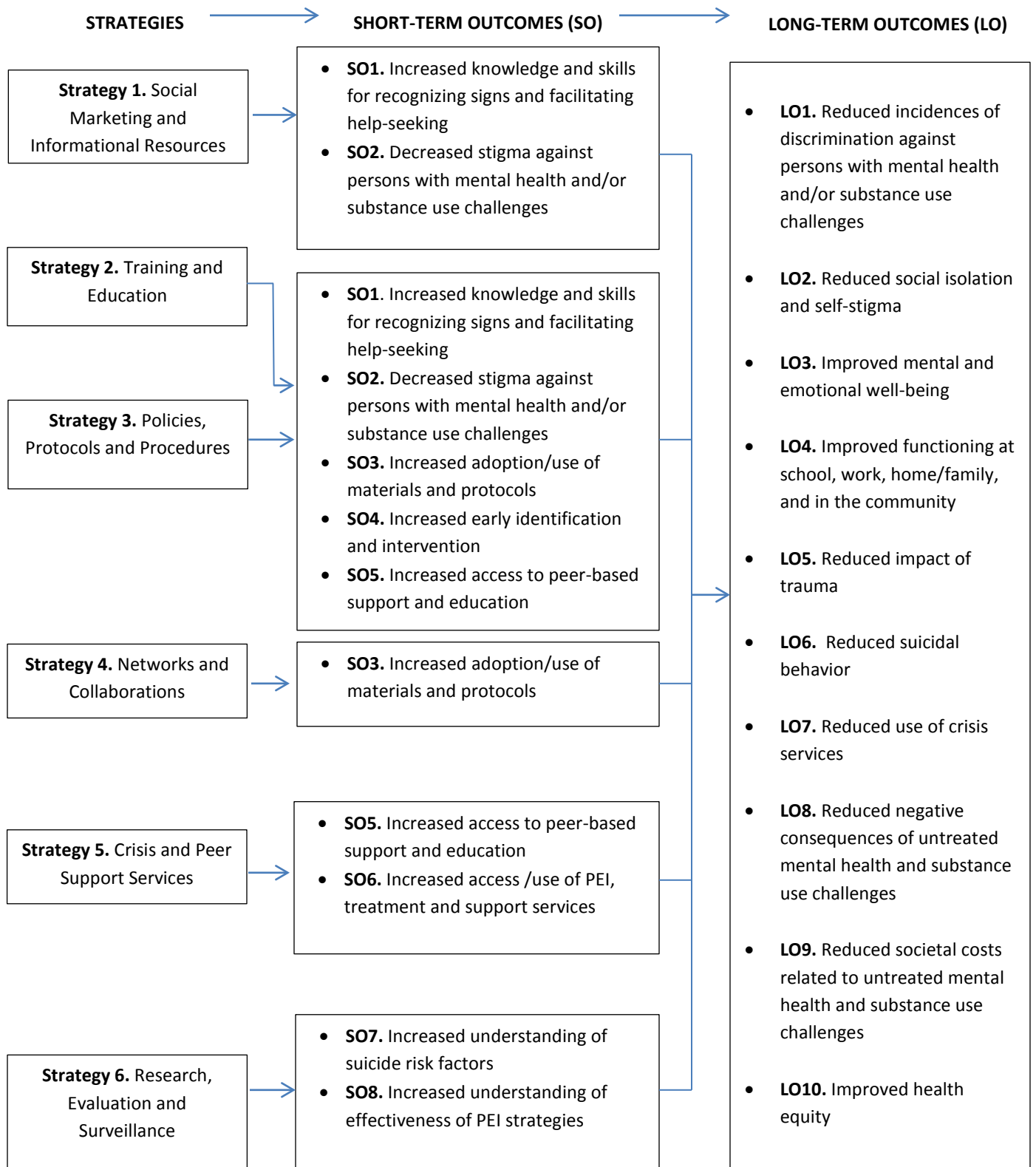
The magnitude of this Plan will require a phased approach and diverse sources of funding. CalMHSA staff estimates that at least \$20 million per year must be raised to support at a sufficient level all of the Strategies within this Plan. The Phase Two Plan is designed to support and enhance local PEI

work and counties will be expected to make a financial commitment to help reach this financial goal. Significant contributions from county PEI allocations of at least five-percent annually, on average, from each county will be important to meet this financial goal and to demonstrate sufficient commitment on the part of county behavioral health in order to successfully leverage the commitment of partners from other sectors (e.g., primary care, public safety, education, public health). Other funding sources that will need to be considered to raise the balance of the funds are fee-for-service, government and private foundation grants, and federal and non-MHSA state funding streams. It may even be necessary to consider requiring applicants to demonstrate their ability to secure matching funds in order to be competitive in the contract bidding process.

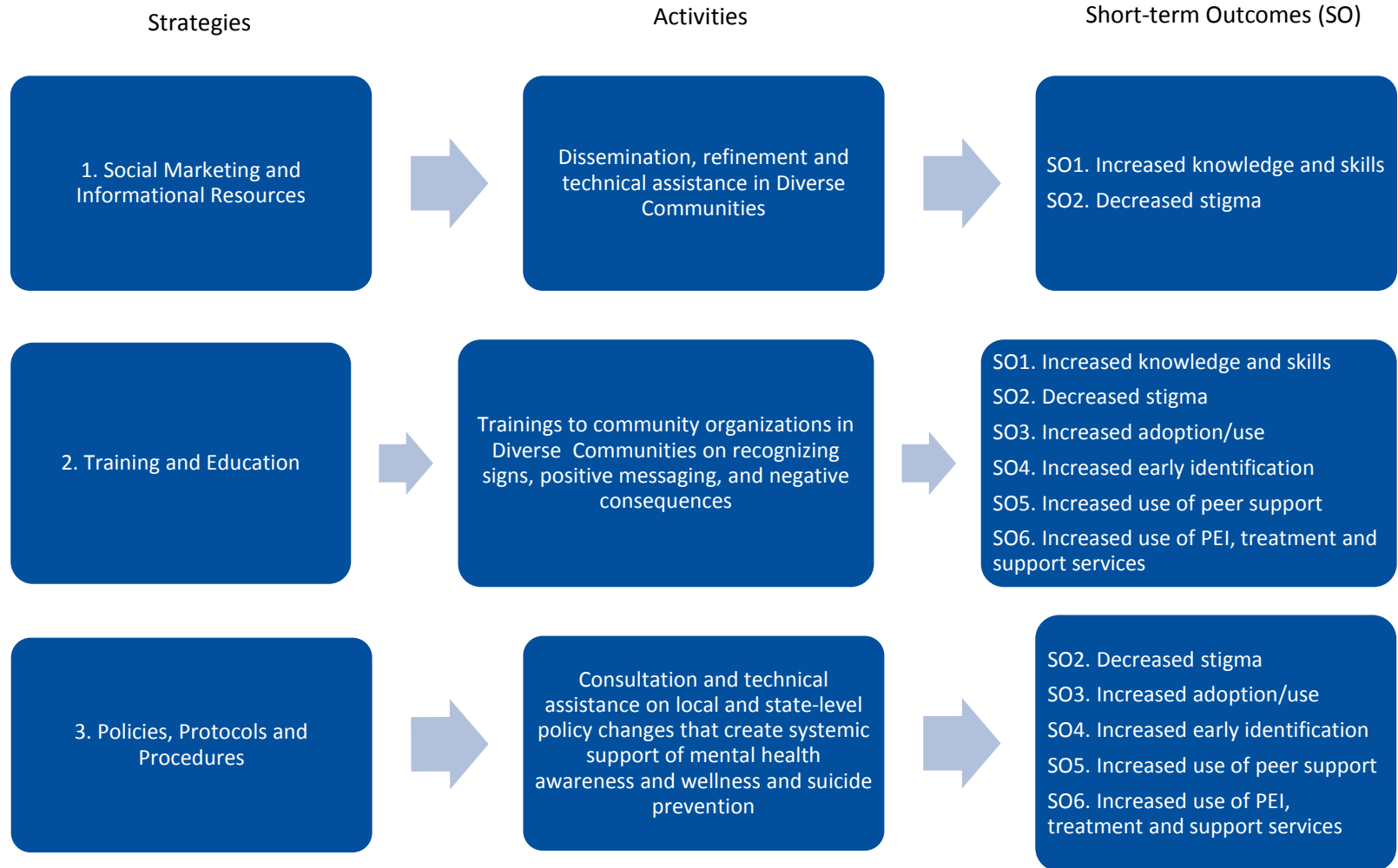
Due to the broad scope of this Plan, the activities in the Plan are expected to benefit other service sectors such as public safety, public health, primary care and education, which will position CalMHSA to solicit funding beyond county PEI contributions. Concerted outreach and relationship building with these other sectors, some of which has already been initiated by CIBHS on behalf of CalMHSA and has been met with great receptiveness, will be crucial to helping key leadership in other sectors recognize how this Plan will help them reach their goals and creating buy-in and commitment for purchasing some of the services through fee-for-service agreements. Strategy 1 (Social Marketing and Informational Resources), Strategy 2 (Training and Education) and Strategy 3 (Policies, Protocols and Procedures) are amenable to being marketed for fee-for-service to other sectors. A wide range of CBOs (e.g., faith-based organizations), the California Department of Education, local school boards, community colleges, California State Universities, and University of California system, FQHCs, community clinics, public and private health plans, health exchanges, the Department of Consumer Affairs (which regulates pharmacists, physicians and other health related professionals), the California Association of Physician Groups, private businesses, government employers, EAP providers and EAP regulation entities are examples of the kinds of entities and systems that should be targeted as part of this marketing effort. The many tools and resources that were developed from the current three initiatives can be used to begin this marketing immediately.

