

Board of Directors Meeting

AGENDA

Thursday, October 13, 2016

3:15 p.m. – 5:00 p.m.

Call-In Information: 916-233-1968

Conference Code: 3043

(Listen in only)



Meeting Location:

Hilton Sacramento Arden West

2200 Harvard Street
Sacramento, CA 95815

San Bernardino County
303 E. Vanderbilt Way
San Bernardino, CA 92408

**Glenn County Health and Human Services
Agency**

242 North Villa Ave.
Willows, CA 95988

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

Thursday, October 13, 2016

3:15 p.m. – 5:00 p.m.

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Sacramento, CA 95815

San Bernardino County
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Agency**
242 North Villa Ave.
Willows, CA 95988

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. CONSENT CALENDAR	5
A. Routine Matters	
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B. Reports / Correspondence	
1. Program Payments.....	12
2. Cash Balance as of September 30, 2016.....	13
3. Projected Cash Flow as of September 30, 2016.....	14
4. Treasurer’s Report as of June 30, 2016.....	15
5. Contra Costa Loan Forgiveness Project.....	19
6. CalMHSA Financial Statement for Quarter Ending June 30, 2016.....	26
7. 2017 Directing Change Project – Sole Source Contract.....	31
8. State Hospitals Program Update.....	35
<i>Recommendation: Approval of the Consent Calendar.</i>	
5. FINANCIAL MATTERS	
A. Lester Consulting Group – Private Fund Development & Creation of a Leadership Council.....	41
<i>Recommendation: 1) Authorize staff to enter into a Sole Source Agreement with Lester Consulting Group (LCG) for the purpose of Fund Development for a three year term. 2) Approve a \$500,000 annual budget item for each of the next three years, which will pay for LCG consulting services, fund development staff and all associated costs, via a special member fee. 3) Affirm CalMHSA’s commitment to sustain the CalMHSA Statewide PEI Project in order to meet the leverage amount of \$10-15 million dollars per fiscal year, in an effort to secure private funding at an equal or greater level.</i>	
B. CalMHSA Annual Revenue and Expenditure Report – Budget June 30, 2017 – Proposed Revision.....	63
<i>Recommendation: Approve the Revised CalMHSA Annual Revenue and Expenditure Report – Budget, June 30, 2017.</i>	
6. GENERAL DISCUSSION	
A. Report from CalMHSA President – Terence M. Rooney.....	75
• General	
<i>Recommendation: Discussion and/or action as deemed appropriate.</i>	
B. Report from CalMHSA Executive Director – Wayne Clark.....	76
• Update on Strategic Planning Session Report	
• CBHDA Action on Statewide Projects and Possible Staff Direction	
• Drug Medi-Cal Organized Delivery System Update	
• Housing Update	
• Payment Reform	
• Other	

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

7. PUBLIC COMMENTS

A. Public Comments Non-Agenda Items

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

8. NEW BUSINESS

General discussion regarding any new business topics for future meetings.

9. CLOSING COMMENTS

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

10. ADJOURNMENT

CONSENT CALENDAR
Agenda Item 4

SUBJECT: CONSENT CALENDAR

ACTION FOR CONSIDERATION:

Approval of the Consent Calendar.

BACKGROUND AND STATUS:

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

A. Routine Matters:

1. Minutes from the August 11, 2016 Board of Directors Meeting

B. Reports / Correspondence

1. Letters of Acknowledgment Matrix
2. Cash Balance as of September 30, 2016
3. Projected Cash Flow as of September 30, 2016
4. Treasurer's Report as of June 30, 2016
5. Contra Costa Loan Forgiveness Project
6. CalMHSA Financial Statement for Quarter Ending June 30, 2016
7. 2017 Directing Change Project – Sole Source Contract
8. State Hospital Program Update

FISCAL IMPACT:

See staff reports for fiscal impact.

RECOMMENDATION:

Approval of the Consent Calendar.

TYPE OF VOTE REQUIRED:

Majority vote.

REFERENCE MATERIAL(S) ATTACHED:

- August 11, 2016 Board of Directors Meeting Minutes
- Letters of Acknowledgment Matrix

- Cash Balance as of September 30, 2016
- Projected Cash Flow as of September 30, 2016
- Treasurer's Report as of June 30, 2016
- Contra Costa Loan Forgiveness Project
- CalMHSA Financial Statement for Quarter Ending June 30, 2016
- 2017 Directing Change Project – Sole Source Contract
- State Hospitals Program Update



"A George Hills Company Administered JPA"

**CalMHSAs Board of Directors
Meeting Minutes from August 11, 2016**

BOARD MEMBERS PRESENT

Alameda County – **Manuel Jimenez**
Butte County – **Dorian Kittrell**
Colusa County – **Terence M. Rooney**
Contra Costa – **Warren Hayes** (*Alternate*)
Fresno County – **Dawan Utecht**
Kern County – **Bill Walker**
Kings County – **Ahmad Bahrami** (*Alternate*)
Lake County – **Kevin Thompson**
Los Angeles County – **William Arroyo** (*Alternate*)
Marin County – **Suzanne Tavano**
Merced County – **Yvonnia Brown**
Monterey County – **Amie Miller**
Napa County – **Bill Carter**
Orange County – **Mary Hale**
Placer County – **Maureen Bauman**
Plumas County – **Louise Steenkamp**
Riverside County – **Steven Steinberg**
Sacramento County – **Jane Ann LeBlanc** (*Alternate*)
San Bernardino County – **CaSonya Thomas**
San Diego County – **Holly Salazar** (*Alternate*)
San Mateo County – **Paul Sorbo**
Santa Clara County – **Toni Tullys**
San Luis Obispo County – **Anne Robin** (*via phone*)
Shasta County – **Donnell Ewert**
Sonoma County – **Michael Kennedy**
Stanislaus County – **Cherie Dockery** (*Alternate*)
Sutter/Yuba Counties – **Tony Hobson**
Trinity County – **Noel O'Neill**

BOARD MEMBERS ABSENT

Alpine County
Berkeley, City of
Del Norte County
El Dorado County
Glenn County
Humboldt County
Imperial County
Inyo County
Lassen County
Madera County

Mariposa County
Mendocino County
Modoc County
Mono County
Nevada County
San Benito County
San Francisco City/County
San Joaquin County
Santa Barbara County
Santa Cruz County
Siskiyou County
Solano County
Tri-City
Tulare County
Tuolumne County
Yolo County
Ventura County

MEMBERS OF THE PUBLIC

Rose Lester, LCG

Jennifer Alpert, LCG

Scott Rose, RSE

Estelle Saltzman, RSE

Andrea Porter, CBHDA

STAFF PRESENT

Wayne Clark, CalMHSA Executive Director
John Chaquica, CalMHSA Chief Operations Officer
Ann Collentine, CalMHSA Program Director
Kim Santin, CalMHSA Finance Director
Laura Li, CalMHSA JPA Administrative Manager
George E. Murphy, CalMHSA Legal Counsel
Armando Bastida, CalMHSA Executive Assistant

1. CALL TO ORDER

CalMHSA President Terence M. Rooney, Colusa County, called the Board of Directors meeting of the California Mental Health Services Authority (CalMHSA) to order at 2:33 P.M. on August 11, 2016, at the Doubletree by Hilton in Sacramento, California. Vice President Rooney welcomed those in attendance as well as those listening in on the phone, and asked all present to introduce themselves.