Other activities in this Plan such as those under Strategy 4 (Networks and Collaborations) and Strategy 5 (Crisis and Peer Support Services) would most likely be more in line with private foundation grants. Federal research grants and private foundation grants should be explored for funding Strategy 6 (Research, Evaluation and Surveillance).

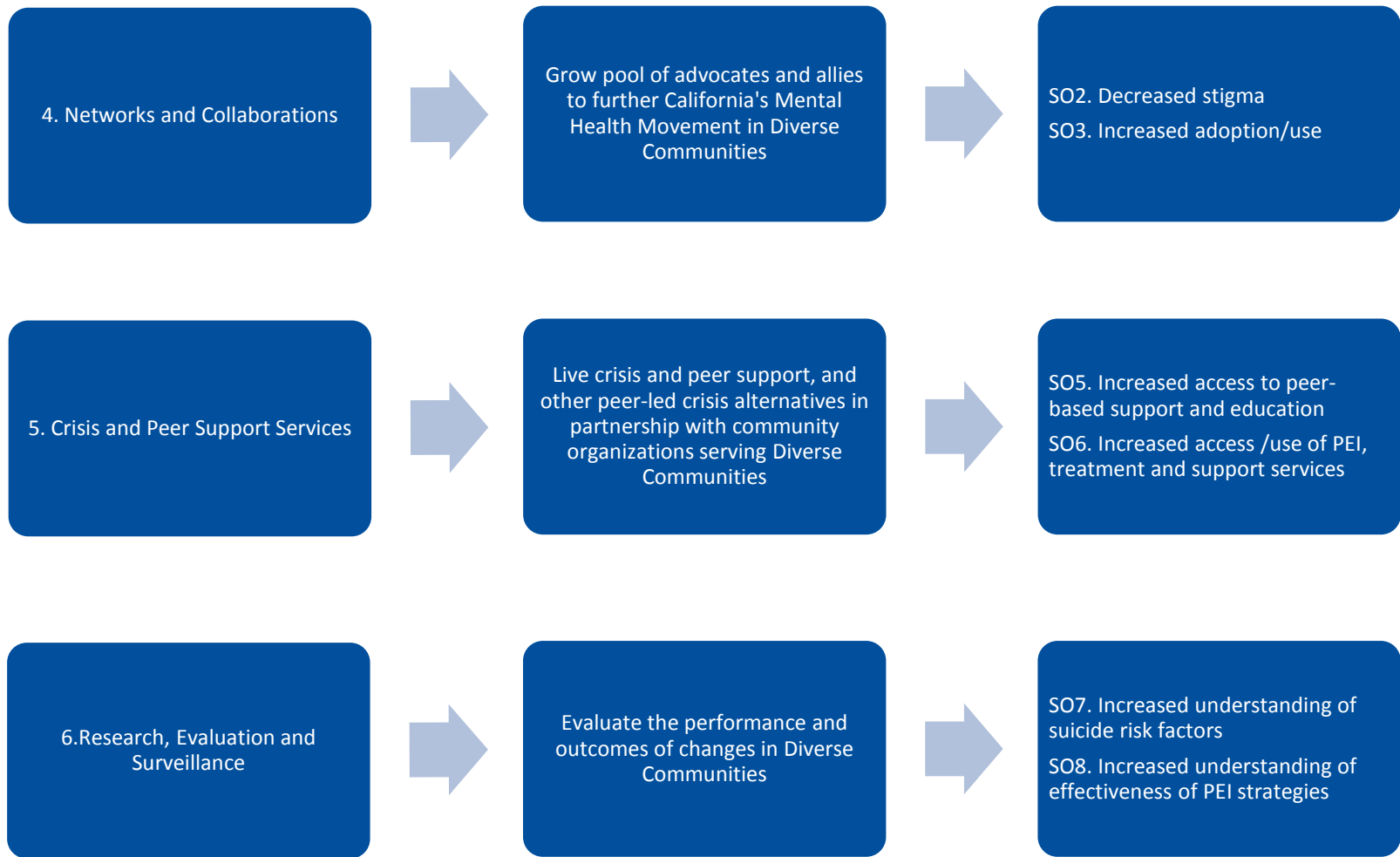
Appendix A. Phase Two Plan Logic Model



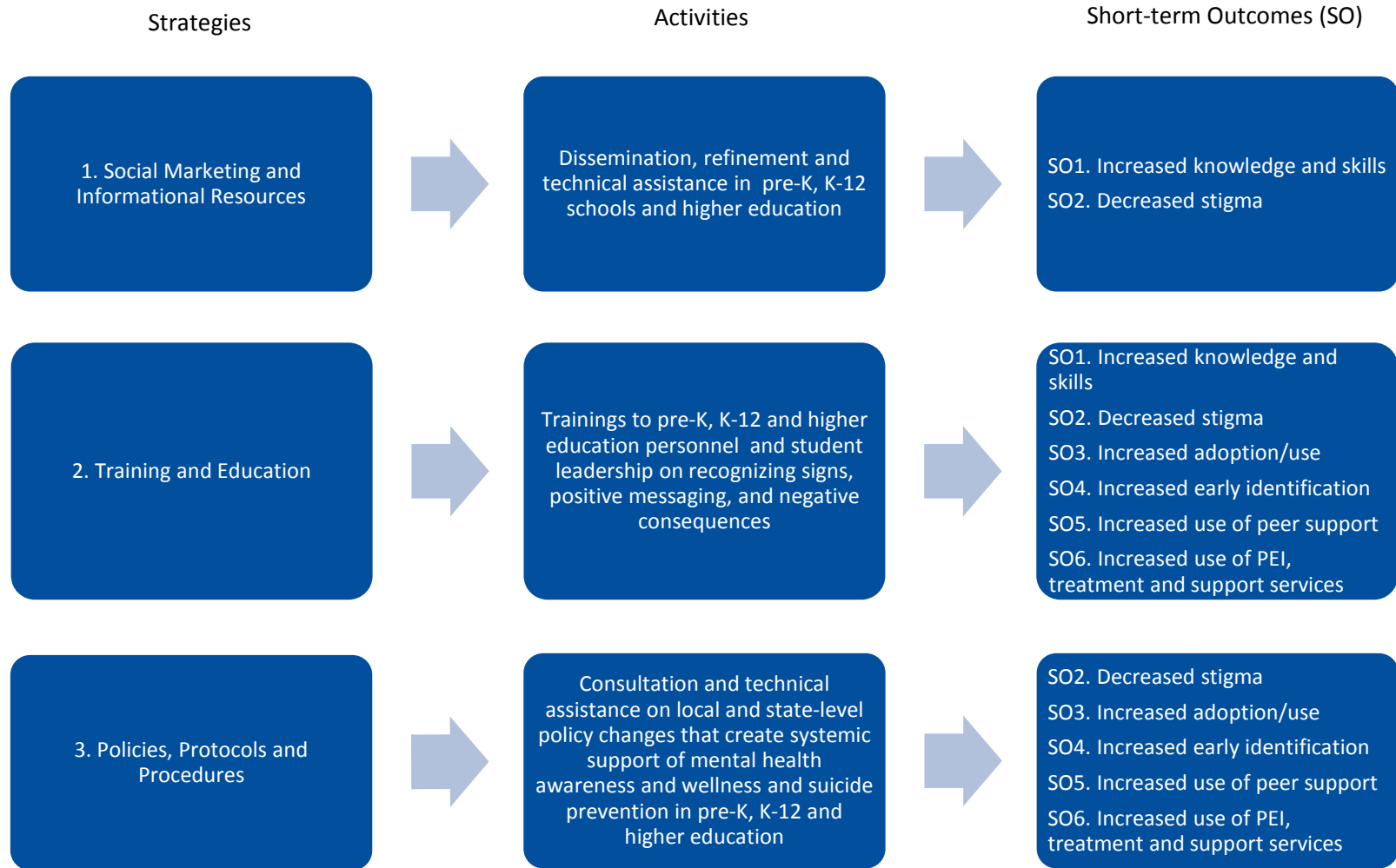
Appendix B. Logic Model for Diverse Communities



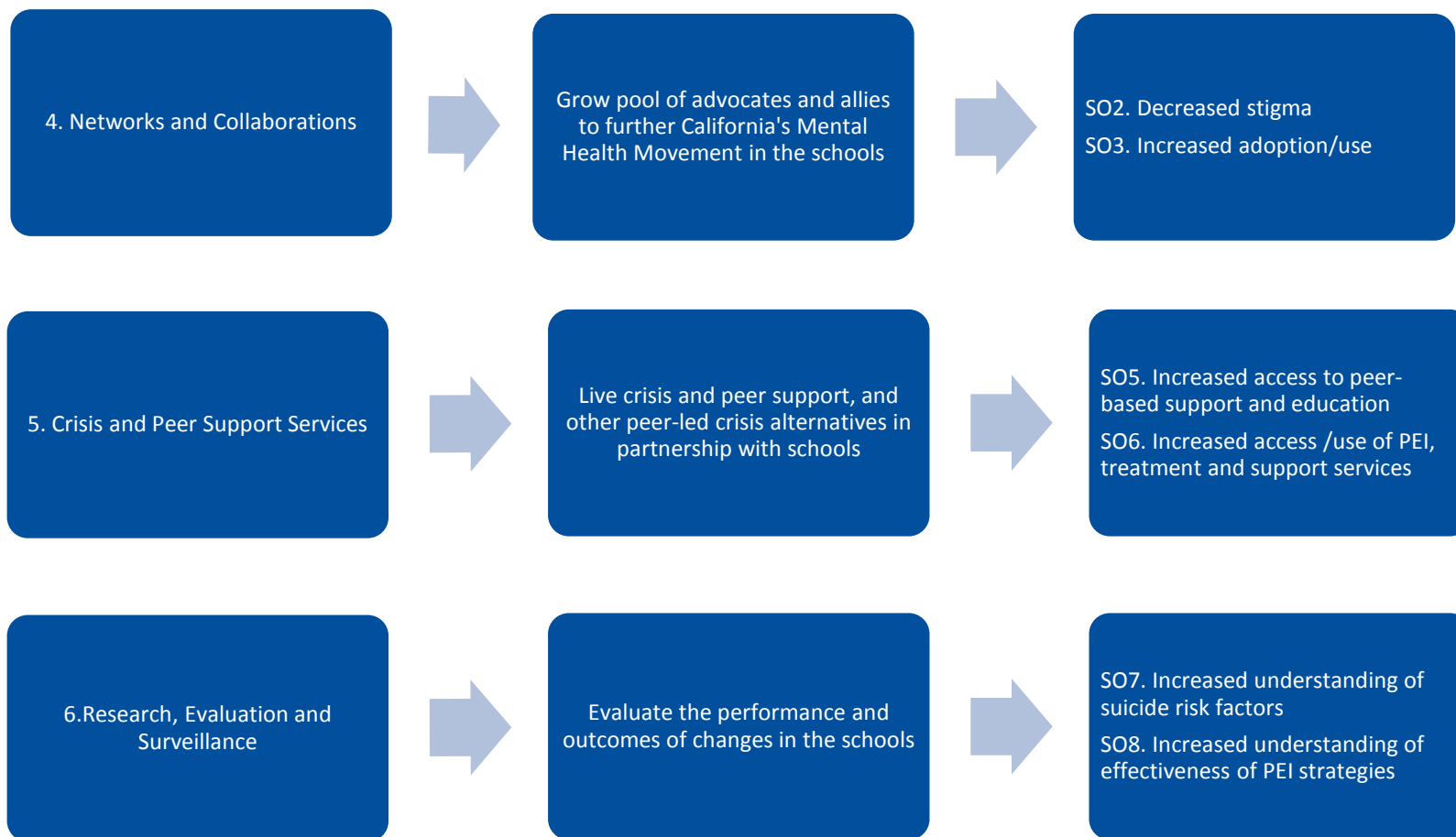
Appendix B. Logic Model for Diverse Communities (continued)



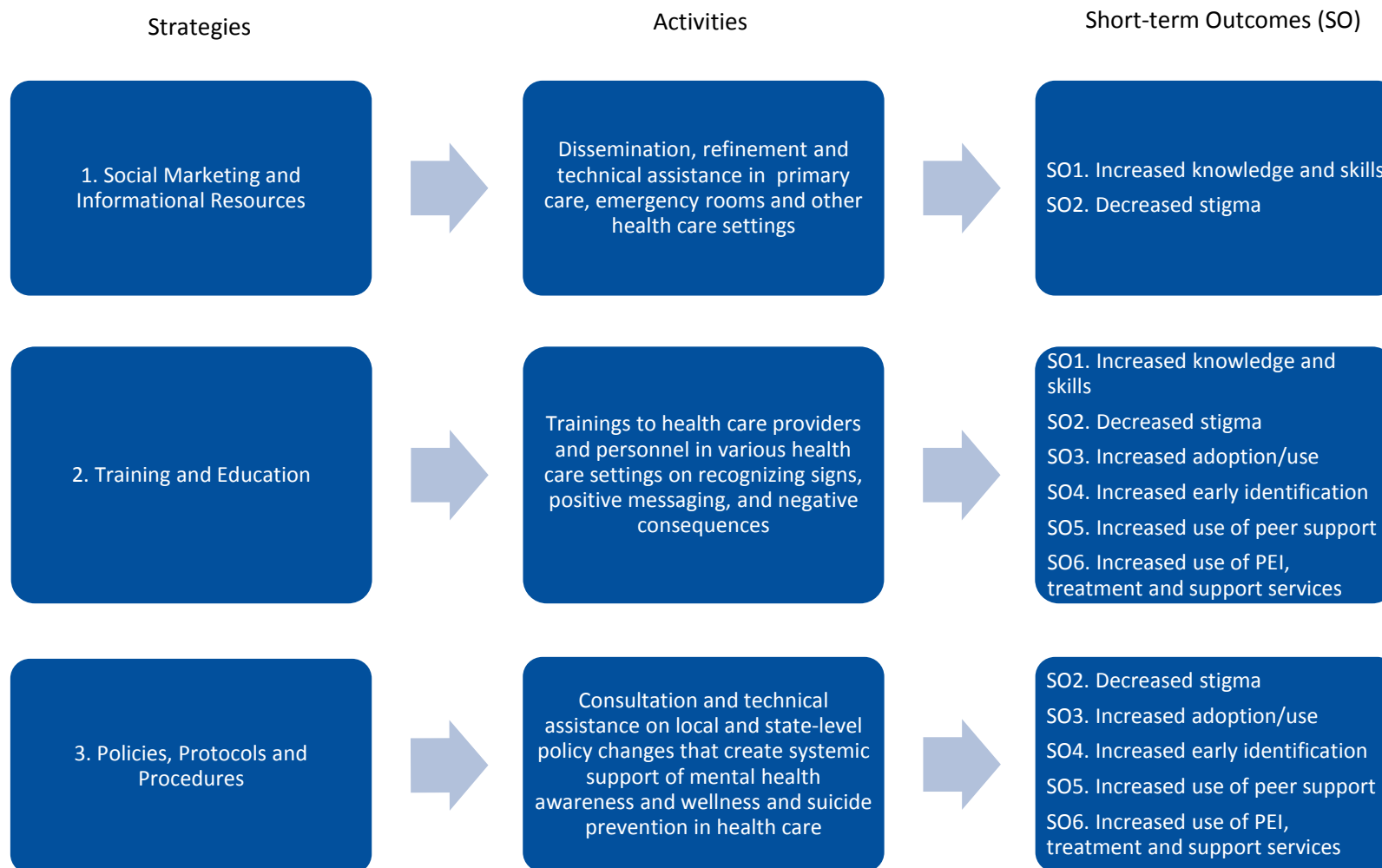
Appendix C. Logic Model for Schools



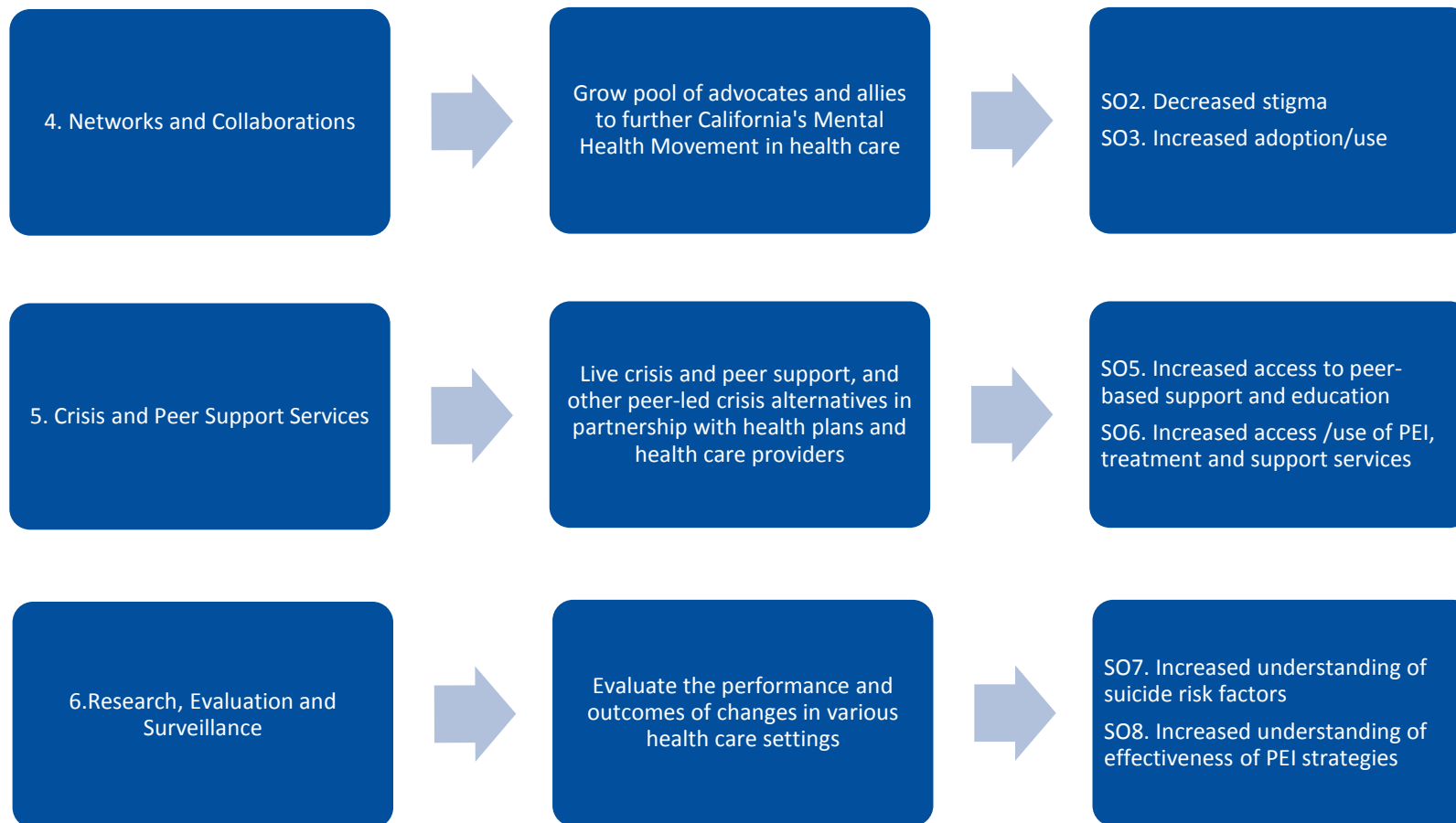
Appendix C. Logic Model for Schools (continued)