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

2. ROLL CALL AND INTRODUCTIONS

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

3. INSTRUCTIONS FOR PUBLIC COMMENT AND STAKEHOLDER INPUT

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

4. CONSENT CALENDAR

President Rooney acknowledged the consent calendar and asked for comment from Board members. Treasurer, Bill Walker, commented on the Letters of Acknowledgement consent calendar item, as the new Treasurer and maximum effort he will call county directors to follow up and provide any assistance that may help speed up the payment process. President Rooney entertained a motion for approval of the Consent Calendar.

Action: *Approval of the consent calendar.*

Motion: *Los Angeles County – William Arroyo*

Second: *Sacramento County – Jane Ann LeBlanc*

Motion passed unanimously.

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

None

5. FINANCIAL MATTERS

A. Lester Consulting Group (LCG) Feasibility Study for Private Funding
Vice President Rooney introduced Jennifer Alpert from Lester Consulting Group to provide a presentation based on finding from the Private Funding Feasibility Study. A few highlights from the presentation include 450 invitations to CEO's and Senior Managers, 31 responded and were interviewed. CEO noted the importance of CalMHSA's work, with 19 willing to gift CalMHSA.

LCG indicated there were concerns with going straight into a campaign, however there is support for a pre-campaign effort by establishing a "Leadership Council," to help generate seed money for campaign efforts. LCG indicated some CEOs willingness to form part of the Leadership Council.

The formation of a Leadership Council and seeking seed money would be a two year venture requiring 1.5 FTE to support these efforts.

Action: *The Board directed staff to assess the feasibility of developing a "Leadership Council," and costs associated with this two year pre-campaign effort.*

Motion: *Alameda County – Manuel J. Jimenez*
Second: *Placer County – Maureen F. Bauman*

Motion passed unanimously.

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

6. PROGRAM MATTERS

A. Recommendation for Phase II Statewide PEI Project reductions

Dr. William Arroyo, Los Angeles County, provided the Board of Directors with a detailed presentation revealing insufficient funding to support Phase II contracts, therefore recommending program reductions. The proposed reductions/terminations have been made strategically vs. across the board. The recommendations have been adopted by the Sustainability Taskforce and Finance Committee has approved a total fund reduction of \$1.2 million.

Action: *The Executive Committee adopted the Sustainability Taskforce recommendations for contract reductions and/or contract terminations and Finance Committee recommendation for PEI Statewide reduction of \$1.2 million, effective October 1, 2016.*

Motion: *Alameda County – Manuel J. Jimenez*
Second: *Butte County – Dorian Kittrell*

Motion passed unanimously.

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

7. GENERAL DISCUSSION

A. Report from CalMHSA President – Terence M. Rooney

President Rooney reported to the Board his intentions of being CalMHSA President.

B. Report from CalMHSA Executive Director

CalMHSA Executive Director, Wayne Clark provided a brief update on the following projects.

- Update on Strategic Planning Session Report – CalMHSA staff will prepare a staff report for the October Board of Directors meeting.
- Line of Credit Update – The bank has yet to reach out to CalMHSA regarding the line of credit.
- CBHDA Action on Statewide Projects and Possible Staff Direction – 1% distribution formula was discussed and whether we could proceed with pursuing the 1%.
- Other -

Action: *The Executive Committee directed staff to pursue and explore legislative options for the 1% distribution formula as previously approved by the full board, however the Board could direct otherwise moving forward.*

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

8. PUBLIC COMMENTS

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

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

9. NEW BUSINESS

General discussion regarding any new business topics for future meetings.

10. CLOSING COMMENTS

11. ADJOURNMENT

Hearing no further comments, the meeting was adjourned at 4:42 a.m.

Respectfully submitted,

Michael Kennedy, MFT
Secretary, CalMHSA

Date

Program Payments

	PEI			State Hospitals	
	FY 16-17 LOA Rcvd & Funding Projected	(Phase II)	PHASE II Funding Received FY 16-17	Annual Operation Costs FY 16-17	Funding Received FY 16-17
County	\$	%	\$	\$	\$
Alameda County	\$ 290,883.00	3%	\$ 290,883.00	\$ 29,442.00	\$ 29,442.00
Alpine County	\$ 15,000.00	7%	\$ 15,000.00		
*Amador County					
Butte County	\$ 25,000.00			\$ 1,402.00	\$ 1,402.00
*Calaveras County					
City of Berkeley					
Colusa County					
Contra Costa County				\$ 29,442.00	\$ 29,442.00
Del Norte County					
El Dorado County	\$ 9,471.00	1%	\$ 9,471.00	\$ 1,402.00	\$ 1,402.00
Fresno County	\$ 455,864.02	7%	\$ 455,864.02	\$ 1,402.00	\$ 1,402.00
Glenn County	\$ 18,000.00	3%	\$ 18,000.00		
Humboldt County	\$ 8,198.31		\$ 8,198.31		
Imperial County	\$ 48,915.00	4%	\$ 48,915.00	\$ 4,206.00	\$ 4,206.00
Inyo County					
Kern County	\$ 120,019.19	2%	\$ 120,019.19	\$ 11,216.00	\$ 11,216.00
Kings County	\$ 48,373.00	5%	\$ 48,373.00	\$ 1,402.00	\$ 1,402.00
Lake County					
Lassen County	\$ 11,000.00	4%	\$ 11,000.00		
Los Angeles County				\$ 269,000.00	
Madera County	\$ 15,200.00	2%	\$ 15,200.00	\$ 1,402.00	\$ 1,402.00
Marin County	\$ 75,000.00	5%	\$ 75,000.00	\$ 5,608.00	
Mariposa County					
Mendocino County	\$ 8,625.00	1%	\$ 8,625.00		
*Merced County					
Modoc County	\$ 6,522.00	4%	\$ 6,522.00		
Mono County					
Monterey County	\$ 252,000.00	7%	\$ 252,000.00	\$ 5,608.00	\$ 5,608.00
Napa County	\$ 10,471.00	1%	\$ 10,471.00	\$ 4,206.00	\$ 4,206.00
Nevada County	\$ 5,000.00	1%	\$ 5,000.00		
Orange County	\$ 900,000.00	4%	\$ 900,000.00	\$ 23,834.00	\$ 23,834.00
Placer County	\$ 162,000.00	6%	\$ 162,000.00	\$ 4,206.00	\$ 4,206.00
Plumas County	\$ 25,000.00	6%	\$ 25,000.00		
Riverside County	\$ 526,379.00	4%	\$ 526,379.00	\$ 26,638.00	\$ 26,638.00
Sacramento County	\$ 320,325.00	3%	\$ 320,325.00	\$ 25,236.00	\$ 25,236.00
San Benito County					
San Bernardino County	\$ 561,894.00	4%	\$ 561,894.00		
San Diego County	\$ 400,000.00	1%	\$ 400,000.00	\$ 22,432.00	\$ 22,432.00
San Francisco City And County	\$ 100,000.00	2%	\$100,000.00		
San Joaquin County	\$ 174,662.54	4%		\$ 4,206.00	\$ 4,206.00
San Luis Obispo County	\$ 67,308.00	4%		\$ 1,402.00	\$ 1,402.00
San Mateo County	\$ 95,965.00	2%	\$ 95,965.00	\$ 7,010.00	\$ 7,010.00
Santa Barbara County	\$ 5,000.00	0.10%	\$ 5,000.00	\$ 1,402.00	\$ 1,402.00
Santa Clara County				\$ 51,874.00	
Santa Cruz County				\$ 1,402.00	\$ 1,402.00
Shasta County	\$ 13,000.00	1%	\$ 13,000.00		
*Sierra County					
Siskiyou County					
Solano County	\$ 60,611.00	2%	\$ 60,611.00	\$ 4,206.00	\$ 4,206.00
Sonoma County	\$ 109,200.00	2.78%	\$ 109,200.00	\$ 1,402.00	\$ 1,402.00
Stanislaus County				\$ 4,206.00	\$ 4,206.00
Sutter/Yuba County	\$ 39,185.00	4%	\$ 39,185.00		
*Tehama County					
Tri-City Mental Health Center	\$ 15,181.00	1%	\$ 7,590.50		
Trinity County	\$ 10,000.00	4%			
Tulare County	\$ 31,443.17	1%	\$ 31,443.17	\$ 4,206.00	\$ 4,206.00
Tuolumne County	\$ 16,715.00	5%	\$ 16,715.00		
Ventura County	\$ 53,500.00	1%	\$ 53,500.00	\$ 1,402.00	\$ 1,402.00
Yolo County	\$ 35,000.00	2.2%		\$ 1,402.00	\$ 1,402.00
TOTAL	\$ 5,145,910.23	3%	\$ 4,826,349.19	\$ 552,204.00	\$ 225,722.00
Balance Due			\$ 319,561.04		\$ 326,482.00