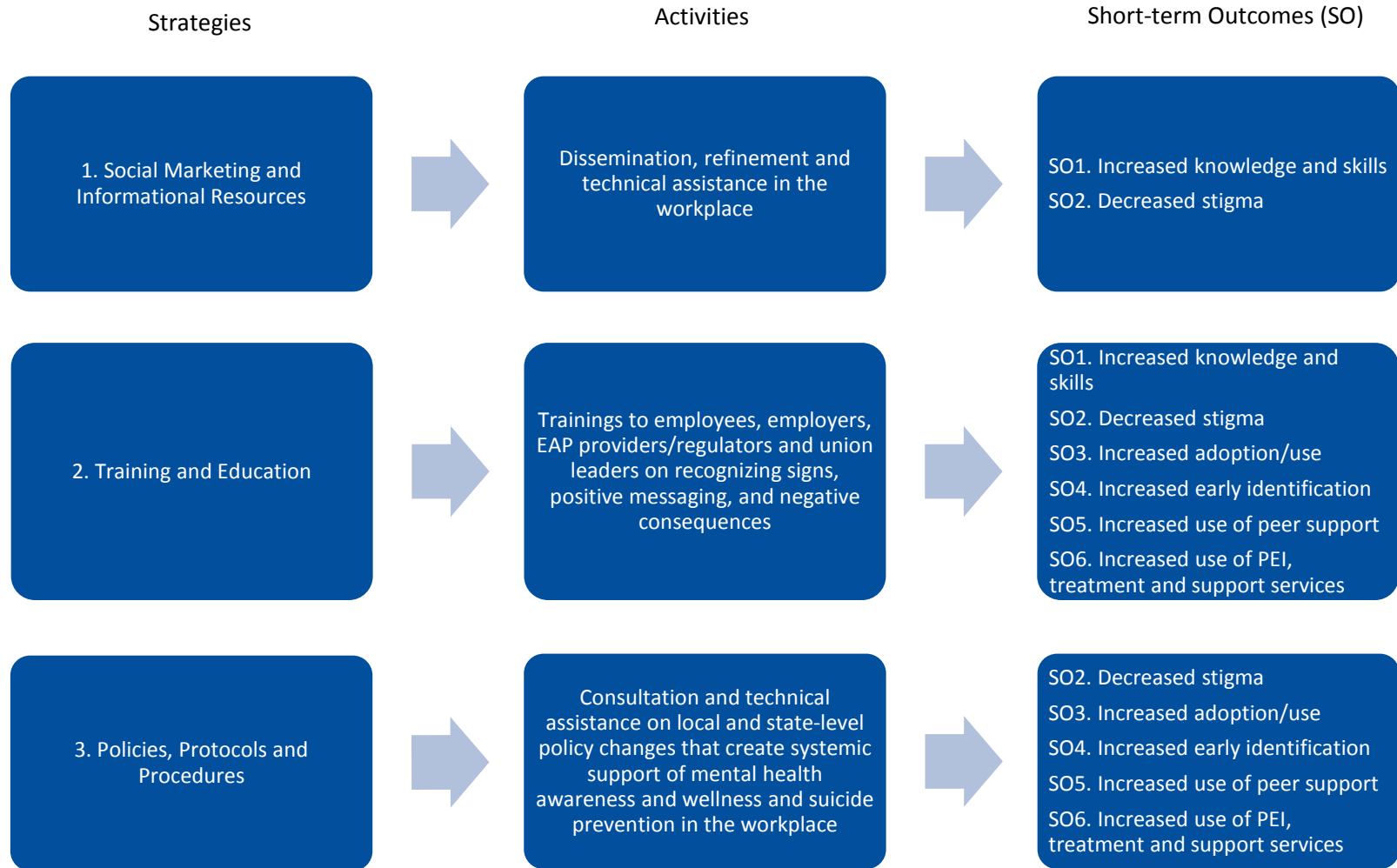
Appendix D. Logic Model for Health Care



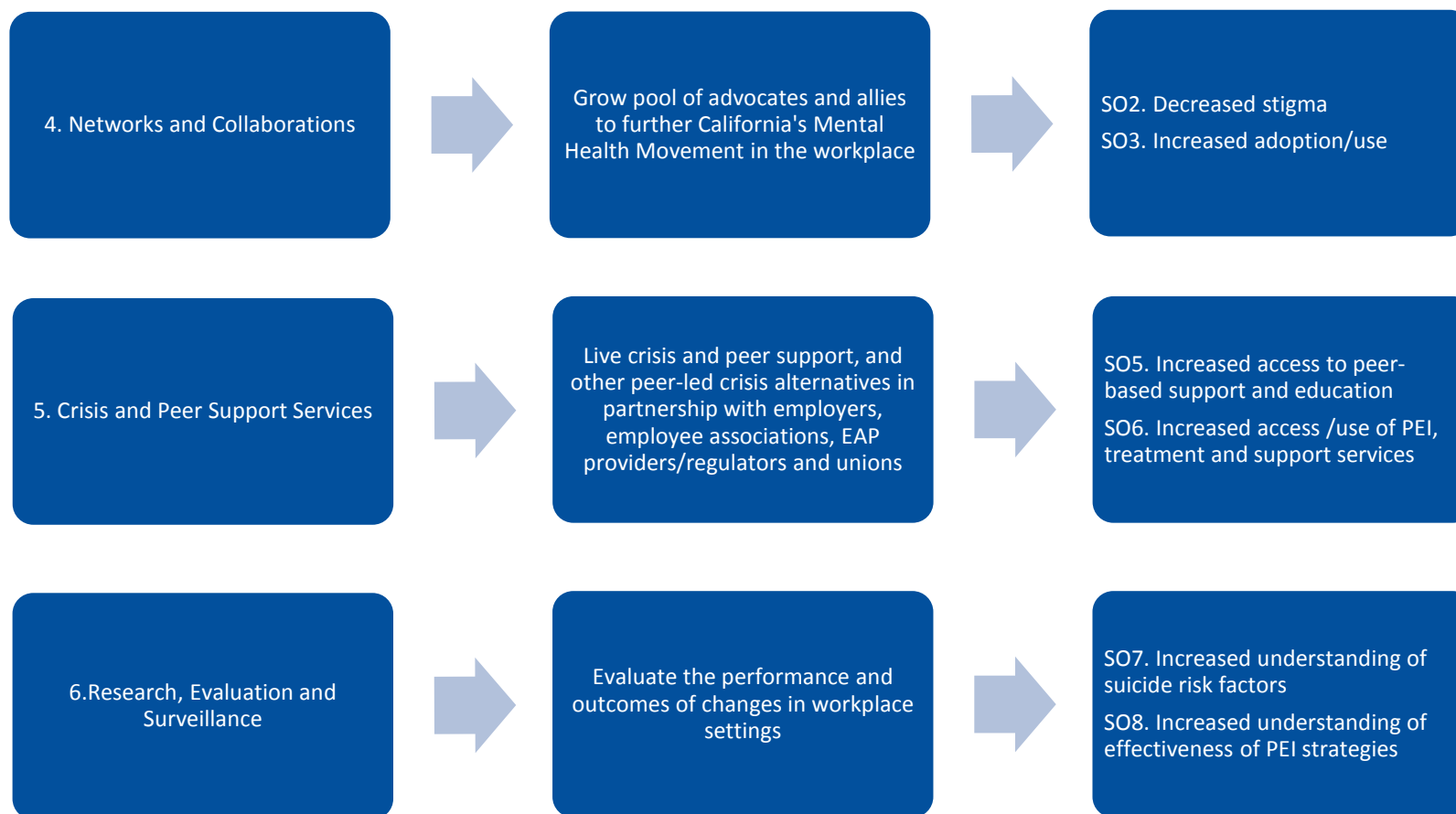
Appendix D. Logic Model for Health Care (continued)



Appendix E. Logic Model for Workplace



Appendix E. Logic Model for Workplace (continued)



Approved Sustainability Budget for June 30, 2015 (2016, 2017 presented for information only)

California Mental Health Services Authority					
Proposed Sustainability Budget for June 30, 2015					
Sustainability Funding Category		Proposed Budget			
	Model 2 14/15	FY 14/15	FY 15/16	FY 16/17	Total
Contingency	1,666,667	-			-
PEI - Unobligated Carry over	1,000,000	5,766,603			5,766,603
PEI - Interest Earnings	1,000,000	3,096,310			3,096,310
Matching	1,040,000	100,000	1,040,000	1,040,000	2,180,000
Private/Other	100,000	100,000	500,000	750,000	1,350,000
State	5,000,000	5,600,000	10,000,000	10,000,000	25,000,000
Local - County Sustainability Contributions	10,400,000	7,600,000	10,000,000	10,000,000	27,600,000
Total Revenue	20,206,667	21,662,913	21,540,000	21,790,000	64,992,913
Expenditures					
Program		18,413,476	18,309,000	18,521,500	55,243,976
Evaluation		1,083,146	1,077,000	1,089,500	3,249,646
General and Administrative		2,166,291	2,154,000	2,179,000	6,499,291
Total Expenditures		21,662,913	21,540,000	21,790,000	64,992,913
Total Unexpended Funds		-	-	-	-

Note: Carry over Funds and interest of \$8,862,758 were allocated to FY14/15 only. Contingency Reserve of \$2,940,152 still maintained and not budgeted for Expenditure.

PROGRAM MATTERS
Agenda Item 10.C.

SUBJECT: State Hospital Bed Program Update – John Chaquica

ACTION FOR CONSIDERATION:

None, information only.

BACKGROUND AND STATUS:

On October 28, 2014 the Committee met with the Department of State Hospitals (DSH) to work through final edits of the FY 14/15 MOU. During this process the department agreed to freeze the rates until such time they can allocate actual costs. Given the rates will not change, the MOU will reflect two years (FY 14/15 through FY 15/16).