CalMHSA
Cash Balance
As of September 30, 2016

Cash Balance, 6/30/2016	7,709,093.70
Cash Received 07/01 to 09/30/2016	5,618,760.71
Cash Payments 07/01 to 09/30/2016	(2,232,272.82)
Cash Balance, 9/30/2016	<u>11,095,581.59</u>

Cash Balance by Institution	
California Bank & Trust	392,384.87
Morgan Stanley Smith Barney	1,470.98
Local Agency Investment Fund	10,701,725.74
Cash Total 09/30/2016	11,095,581.59

California Mental Health Services Authority
 Projected Cash Flow
 2016/2017

As of Sept 30, 2016

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Totals
Beginning Cash Balance	7,709,094	9,648,712	11,342,521	11,095,582	10,618,249	9,712,726	8,980,525	8,041,139	7,096,502	6,151,866	5,215,230	4,270,593	7,709,094
Cash Receipts:													
Phase II -1- Sustainability 15-16	409,471	8,198		35,000									452,669
Phase II-2 - Sustainability 16-17	2,131,811	2,324,063	63,115	101,062	101,062	101,062							4,822,175
Suicide Prevention Hotline 16-17	15,063	30,451	109,235	54,235									208,984
State Hospital Beds 15-16	168,941	16,824	73,605	135,201	135,201								529,772
State Hospital Beds 16-17	86,924	44,864	89,728	110,697	110,697	110,697							553,606
Fiscal Modernization Project				4,427	4,427	4,427							13,281
Other Strategic Programs	18,500		3,000	312,500									334,000
Other (LAIF Interest, etc.)	11,978	12,989		12,000			9,000			8,000			53,967
Total Cash Receipts	2,842,687	2,437,389	338,683	765,122	351,387	216,186	9,000	-	-	8,000	-	-	6,968,453
Cash Expenses:													
PEI/Phase I Obligations 2014/15	63,769	-	-	297,906	297,906	-	-	-	-	-	-	-	659,582
Program 1	390,896	153,541	263,052	411,567	411,567	411,567	411,567	411,567	411,567	411,567	411,567	411,567	4,511,595
Program 2	7,327	47,623	9,228	37,610	37,610	37,610	37,610	37,610	37,610	37,610	37,610	37,610	402,667
EMM	31,785	45,176	46,645	57,312	57,312	57,312	57,312	57,312	57,312	57,312	57,312	57,312	639,412
RAND	129,863	97,819		44,732	44,732	44,732	44,732	44,732	44,732	44,732	44,732	44,732	630,268
Phase II Obligations 2015/16 & 2016/17	559,871	344,159	318,925	551,221	551,221	551,221	551,221	551,221	551,221	551,221	551,221	551,221	6,183,942
Suicide Prevention Hotline	45,022	47,383	51,094	66,606	66,606	66,606	66,606	66,606	66,606	66,606	66,606	66,606	742,952
Plumas Wellness Center		116,061	43,116	34,013	34,013	34,013	34,013	34,013	34,013	34,013	34,013	34,013	465,296
Community Response Plan	3,848	2,250	8,923										15,021
TTACB Contract				19,805	19,805	19,805	19,805	19,805	19,805	19,805	19,805	19,805	178,249
State Hospital Beds	52,414	309	887	65,157	65,246	65,246	65,246	65,246	65,246	65,246	65,246	65,246	640,737
Fiscal Modernization Project	922	30,270		11,123	11,123	11,123	11,123	11,123	11,123	11,123	11,123	11,123	131,296
Drug Medi-Cal	1,604	1,554		3,628	3,628	3,628	3,628	3,628	3,628	3,628	3,628	3,628	35,808
PNWE	257	338											595
EDC	675	4,378	496										5,549
Orange County													-
WET Program Expenditures				14,847	14,847	14,847	14,847	14,847	14,847	14,847	14,847	14,847	133,623
Research & Development				19,971	19,971	19,971	19,971	19,971	19,971	19,971	19,971	19,971	179,735
Total Administrative Expenses	174,687	196,878	162,182	158,177	172,544	161,927	161,927	158,177	158,177	158,177	158,177	158,177	1,979,205
Total Cash Expenses	903,069	743,580	585,622	1,242,454	1,256,910	948,386	948,386	944,636	944,636	944,636	944,636	944,636	11,351,590
Ending Cash Balance	9,648,712	11,342,521	11,095,582	10,618,249	9,712,726	8,980,525	8,041,139	7,096,502	6,151,866	5,215,230	4,270,593	3,325,957	3,325,957



"A George Hills Company Administered JPA"

Treasurer's Report

As of June 30, 2016

	Book Balance	Market Value	Effective Yield
Local Agency Investment Fund	\$7,649,748	\$7,654,500	0.58%
Morgan Stanley – Money Trust	1,471	1,471	0.14%
Cash with California Bank & Trust	57,875	57,875	0.00%
Total Cash and Investments	\$7,709,094	\$7,713,846	0.57%

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

The LAIF market value was derived by applying the June 2016 fair value factor of 1.000621222 to the book balance.

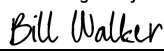
I certify that this report reflects all cash and investments and is in conformance with the Authority's Investment Policy. The investment program herein shown provides sufficient cash flow liquidity to meet the Authority's expenditures for the next six (6) months.

Respectfully submitted,

Accepted,

DocuSigned by:


 Kim Santin, Finance Director

DocuSigned by:


 William Walker, Treasurer

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

www.treasurer.ca.gov/pmia-laif/laif.asp

May 19, 2016

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

PMIA Average Monthly Yields

Account Number:

Tran Type Definitions

April 2016 Statement

Effective Date	Transaction Date	Tran Type	Tran Confirm Number	Authorized Caller	Amount
4/15/2016	4/15/2016	RW	1499806	KIM SANTIN	-1,150,000.00
4/15/2016	4/14/2016	QRD	1499352	SYSTEM	14,055.61

Account Summary

Total Deposit:	14,055.61	Beginning Balance:	10,185,692.35
Total Withdrawal:	-1,150,000.00	Ending Balance:	9,049,747.96

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

www.treasurer.ca.gov/pmia-laif/laif.asp

June 07, 2016

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

PMIA Average Monthly Yields

Account Number:

Tran Type Definitions

May 2016 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
5/18/2016	5/17/2016	RW	1502032	KIM SANTIN	-600,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	9,049,747.96
Total Withdrawal:	-600,000.00	Ending Balance:	8,449,747.96

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

www.treasurer.ca.gov/pmia-laif/laif.asp

July 13, 2016

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

PMIA Average Monthly Yields

Account Number:

Tran Type Definitions

June 2016 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
6/16/2016	6/16/2016	RW	1504064	KIM SANTIN	-800,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	8,449,747.96
Total Withdrawal:	-800,000.00	Ending Balance:	7,649,747.96

CONSENT CALENDAR
Agenda Item 4.B.5

SUBJECT: Contra Costa County Loan Forgiveness Program

ACTION FOR CONSIDERATION:

Authorize CalMHSA staff to negotiate and enter into an Agreement with Contra Costa County for fiscal and administrative services in the implementation of a Loan Forgiveness Program.

BACKGROUND:

On August 9, 2016 CalMHSA staff met with Warren Hayes, MHSA Coordinator, Contra Costa County, for the purpose of discerning CalMHSA's interest in providing fiscal and administrative services for the implementation of a Loan Forgiveness Program within the county.

The objective of the program is to pay student loan debt incurred by current or prospective Participant County or contract employees who fill positions that the Participant has deemed to be, a) hard to fill or retain, or b) part of a mental health career pathway.

Contra Cost County will pay an amount not to exceed \$1,000,000.00 to CalMHSA who will act as a fiscal intermediary in the implementation of the Program. CalMHSA will be compensated actual costs for administration, at an hourly rate of \$96, with an annual assessment of cost, to determine if amendments need to take place.

STATUS:

Contra Costa County is currently working with their local stakeholders prior to obtaining Board of Supervisor approval, expected by early 2017. If approved by all governing bodies, this program is scheduled to commence on July 1, 2017, for three years.

FISCAL IMPACT:

None.

RECOMMENDATION:

Authorize CalMHSA staff to negotiate and enter into an Agreement with Contra Costa County for fiscal and administrative services in the implementation of a Loan Forgiveness Program.

TYPE OF VOTE REQUIRED:

Majority vote.

REFERENCE MATERIAL(S) ATTACHED:

- Draft Participation Agreement with Contra Costa County

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY
PARTICIPATION AGREEMENT
COVER SHEET

1. **Contra Costa County** ("Participant") desires to participate in the Program identified below.

Name of Program: Contra Costa Behavioral Health Services (CCBHS) Loan Forgiveness Program

2. California Mental Health Services Authority ("CalMHSA") and Participant acknowledge that the Program will be governed by CalMHSA's Joint Powers Agreement and its Bylaws, and by this participation agreement. The following exhibits are intended to clarify how the provisions of those documents will be applied to this particular Program.

- Exhibit A Program Description and Funding
- Exhibit B Scope of Services
- Exhibit C General Terms and Conditions

3. The maximum amount payable under this Agreement is \$1,000,000.00.

4. The term of the Program is July 1, 2017 through June 30, 2020.

5. Authorized Signatures:

CalMHSA

Signed: _____ Name (Printed): Wayne Clark

Title: Executive Director Date: _____

Participant: Contra Costa County

Signed: _____ Name (Printed): Cynthia Belon

Title: Contra Costa Behavioral Health Services Director Date: _____

PARTICIPATION AGREEMENT

Exhibit A – Program Description and Funding

I. Name of Program – CCBHS Loan Forgiveness Program

II. Term of Program – This is a three year contract, beginning July 1, 2017 and terminating on June 30, 2020, with the option for early termination or extension as deemed appropriate with prior written notice and the availability of funds.

Either party may extend the contract by written request, forty-five (45) days prior to expiration of current contract. Additionally, either party may withdraw from the Program upon six months written notice. Notice shall be deemed served on the date of mailing.

III. Program Objective and Overview-

Objective: To pay student loan debt incurred by current or prospective Participant County or contract employees who fill positions that the Participant has deemed to be, a) hard to fill or retain, or b) part of a mental health career pathway.

Overview: The Participant will identify to CalMHSA the names of current or prospective employees, their respective student lending institutions, student loan amounts owed, and the schedule and amount to be paid to the student lending institutions. Upon verification by Participant of an employee's continued eligibility for loan forgiveness, CalMHSA will make payments directly to the employee's identified student lending institution(s), and verify funds receipt by the student lending institution and the reduced balance owed by the employee.

IV. Funding – Contra Costa County will pay an amount not to exceed \$1,000,000.00 to CalMHSA who will act as a fiscal intermediary in the implementation of the Program. CalMHSA shall invoice the Participant in three equal installments on July 1, 2017, July 1, 2018, and July 1, 2019.

Upon cancellation, termination or other conclusion of this contract, any funds remaining undisbursed after CalMHSA satisfies all obligations arising from the administration of the Program shall be distributed to Participant.

V. Compensation for Administration- CalMHSA will retain reimbursement for actual expenses incurred, calculated at our current blended hourly rate of \$96.00, in the administration of the program, (e.g. such as costs of staffing, facilities, and executive functions to provide contract management and the specific services in the agreement). An annual assessment of costs to be performed, with an option to adjust the compensation via an Agreement Amendment, if deemed appropriate by both parties.

VI. CalMHSA Reporting - CalMHSA will report each month in arrears to the Participant the following information:

- a) Names of employees the Participant has identified as eligible for the Program, and their respective student loan balances.
- b) Amounts verified as paid by CalMHSA and received by student lending institutions in the previous month and total to date on behalf of employees that the Participant has directed to be paid.

- d) c) A fund ledger indicating by date payments made by the Participant to CalMHSA, funds paid by CalMHSA to student lending institutions, funds paid to CalMHSA for administrative costs, and closing balance of funds available.

VII. Participant Reporting - As employees are deemed eligible, the Participant will identify to CalMHSA the names of these current or prospective employees, their respective student lending institutions, student loan amounts owed, and the schedule and amount to be paid to the student lending institutions. The Participant will update to CalMHSA employees' continued eligibility for loan forgiveness, and any changes in schedule and/or amount to be paid.