Upon finalizing the MOU (projected January 1, 2015), the process for executing the MOU is as follows:

- DSH will distribute the finalized MOU to Counties for execution
- Upon the County signing the MOU, Counties should forward to CalMHSA, ATTN: Laura Li, 3043 Gold Canal Drive, Rancho Cordova, CA 95670.
- CalMHSA President will execute the MOU and submit to DSH for final signature.
- DSH will forward all fully executed MOUs to CalMHSA for distribution to Counties.

NOTE: Of the counties procuring state hospital beds two have yet to complete an MOU/CalMHSA Participation Agreement (El Dorado and San Bernardino Counties).

Request for Interest (RFI) : An RFI has been developed, released and proposal submittal date has expired. Two proposals and one letter of interest have been received to date. The committee will review and score proposals, followed by determining next steps.

Other Items :

Prop 47 – California Proposition 47, the Reduced Penalties for Some Crimes Initiative, was approved on November 4, 2014. The initiative reduces the classification of most “non-serious and nonviolent property and drug crimes” from a felony to a misdemeanor. Los Angeles County has asked the committee to assist with an initial survey of the counties to determine the potential impact and options for addressing the main concerns being the patient’s recovery and public safety.

FISCAL IMPACT:

None.

RECOMMENDATION:

None, information only.

TYPE OF VOTE REQUIRED:

None, information only.

REFERENCE MATERIAL(S) ATTACHED:

- State Hospital Bed Program – Payments Received

CalMHSA State Hospital Bed Program - Participation and Payments Received

STATUS OF DOCUMENTS				PAYMENTS RECEIVED TO DATE								
Counties	FY 13/14 MOU	PA	Contracting Directly w/DSH	Planning and Development FY 12/13	PAID	Planning and Development FY 13/14	PAID	Prorated Operation Cost FY 13/14	PAID	Estimated annual Operation Costs FY 14-15 and Beyond	PAID	TOTAL
COUNTIES PROCURING BEDS												
Alameda												
Contra Costa	✓											
El Dorado			✓									
Fresno	✓	✓		284.00	✓	155.00	✓	701.00	✓	1,402.00		1,140.00
Imperial												
Kern		✓		2,274.08	✓	1,238.00	✓	5,608.00	✓	11,216.00	✓	20,336.08
Los Angeles	✓	✓		55,999.00	✓	30,496.00	✓	138,090.00	✓	269,000.00	✓	359,085.00
Madera	✓	✓		284.00	✓	155.00	✓	701.00	✓	1,402.00	✓	2,542.00
Marin	✓			1,137.00	✓	619.00	✓	2,804.00	✓	5,608.00	✓	10,168.00
Monterey				1,137.00	✓	619.00	✓	2,804.00	✓	5,608.00	✓	10,168.00
Napa	✓	✓		852.00	✓	619.00	✓	2,103.00	✓	4,206.00		3,574.00
Orange	✓	✓		4,832.00	✓	2,632.00	✓	11,917.00	✓	23,834.00	✓	43,215.00
Placer	✓	✓		852.00	✓	464.00	✓	2,103.00	✓	4,206.00	✓	7,625.00
Riverside	✓	✓		5,400.00	✓	2,941.00	✓	13,319.00	✓	26,638.00	✓	48,298.00
Sacramento	✓	✓		5,116.00	✓	2,786.00	✓	12,618.00	✓	25,236.00	✓	45,756.00
San Bernardino			✓	3,409.00	✓	1,858.00	✓	8,412.00	✓	16,824.00		30,503.00
San Diego				4,548.00	✓	2,477.00	✓	11,216.00	✓	22,432.00	✓	40,673.00
San Francisco												
San Joaquin	✓			852.00	✓	464.00	✓	2,103.00	✓	4,206.00	✓	7,625.00
San Mateo												
Santa Barbara	✓	✓										
Santa Clara												
Santa Cruz	✓			284.00	✓	155.00	✓	701.00	✓	1,402.00	✓	2,542.00
Solano	✓			852.00	✓	464.00	✓	2,103.00	✓	4,206.00		3,419.00
Sonoma												
Stanislaus	✓			852.00	✓	464.00	✓	2,103.00	✓	4,206.00	✓	7,625.00
Tulare	✓			1,705.00	✓	929.00	✓	4,206.00	✓	8,412.00		6,840.00
Ventura	✓											
Yolo	✓											
COUNTIES NOT CURRENTLY PROCURING BEDS												
Colusa												
San Luis Obispo												
Sutter/Yuba												
Butte												
Glenn												
Trinity												
Modoc												
Lake				568.00		310.00						
Siskiyou												
Mendocino				284.00	✓	155.00	✓	701.00		1,402.00		439.00
Humboldt												
Lassen												
Mariposa												
Tuolumne	✓											
San Benito												
Tri-City												
Del Norte												
Shasta	✓											
Kings				284.00	✓	155.00	✓	701.00	✓	1,402.00	✓	2,542.00
Berkeley												
Inyo		✓										
Mono												
Nevada												
Amador	✓											
Calaveras												
Merced												
Alpine	✓											
Plumas												
Sierra												
Tehama												
Total				91,237.08		49,845.00		224,313.00		271,896.00		654,115.08

PROGRAM MATTERS
Agenda Item 10.D.

SUBJECT: Together Against Stigma International Conference – Stephanie Welch

ACTION FOR CONSIDERATION:

Board authorization for allow up to \$120,000.00 for cash flow purposes. These funds are needed for short term cash needs; in order to satisfy hard costs for the Together Against Stigma International Conference, as registration and sponsorship funding is insufficient at this time. Projections are that registrations and sponsorships will increase as the conference nears, it is expected that the \$120,000 will be paid back in full. However the original CalMHSA sponsorship of \$150,000 may not all will be recouped.

The significant benefits from co-hosting the conference and related events include: the development of networks and relationships, national and international dissemination of tools, resources and materials, and the opportunity to share RAND's outcome findings which support the effectiveness of county investments through CalMHSA to implement the Prevention and Early Intervention (PEI) Statewide Projects. These benefits far exceed any minimal financial risks.

BACKGROUND:

In December 2013 the CalMHSA Board approved to be a co-host to the conference with CIBHS and demonstrated fiscal commitment by approving the use of up to \$150,000.00 in planning funds in the event of a revenue shortfall from co-hosting the 7th International Together Against Stigma Conference with the World Psychiatric Association (WPA). In addition, the board authorized CalMHSA staff to contract with California Institute for Behavioral Health Solutions (CIBHS) to act as a fellow co-host and conference planner for the event. At this time CalMHSA and CIBHS developed a preliminary conference budget based on various scenarios of attendance and sponsorship. A worst case, in the event of revenue shortfall, was identified to be in the range of a \$300,000 but CIBHS and CalMHSA were hopeful of reaching targets which would not result in any revenue shortfall.

The 7th International "Together Against Stigma" Conference will be hosted in San Francisco February 18-20, 2015 through a partnership between the CalMHSA, the WPA, the CIBHS, and the County Behavioral Health Directors Association (CBHDA). As this is the first time this event has taken place in the United States, CalMHSA has the opportunity to showcase counties' investment in and commitment to supporting the mental health of all Californians. This event further offers an opportunity to widely disseminate the tools and resources developed from the Prevention and Early Intervention (PEI) Statewide projects, as well as, a platform to share the results of such a significant investment from the RAND Corporation not only to national partners but international partners in efforts to improve the mental health status of our global communities.

By co-hosting this high profile inaugural event in the U.S., CalMHSA and CIBHS are supporting counties in demonstrating to national and international audiences that mental health promotion

and prevention of mental illness are not only possible but essential to achieving healthy communities. Through opportunities provided by the Mental Health Services Act, counties and their partners are reducing the stigma of mental illness and help-seeking behavior, providing person-centered and culturally responsive services, fostering social inclusion and opportunities for individuals and families to thrive in their communities, and eradicating policies and practices that can result in discrimination.