DRAFT

PARTICIPATION AGREEMENT

Exhibit B – Scope of Services

I. Definitions

Throughout this Participation Agreement, the following terms are defined as follows:

- A. CalMHSA - California Mental Health Services Authority, a Joint Powers Authority created to jointly develop and fund mental health services and education programs for its Member Counties and Partner Counties.
- B. Member – refers to a County (or JPA of two or more Counties) that has joined CalMHSA and executed the CalMHSA Joint Powers Agreement.
- C. Mental Health Services Act (MHSA) – Initially known as Proposition 63 in the November 2004 election, which added sections to the Welfare and Institutions Code providing for, among other things, PEI and WET Programs.
- D. Participant– County participating in the Program either as Member of CalMHSA or as Partner under a Memorandum of Understanding with CalMHSA.
- E. Program – The program identified in the Cover Sheet.

II. Responsibilities

- A. Responsibilities of CalMHSA:
 1. Act as fiscal and administrative agent for Participant in the Program.
 2. Management of funds received consistent with the requirements of any applicable laws, regulations, guidelines and/or contractual obligations.
 - Process W-9 and 1099 forms
 - Maintain and account for funds
 - Process and release checks to student lending institutions per instructions
 - Provide accounting and reporting for funds
 - Retain records including those necessary for audit
 - Maintain confidentiality of student records
 3. Provide regular fiscal reports to Participants and/or other public agencies with a right to such reports.
 4. Compliance with CalMHSA's Joint Powers Agreement and Bylaws.
- B. Responsibilities of Participant:
 1. Transfer of funds from the Participant to CalMHSA that are assessed for the Program shall be made upon invoice by CalMHSA at the beginning of each fiscal year in three equal yearly installments.

2. Make all determinations regarding student eligibility for and award of program benefits in compliance with applicable laws.
3. Identify student recipients and provide check distribution instructions to CalMHSA.
4. Provide pertinent identification information for all student recipients
5. Identification of a representative authorized to act for Participant and receive notices on behalf of Participant.
6. Cooperate by providing CalMHSA with requested information and assistance in order to fulfill the purpose of the Program.
7. Timely and complete submission in response to requests for information and items needed.
8. Compliance with applicable laws, regulations, guidelines, contractual agreements, joint powers agreements and bylaws.

DRAFT

PARTICIPATION AGREEMENT

Exhibit C – General Terms and Conditions

I. Duration and Term

- A. The term of the Program is for three years.
- B. Either party may extend the contract by written request, forty-five (45) days prior to expiration of current contract.
- C. Either party may withdraw from the Program upon six months written notice. Notice shall be deemed served on the date of mailing.

II. Withdrawal, Cancellation and Termination

- A. The withdrawal of the Participant from the Program shall not automatically terminate its responsibility for its share of the expenses and liabilities of the Program.
- B. Upon cancellation, termination or other conclusion of the Program, any funds remaining undisbursed after CalMHSA satisfies all obligations arising from the administration of the Program shall be distributed to Participant.

III. Fiscal Provisions

- A. Funding required from the Participants will not exceed the amount stated in the Cover Sheet.

CONSENT CALENDAR
Agenda Item 4.B.6

SUBJECT: CALMHSA FINANCIAL STATEMENT FOR THE QUARTER ENDING JUNE 30, 2016

ACTION FOR CONSIDERATION:

Approval of the CalMHSA Financial Statement for the Quarter ending June 30, 2016.

BACKGROUND AND STATUS:

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

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

FISCAL IMPACT:

None.

RECOMMENDATION:

Approval of the CalMHSA Financial Statement for the Quarter ending June 30, 2016.

TYPE OF VOTE REQUIRED:

Majority vote.

REFERENCE MATERIALS ATTACHED:

- CalMHSA Financial Statement Quarter Ending June 30, 2016

**SUMMARY OF SIGNIFICANT CHANGES IN FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 2016**

BALANCE SHEET:

Cash and Cash Equivalents – The total cash balance as of June 30, 2016 is \$7.7 million. This is a decrease of \$2.5 million compared to the \$10.2 million in cash as of March 31, 2016. The decrease in cash relates to issuance of payments to program partners for Phase II/Sustainability.

Receivables – The balance in accounts receivable as of June 30, 2016, is \$1.0 million. The categories with the most significant balances are as follows:

• Phase II Sustainability Funding	\$ 452,669
• State Hospital Beds Program	<u>529,772</u>
	\$ 982,441

Accounts Payable – The balance in accounts payable as of June 30, 2016, is approximately \$1.5 million. The payables are primarily for payments to program partners. The vendors with the most significant balances are as follows:

• Runyon, Saltzman & Einhorn, Inc.	\$ 273,174
• RAND	291,451
• University of California	<u>595,813</u>
	\$ 1,160,438

Deferred Revenue – The balance of deferred revenue as of June 30, 2016, is \$780,361. This represents monies received from member counties for 2016/2017 Phase II Sustainability funding and Suicide Prevention Hotline and will be recognized as revenue in 2016/2017.

STATEMENT OF REVENUE AND CHANGES IN NET ASSETS:

Operating Revenue – Total revenue for the fiscal year ended June 30, 2016 was \$8.5 million consisting primarily of revenue for Phase II Sustainability, as well as other strategic programs such as Wellness Center, Suicide Prevention Hotline, the Community Response Plan and the State Hospital Beds Program.

Expenses – Overall expenses for the fiscal year ended June 30, 2016 were \$12.5 million. The expenses consisted mainly of contract expenses for the Statewide Program (Phase I and Phase II.)

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

**UNAUDITED
BALANCE SHEET**

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
ASSETS		
Current Assets:		
Cash & Cash Equivalents	\$ 7,713,846	\$ 14,220,664
Investments - Current Portion		
Contractor Prepayments	60,000	
Receivables:		
State Hospital Bed Funds	529,772	23,834
Fiscal Modernization	13,281	14,953
Phase I Sustainability		618,597
Phase II Sustainability	452,669	
Application Fees		500
SDR Conference Registration Fees		116,378
Other	31,348	4,600
Interest	11,978	9,519
Total Current Assets	<u>8,812,894</u>	<u>15,009,044</u>
Noncurrent Assets:		
Investments		
Total Assets	<u>\$ 8,812,894</u>	<u>\$ 15,009,044</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 1,541,735	\$ 4,365,602
Program Partner Holdbacks		116,339
Deferred Revenue	780,361	122,345
Total Current Liabilities	<u>2,322,096</u>	<u>4,604,287</u>
Net Assets:		
Operations	776,518	823,361
Obligated Funds Under Contract:		
International SDR Conference	(50,116)	(26,578)
Tech Asst/Capacity Building	203,272	203,448
WET Program Funding	148,470	148,470
Fiscal Modernization	169,915	259,566
SHB Program Funding	1,347,307	540,030
Wellness Center	620,938	
Suicide Prevention Hotline	34,015	
Community Response Plan	10,745	
PNWE	7,576	
Drug Medi-Cal	(4,797)	
Orange County	2,862	
Education Development Center, Inc.	2,968	
Statewide PEI Project	3,221,124	8,456,460
Total Net Assets	<u>6,490,798</u>	<u>10,404,757</u>
Total Liabilities and Net Assets	<u>\$ 8,812,894</u>	<u>\$ 15,009,044</u>

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

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

For The Fiscal Year Ended June 30, 2016

	<u>Operations</u>	<u>Strategic Programs</u>	<u>Statewide PEI Program</u>	<u>June 2016 Total</u>	<u>June 2015 Total</u>
OPERATING REVENUES:					
Program Funding Contributions		\$ 2,593,150	\$ 5,959,792	\$ 8,552,942	\$ 7,055,077
Conference Registration		(20,421)		(20,421)	(1,762)
Donations				-	40,000
Application Fee	\$ 250			250	-
Total Operating Revenue	<u>250</u>	<u>2,572,729</u>	<u>5,959,792</u>	<u>8,532,771</u>	<u>7,093,315</u>
PROGRAM EXPENSES:					
SDR Conference		3,117		3,117	393,241
Program Contract		869,481	8,929,354	9,798,835	24,321,839
Program Mgmt. & Oversight		205,670	1,720,504	1,926,174	1,032,495
Other Contract Services	6,051	115,685	62,270	184,006	253,052
Legal	19,122	1,499	-	20,621	21,496
Marketing	1,396			1,396	80,544
Meeting and Other	36,995	9,058	32,941	78,994	96,161
Total Program Expense	<u>63,564</u>	<u>1,204,510</u>	<u>10,745,069</u>	<u>12,013,143</u>	<u>26,198,828</u>
INDIRECT EXPENSES:					
General Management			322,407	322,407	1,040,424
Other Contract Services	4,459		23,927	28,386	28,891
Legal Services	17,610		5,342	22,952	53,762
Insurance			29,203	29,203	31,431
Investment Management Fees	439			439	37,098
Dissemination Materials			64,263	64,263	600
Meeting and Other	11,595		4,917	16,512	143,946
Total General And Administrative	<u>34,102</u>	<u>-</u>	<u>450,059</u>	<u>484,161</u>	<u>1,336,152</u>
Total Expenses	<u>97,665</u>	<u>1,204,510</u>	<u>11,195,128</u>	<u>12,497,303</u>	<u>27,534,980</u>
Income/(Loss) from Operations	(97,415)	1,368,219	(5,235,336)	(3,964,532)	(20,441,665)
NONOPERATING INCOME:					
Investment Income	51,073			51,073	261,113
Change in Investment Value	(500)			(500)	(169,640)
Total Nonoperating Income	<u>50,573</u>			<u>50,573</u>	<u>91,473</u>
Change in Net Assets	(46,843)	1,368,219	(5,235,336)	(3,913,959)	(20,350,192)
Beginning Net Assets	<u>823,361</u>	<u>1,124,936</u>	<u>8,456,460</u>	<u>10,404,757</u>	<u>30,754,949</u>
Ending Net Assets	<u>\$ 776,518</u>	<u>\$ 2,493,155</u>	<u>\$ 3,221,124</u>	<u>\$ 6,490,798</u>	<u>\$ 10,404,757</u>

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

UNAUDITED
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS

For The Fiscal Year Ended June 30, 2016

	Strategic Programs												Total Strategic Programs	June 2015 Total
	International SDR Conference	Tech Asst/ Capacity Building	WET Program	Fiscal Modernization	SHB Program	Wellness Center	Suicide Prevention Hotline	Community Response Plan	PNWE	Drug Medi-Cal	Orange County	EDC		
OPERATING REVENUES:														
Program Funding Contributions					\$ 905,508	\$ 1,000,000	\$ 627,642	\$ 34,000	\$ 10,000		\$ 12,500	\$ 3,500	\$ 2,593,150	\$ 436,179
Conference Registration	\$ (20,421)												(20,421)	326,663
Total Operating Revenue	(20,421)	-	-	-	905,508	1,000,000	627,642	34,000	10,000	-	12,500	3,500	2,572,729	762,842
PROGRAM EXPENSES:														
SDR Conference	3,117												3,117	393,241
Program Contract						370,000	499,481						869,481	35,533
Program Mgmt. & Oversight		176		5,280	88,268	8,800	94,146	5,100	1,500		1,875	525	205,670	81,224
Other Contract Services				84,367				18,145	924	4,486	7,763		115,685	8,658
Legal					1,499	8,464							1,499	5,735
Meeting and Other				4		262		10		311		7	9,058	7,026
Total Program Expense	3,117	176	-	89,651	98,231	379,062	593,627	23,255	2,424	4,797	9,638	532	1,204,510	531,417
Change in Net Assets	(23,538)	(176)	-	(89,651)	807,277	620,938	34,015	10,745	7,576	(4,797)	2,862	2,968	1,368,219	231,425
Beginning Net Assets	(26,578)	203,448	148,470	259,566	540,030	-	-	-	-	-	-	-	1,124,936	853,511
Ending Net Assets	\$ (50,116)	\$ 203,272	\$ 148,470	\$ 169,915	\$ 1,347,307	\$ 620,938	\$ 34,015	\$ 10,745	\$ 7,576	\$ (4,797)	\$ 2,862	\$ 2,968	\$ 2,493,155	\$ 1,084,936

CONSENT CALENDAR

Agenda Item 4.B.7

SUBJECT: 2017 Directing Change Project – Sole Source Contract

ACTION FOR CONSIDERATION:

Authorize CalMHSA staff to execute sole source contract for the Directing Change Program for fiscal year 2016/17 to the Dallas Pugh Foundation out of current obligated funds of \$150,000 from the Runyon Saltzman Einhorn contract.

BACKGROUND:

Over the past 4 years CalMHSA has worked with Runyon Saltzman Einhorn (RSE), Your Social Marketer, and the Dallas Pugh Foundation to develop and implement the *Directing Change Program and Student Film Contest*. As part of the program, students throughout California are invited to “direct change” by submitting 60-second videos in three categories—suicide prevention, eliminating stigma about mental illness, and cultural perspectives of these two topics. Between 2012 and 2016, a total of 1,651 submissions were received, representing 4,000 students and 308 high schools from across the state. The purpose of the program is to engage young people to learn about suicide prevention and mental health, and to inspire them to become agents of change, standing up for and reaching out to others who are experiencing tough times in an innovative way: a film contest.

Key Outcomes:

- 87% of youth agree that as a result of the program they have a better understanding of the warning signs of suicide and what to do if they are concerned that a friend is thinking about suicide.
- 95% of young people pledged to support a friend experiencing mental health challenges.
- 88% of teachers agree that the contest stimulated discussion among students about mental health and suicide prevention.
- 479 judges have been trained, drawn from fields in which their level of understanding regarding appropriate messaging for suicide prevention and mental health has the greatest potential for impact.
- As the program has grown, last year submissions were accepted by youth and young adults with additional organization sponsors (beyond high schools): 22 youth/community organizations, 5 community colleges, and 8 universities/four-year colleges.
- In fiscal year 2015/16, Directing Change educational/information videos and contest films were viewed 36,611 times on the YouTube channel and 28,857 times on the Vimeo channel.