STATUS:

Several working committees, led by Advisory Committee Co-Chairs Dr. Wayne Clark and Dr. Sandra Naylor-Goodwin, with representation from across the nation and globe, have been diligently developing program elements. Conference themes include seizing opportunities to be innovative with strategies to reduce stigma, empowering the next generation to eradicate stigma, and collaborating across the global to eradicate stigma and support improve mental health status and services. Some highlights on keynote presentations:

- World Psychiatric Association Research Panel as well as addresses by distinguished U.S. researchers Dr. Patrick Corrigan, Dr. Bernice Pescosolido and Dr. Sergio Aguilar-Gaxiola
- Video address by Former First Lady Rosalynn Carter
- Effective and Innovative Strategies with Media and Journalists, featuring an address by former U.S. Senator Gordon H. Smith, currently the President and CEO of the National Broadcasters Association
- *Youth Speak!* a panel lead by Alison K. Malmon, Founder and Executive Director of Active Minds
- Global Perspectives Panels featuring insights on how to put research, policy and practice into action from both large developed nations to low income and post-conflict nations.

Additional Program Elements:

- CalMHSA is supporting the Center for Dignity, Recovery and Empowerment in hosting a Fellowship program in conjunction with the conference that will support and foster stigma change agents in local communities. For more information or to nominate a potential fellow, please see: <http://www.togetheragainststigma.org/pod/sign-fellowship-program> or email fellowship@mentalhealthsf.org
- Nearly 40 reviewers from over 10 countries have completed their selection process for symposiums, workshops, oral presentations and posters.
- There will be 30 different options for educational symposiums, workshops and oral presentations which represent presentations and perspectives from a dozen states ranging from New York to Tennessee and 14 different countries ranging from Germany to India to Africa and Australia.

- Poster Sessions will provide additional opportunities for researchers and practitioners to share their work
- Events will honor individuals who have made a significant contribution to Stigma and Discrimination Reduction such as Darrell Steinberg, the former California Senate President pro Tempore, author of Prop. 63/ The Mental Health Services Act and Mental Health Champion

FISCAL IMPACT:

As we come closer to the date of the conference, which is now less than three months away, cash flow is needed to cover up-front hard costs such as the cost of the hotel.

Preview discussions with the finance committee regarding cash flow needs and funding were discussed, but due to quorum issues and the need for further detail no action taken. Since that meeting CalMHSA staff was able to further analyze the situation and investigate possible solutions in greater detail. As such staff, prudently revised the conference budget and made some significant reductions in order to be at the lowest risk possible. Including repayment to CIBHS and CalMHSA shall only be out of excess revenue. In a best case scenario, if registrations exceed 500 and sponsorships exceed \$100,000.00, CalMHSA may recoup all financial investments and collect revenue. In the worst case scenario CalMHSA will not recoup investments.

Based on projection excess revenue generated from the conference, will first be paid to CalMHSA for the \$120,000.00. After this is achieved, CalMHSA and CIBHS will both be repaid their investments in the conference split evenly from any remaining generated revenue.

RECOMMENDATION:

Board authorization for allow up to \$120,000.00 for cash flow purposes. These funds are needed for short term cash needs; in order to satisfy hard costs for the Together Against Stigma International Conference

TYPE OF VOTE REQUIRED:

Majority vote of the Board of Directors

REFERENCE MATERIAL(S) ATTACHED:

- 2-page flyer—7th International “Together Against Stigma” Conference
- Center for Dignity, Recovery and Empowerment Fellowship Information
- County Showcase Flyer

FIRST TIME
HOSTED IN THE
UNITED STATES

7TH INTERNATIONAL CONFERENCE TOGETHER AGAINST STIGMA: EACH MIND MATTERS

Empowering Community Mental Health through
Research, Practice, Policy and Advocacy

Early Registration Closes December 12, 2014

FEBRUARY 18-20, 2015
San Francisco, CA

EVENT DETAILS

February 17 *Just added!*
**Center for Dignity Recovery and
Empowerment Fellowship Program**

February 18-19 **Full Conference**

February 20 **Half-day Conference**

Sponsorship and Exhibitor Opportunities available

FOR MORE INFORMATION

E: conferences@cibhs.org

P: (916) 379-5345

Visit www.togetheragainststigma.org
for additional information and registration

Follow us on Twitter  @IntlConf

In partnership with CIBHS, CaIMHSA, World Psychiatric Association (WPA) and CBHDA



7TH INTERNATIONAL CONFERENCE TOGETHER AGAINST STIGMA: EACH MIND MATTERS

Empowering Community Mental Health through
Research, Practice, Policy and Advocacy

The 7th International "Together Against Stigma" Conference will be held in San Francisco at the Hyatt Regency in San Francisco February 18-20, 2015 on behalf of the California Mental Health Services Authority, the World Psychiatric Association, the California Institute for Behavioral Health Solutions, and the County Behavioral Health Directors Association.

Announcing the Center for Dignity Recovery and Empowerment Fellowship Program!

- Do you know someone who is passionate about creating significant change within their communities related to mental health wellness and recovery?
- We are soliciting nominations for the Center for Dignity Recovery and Empowerment Fellowship Program (A Pre-Conference on February 17). Twenty-five fellowships will be awarded to emerging leaders from the U.S. and abroad. The Fellowship Program provides an on-going professional development as well as an educational investment for your organization.
- Visit: <http://www.dignityandrecoverycenter.org/fellowship-programs/>

DONATE TO THE SCHOLARSHIP FUND!

If you would like to donate to the Scholarship Fund to support individuals in need of monetary support for participation, please contact The CIBHS Conference Department at conferences@cibhs.org

Get Involved in this Global Movement

WHY YOU SHOULD ATTEND? WHO SHOULD ATTEND?

The 2015 International "Together Against Stigma" Conference will promote universal understanding of the opportunities and challenges regarding efforts to reduce stigma associated with mental health issues. The Conference aims include:

- **Understand Societal Injustices:** Learn how to reduce Stigma and discrimination on an individual and societal level.
- **Expand your Global Perspective:** Learn about what nations and cultures are doing to advocate for stigma change and increase quality of care and achieve equity of services.
- **Promote Cultural Responsiveness:** Identify needs and trends to address racial, ethnic, and cultural disparities that influence ones mental health to improve competency and responsiveness.
- **Network with Colleagues:** Exchange knowledge, share resources, and collaborate regarding successes and challenges.

Those interested in mental health as it relates to reducing societal injustices, promoting cross-cultural collaboration, and advocating for improved quality of services through research, policy, and practice on a systemic and community level. The Conference is intended for:

- People with Lived Experience, Family Members, Community Stakeholders
- Researchers
- Behavioral Health Professionals
- Health and Public Health Administrators and Policymakers
- Community and Faith-based Organizations
- Educators, Administrators, and Community Leaders
- Criminal Justice Professionals
- Primary Care Professionals
- Treatment Providers and Counselors
- Veteran Service Providers

KEYNOTES

STIGMA RESEARCH

Julio Abroleda-Florez, MD, PhD, Forensic psychiatrist epidemiologist and Professor Emeritus at Queen's University in Kingston Canada

Patrick Corrigan, PsyD, Distinguished Professor of Psychology at the Illinois Institute of Technology

Bernice A. Pescosolido, PhD is a Distinguished Professor of Sociology at Indiana University and Director of the Indiana Consortium for Mental Health Services Research

Norman Sartorius, MD, MA, DPM, PhD, FRC Psych was the first Director of the Division of Mental Health of the World Health Organization and subsequently the President of the World Psychiatric Association (WPA) and of the Association of European Psychiatrists (EAP)

Heather Stuart, PhD, co-founder and past Chair of the Scientific Section on Stigma and Mental Disorders for the World Psychiatric Association

Graham Thornicroft, KC, MD, MA, DPM, PhD, FRCC Psyc, Professor of Community Psychiatry at the Institute of Psychiatry

MEDIA, JOURNALISM, AND BROADCASTING

Gordon H. Smith, National Association of Broadcasters (NAB) President and CEO

Roger Wolfson, JD, is a professional television and film writer and an attorney with a background in law, politics, news, and international diplomacy.