Key Testimonials from Students, Teachers and Parents:

- “Participating in the Directing Change contest was a fantastic way to express the messages that I think are important to teenagers today in a way that people my age will connect to. I hope that all the films in the Directing Change contest help teenagers accept themselves and seek help in the world around them rather than hiding how they feel.”
- “I have been teaching for 16 years and although it's not uncommon to discuss the topic of suicide with students, I admit I've never discussed the topic of mental illness. I teach video production and my students make public service announcements every year, we always get several suicide prevention PSAs but have never touched the mental illness topic. I will assure you that from this point on, I will educate my students about the need to eliminate the stigma of mental illness. This is a direct result of being involved in your program and efforts.”
- “As part of my team, I felt it was important to make a film that was culturally relevant to my and other first-generation college students’ experiences with accessing mental health services. This is a topic that is of great importance and must be addressed, as first-generation college students represent a growing minority on college campuses. We wanted to give a voice to those who may feel that seeking help for mental illness isn’t an option. Part of our filmmaking served as a healing process, as both of us have dealt with mental illness on a personal level in the past.”

STATUS:

The response from the Directing Change Project has been positive. CalMHSA staff and other partners ranging from counties to advocates continue to explore a variety of impactful ways to use the PSAs in on-going education and advocacy at the state and local levels.

The 2016 Directing Change project was funded as a one-year program solely through Runyon Saltzman Einhorn’s contract with leveraged in-kind contributions from K-12 SMH partners, higher education partners including the Foundation for California Community Colleges, California State University, and University of California, NAMI-California and community-based mini-grantee organizations. Considering the effective impact of the program and the investment already made to develop infrastructure (Website, judging structure, materials/fact sheets, etc.), the program model and relationships, CalMHSA staff has explored the value of supporting the program again for FY 2016–2017 as well as the value of working to identify and engage potential organizations who can sustain the program in the future without CalMHSA funds. Moreover, the Directing Change program by design requires collaborative efforts from all PEI statewide program areas and provides significant opportunities to leverage existing resources.

A projected budget for conducting Directing Change for 2016/17 is \$150,000. This amount will be redirected from the current program budget of Runyon Saltzman Einhorn’s contract to Dallas Pugh Foundation. Staff is seeking Board authorization to reduce Runyon Saltzman Einhorn’s contract and sole source these funds through a contract with Dallas Pugh Foundation to sponsor Directing Change 2016/2017. Runyon Saltzman Einhorn supports this proposal to reduce their

contract by \$150,000 and redirect these funds to the Dallas Pugh Foundation for the 2017 Directing Change Project.

Request for Sole Source Approval of the 2017 Directing Change project - Dallas Pugh Foundation

As a result of the past successful collaboration and implementation of the Directing Change project, the Dallas Pugh Foundation has become an integral partner with existing relationships with key subcontract Your Social Marketer. Rationale for sole source approval is provided below.

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

- a. The uniqueness of a vendor's capabilities or goods offered to meet the needs of CalMHSA as compared to other contractors.*

The Dallas Pugh Foundation provides historical experience, existing relationships and administrative capabilities to implement the Directing Change project and work to identify and engage potential organizations who can sustain the program in the future without CalMHSA funds.

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

Since 2012, the Dallas Pugh Foundation has provided valuable administrative support to the operational implementation of the Directing Change project, including but not limited to managing subcontracts of subject matters expertise to develop and implement the project. If CalMHSA were required to RFP these services, the investment made to date to establish, build, and sustain this necessary infrastructure may have to begin anew. This would greatly stall and delay the successful and wide reach, engagement, and participation of the Directing Change program.

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

Directing Change has been implemented for the past four years and CalMHSA has invested substantial resources in this program within the RSE contract. To continue under RSE would require higher administrative costs and enter into a direct contract Dallas Pugh Foundation allows for significant cost saving without the necessity of recreating foundational costs.

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

Fiscal year 2016/17 represents a significantly shorten timeframe, one year of the two year Phase II plan, to achieve results. Dallas Pugh Foundation is uniquely qualified to complete this program in the tight timeframe.

FISCAL IMPACT:

None, as funds would come from currently approved Runyon Saltzman Einhorn contract.

RECOMMENDATION:

Authorize the CalMHSA to execute a sole source contract for the Directing Change Program for fiscal year 2016/17 to the Dallas Pugh Foundation out of current obligated funds of \$150,000 from the Runyon Saltzman Einhorn contract.

TYPE OF VOTE REQUIRED:

Majority vote.

REFERENCE MATERIAL(S) ATTACHED:

- None

CONSENT CALENDAR
Agenda Item 4.B.8.

SUBJECT: State Hospital Bed Program Update

ACTION FOR CONSIDERATION:

None, information only.

BACKGROUND AND STATUS:

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

Memorandum of Understanding (MOU) Amendment:

For the past three fiscal years CalMHSA, in collaboration with counties, has negotiated the terms of the MOU for procurement of state hospital beds, which has attributed to significant benefits to all counties procuring beds.

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

Alternative to State Hospital Beds:

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

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

Northern California Efforts – CalMHSA and CCS have performed three site visits within Fresno County and continue to assess potential sites.

DSH Collaboration Efforts:

Staff has been in regular communication with DSH, primarily to discuss how best proceed with addressing the standing issues (MOU Amendment, Capacity and Third Party Pay) and coming up

with solutions. We agreed in the formation of a Committee consisting of counties, DSH and CalMHSA staff, which would meet on a scheduled basis. At the first Committee meeting of June 30, 2016, it was evident that in order to move swifter and be effective, it would be best to form workgroups that would focus on specific issues, and then report back to the Committee for updates, guidance, etc. As such, the following workgroups were formed:

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

The Workgroups met on August 10, 2016 and each have scheduled standard meetings/conference calls in an effort to commence addressing issues. A full Committee meeting is scheduled for November 3, 2016, where the Workgroups are expected to report out their efforts to date.

FISCAL IMPACT:

None for CalMHSA, however significant for Counties.

RECOMMENDATION:

None, information only.

TYPE OF VOTE REQUIRED:

Majority vote.