DIVERSE COMMUNITIES

Sergio Aguilar-Gaxiola, MD, PhD, Professor of Clinical Internal Medicine, School of Medicine, University of California, Davis

YOUTH ADVOCATE

Alison K. Malm, Founder and Executive Director of Active Minds, Inc.

POLICY

Darrell Steinberg, JD, the California Senate President pro Tempore



Mental Health Association of San Francisco

CALL FOR NOMINATIONS

FELLOWSHIP PROGRAM

We are pleased to solicit nominations for the Center for Dignity Recovery and Empowerment Fellowship Program funded by counties through the California Mental Health Authority (CalMHSA). 25 fellowships will be awarded to emerging leaders in the field of mental health and recovery from the U.S. and abroad

Eligibility: Passionate, emerging leaders who utilize innovative approaches to mobilize/contribute to their communities for the advancement of mental health wellness, emphasizing dignity, recovery and empowerment. Leaders should currently be working on or piloting specific projects that address positive wellness and recovery in their community (e.g. mental health stigma reduction, suicide prevention, culturally responsive practices, spirituality). They will need to commit to this project for **one year** under the mentorship of prominent leaders in the field and with the support of other fellows.

Criteria:

- 1-3 years of experience working in the field of mental health and recovery;
- Demonstrated leadership initiative and skills
- Demonstrated capacity and local opportunity
- Current involvement on a specific project they have developed or are working on that demonstrates an innovative and unique approach for solving existing mental health-related issues in their community. Involvement on newly proposed pilot projects (to be developed during time frame with the support of an organization) also meets this requirement.

*Individuals representing or working in diverse, unserved and/or underserved communities are strongly encouraged to apply.

Description of the Fellowship Program: The Center's one-year leadership development program prepares emerging community leaders to become transformational leaders, creating significant and innovative improvements within their communities related to mental health wellness and recovery.

Selected fellows will participate in:

Tools for Change Forum 2015. The program will be a one day pre-conference forum on February 17, 2015 and prior to the International Together against Stigma Conference being held February 18- 20 2015 in San Francisco. Through a series of interactive workshops, small group work and a workshop presentation during the two-day conference, fellows will: 1) strengthen their leadership skills in such areas as advocacy, system change, and community engagement; 2) work on leadership strategy for activating their communities in regard to their specific projects; and 3) establish networks and mentor/mentee relationships with prominent leaders in the field of mental health and recovery.

Project implementation under the mentorship of established leaders. As a follow-up, fellows will work with prominent mentors over the course of the year to implement their specific projects to enhance and reach the wider community, while also involving and collaborating with other change agents in their communities.

Community of Practice. Using social media, webinars and e-learning activities, fellows will share findings, successes and challenges of their respective projects.

Nomination Procedures and Format: The nominator should submit the on-line application form and the following materials **to dignityandrecoverycenter.org or fellowship@mentalhealthsf.org** by **December 15, 2014:**

- 1) One-page cover letter describing the nominee's strengths and contributions, and why the nominee is a good fit for the Fellowship Program;
- 2) CV or resume of nominee;
- 3) Description of current innovative project that the nominee is pursuing in the community (1 page);
- 4) 3 References

Nominations will be reviewed by Selection Committee, with final candidates being selected and notified by **January 5, 2015.**

For more information, please email us at fellowship@mentalhealthsf.org



EACH MIND MATTERS
California's Mental Health Movement



Participate in the County Showcase

Showcase your county's accomplishments by entering your materials for the County Showcase to be displayed at the 7th International Together Against Stigma Conference – February 18 – 20, 2015.

Showcase your County's Accomplishments

Your \$1,000 contribution provides for a professional layout displaying your county materials which will be printed on a 24" x 72" reusable pop-up banner that will be prominently displayed throughout the conference.

- Submit up to 10 photo files of people and events and/or electronic files of news articles or press releases about your county mental health services successes, programs or milestones.
- The display will be professionally produced and be yours to use for future events.

The cost of your poster for the County Showcase doesn't include the cost of registration, but it does include the poster design and production

Your participation in the County Showcase will also be recognized in the conference program.

Enter the showcase and demonstrate your support for the conference. Email intlconference@calmhsa.org to register for the Showcase and to receive instructions on how to submit your materials.

We also encourage you to register early and support your staff for the professional development this conference provides. To learn more please visit www.togetheragainststigma.org

Sincerely,

John E. Chaquica, CPA, MBA, ARM
CalMHSA Executive Director



PROGRAM MATTERS
Agenda Item 10.E.

**SUBJECT: Short Doyle Modernization (SDM) Project – Kim Santin
(Formerly the Behavioral Health Billing System Feasibility Study)**

ACTION FOR CONSIDERATION:

None, information only.

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 County Behavioral Health Directors Association of California (CBHDA) 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 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 CBHDA and CalMHSA: At the May 9, 2013 CBHDA All Directors Meeting, members voted to approve the IT Committee's CBHDA/DHCS Short-Doyle 3 Feasibility Study Partnership Proposal. At the July 25, 2013 CalMHSA Executive Committee Meeting, staff was authorized to work with CBHDA and DHCS to implement the Feasibility Study. At the August 15, 2013 CalMHSA Board Meeting, the allocation methodology outlined in [MHSD Information Notice 13-15](#) was approved as the methodology to be used in determining each county's share for the feasibility study. At the October 9, 2014 CalMHSA Board meeting, members adopted a New Project Scope as approved by the Project Steering Committee and the Governance Team Committee (both with staff and leadership from DHCS and counties).

The revised project scope is summarized in the Short Doyle Modernization (SDM) Project Charter and includes short and long term strategies.

1. Federal Repayment and Reimbursement Pilot Study
2. Short Doyle 2 Enhancement Project
3. Long Range Medicaid Information Technology Architecture (MITA) Planning.

NEXT STEPS:

1. Develop a Federal Repayment and Reimbursement Pilot Study methodology which includes identification and testing of the variables necessary to develop a risk adjusted specialty mental health capitation formula that could be used by each county MHP to develop a proposed annual per member/per month (PM/PM) payment.

2. Design and implement short term adjustments to the SD 2 system with the goal of decreasing denied Medi-Cal claims and improving the timeliness and accuracy of Medi-Cal billing.
3. Develop a Project Budget.

FISCAL IMPACT:

The total cost of implementing the Feasibility Study was estimated to be up to \$300,000. It is anticipated that CalMHSA will assume a substantial administrative and fiscal role in:

- Contracting with counties to participate in project.
- Planning and development of any necessary procurement along with Steering Committee partners including DHCS and CBHDA.
- Procuring, executing and managing the required contracts.
- Obtaining the advice of legal counsel for county participation, 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.

RECOMMENDATION:

None, information only.

TYPE OF VOTE REQUIRED:

None, information only.

REFERENCE MATERIAL(S) ATTACHED:

- None.

GENERAL DISCUSSION
Agenda Item 11.A.

SUBJECT: Report from CalMHSA President – Maureen Bauman

ACTION FOR CONSIDERATION:

Discussion and/or action as deemed appropriate.

BACKGROUND AND STATUS:

CalMHSA President, Maureen Bauman, will provide general information and updates regarding the JPA.

- General

FISCAL IMPACT:

None.

RECOMMENDATION:

Discussion and/or action as deemed appropriate.

TYPE OF VOTE REQUIRED:

Majority vote of the Board of Directors.

REFERENCE MATERIAL(S) ATTACHED:

- None.

GENERAL DISCUSSION
Agenda Item 11.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.

- General

FISCAL IMPACT:

None.

RECOMMENDATION:

Discussion and/or action as deemed appropriate.

TYPE OF VOTE REQUIRED:

Majority vote of the Board of Directors.

REFERENCE MATERIAL(S) ATTACHED:

- None.