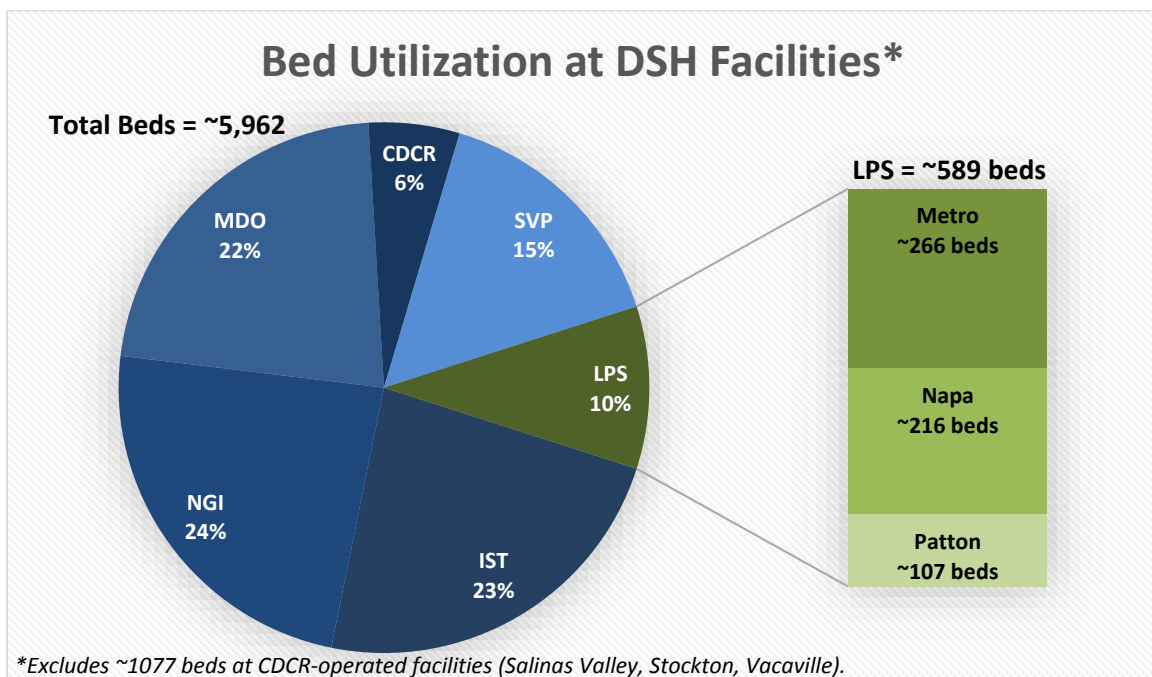
REFERENCE MATERIAL(S) ATTACHED:

- State Hospitals Program Overview
- State Hospitals Work Group Roster

Project Overview: State Hospital Alternative

Overview of Current DSH Operations

- Nearly 6,000 beds at five DSH-operated facilities (excludes ~1,000 beds at three CDCR facilities)
- ~90% of state-operated beds are utilized by justice-involved patients:
 - Incompetent to stand trial (IST)
 - Not guilty by reason of insanity (NGI)
 - Mentally disorganized offenders (MDO)
 - Referrals from California Department of Corrections and Rehabilitation (CDCR)
 - Sexually violent predators (SVP)
- 430 additional IST patients awaiting hospital bed (June 2016)
- Remaining 10% of state-operated beds serve LPS population at three locations:
 - Metropolitan State Hospital
 - Napa State Hospital
 - Patton State Hospital



Project Overview: State Hospital Alternative

Overview of Project

- Benefits of County housed facility
 - Estimated \$200-250 million development budget
 - Estimated \$70 million annual operations budget
 - Estimated \$25 million increased annual consumer consumption (housing, retail, staples, etc.)
 - Increased property tax revenue
 - ~350 construction/trades professionals working for ~18 months
 - ~500 healthcare professionals as part of ongoing operations
 - Opportunities for academic partnerships through internships, residency, and other training programs
 - Relationships to others in the community (e.g., university, dentistry, specialists)
- Benefits of using Correct Care
 - Greater responsivity to counties
 - Move from no control to total control
 - Alleviate census pressure on state-operated facilities
 - Anticipated bed rate reduction
 - Reduced length of stay – resulting in potential savings
 - Create an alternative to DSH for a competitive environment
 - Ability to manage third party pay billing and collections
 - Increase bed availability
 - Enhancements of Accountability
 - PAMM Tablet Technology
 - Performance Dashboards
 - Video Monitoring
 - Key Control System
 - Management by Walking Around
 - Increased Efficiencies
 - Kronos®
 - Remote Physician Assessments
 - Automated Policy Management
 - Learning Management System (LMS)
 - Online Credentialing Software
 - Electronic Medical Records
 - eCommerce Foodservice Procurement

Project Overview: State Hospital Alternative

- Improvements in Quality Care
 - Aftercare Team
 - Recovery Plan Coordinator
 - Employee Assistance Program
- Preferred Location
 - 40+ acre site
 - Modern space planning and design efficiencies
 - Single-story, radial design to ensure safe environment for patients and staff
 - Proximity to electricity, gas, water, and other utilities
 - CEQA compliant
 - Compatible adjacent land use
 - Existing properties (200,000+ sf) that can be renovated
- Addressing potential concerns
 - Licensed and accredited facility
 - Secure facility with CCTV monitoring, trained security staff, and fenced perimeter
 - Off-site medical appointments accompanied by security staff
 - MOUs established with local hospitals, fire department, law enforcement, etc.
- State response
 - Include in local security
 - Discharge in county – public safety

**CalMHSA SHB Work Group
ROSTER**

LAST NAME	FIRST NAME	COUNTY	PHONE	EMAIL ADDRESS
Bauman	Maureen	Placer	(530) 889-7256	mbauman@placer.ca.gov
Coronado	Maria	San Bernardino	(909) 421-9435	mcoronado@dbh.sbcounty.gov
Denkha,	Linda	Stanislaus		ldenkha@stanbhrs.org
Dockery	Cherie	Stanislaus	(209) 525-6100	cdockery@stanbhrs.org
Esparza	Pam	Stanislaus		Pesparza@stanbhrs.org
Hawker	Doug	Napa	(707) 259-8662	doug.hawker@countyofnapa.org
Kearney	Leah	Santa Barbara		lkearne@co.santa-barbara.ca.us
Lent	Deborah S.	Orange	(714) 834-5035	dlent@ochca.com
Marx	Mary	Los Angeles	(323) 226-4448	mmarx@dmh.lacounty.gov
Morales	Denise	Santa Barbara		dmorales@co.santa-barbara.ca.us
Nevins	Sharon	San Bernardino	(909) 382-3088	snevins@dbh.sbcounty.gov
Norris-Alvarez	Shelley	Marin		SNorris-Alvarez@marincounty.org
Ortega	Joseph	Contra Costa		joseph.ortega@hsd.cccounty.us
Palid	Anna	San Diego	(619) 563-2700	anna.palid@sdcounty.ca.gov
Schlaepfer	Madelyn	Stanislaus	(209) 525-6225	mschlaepfer@stanbhrs.org
Shaw	Angela	Los Angeles		ashaw@dmh.lacounty.gov
Spahn	Danielle	Santa Barbara	(805) 681-4090	dspahn@co.santa-barbara.ca.us
Tavano	Suzanne	Marin		stavano@marincounty.org
Verbeck	Roderick	Riverside		rverbeck@rcmhd.org
Weaver	Kelli	Sacramento	(916) 876-7107	weaverk@saccounty.net
Wells	Janice	Marin		JWells@marincounty.org
Wolfe	Kristiann	San Bernardino	909-421-9435	kwolfe@dbh.sbcounty.gov
STAFF				
Alliston	Doug	Murphy, Campbell,	(916) 400-2300	dalliston@murphycampbell.com
Chaquica	John	CalMHSA	(916) 859-4824	john.chaquica@calmhsa.org
Li	Laura	CalMHSA	(916) 859-4818	laura.li@calmhsa.org
Clark	Wayne	CalMHSA	(916) 471-5357	wayne.clark@calmhsa.org
Barlow	Kirsten	CBHDA	(916) 556-3477 ext. 1108	kbarlow@cbhda.org

FINANCIAL MATTERS
Agenda Item 5.A.

SUBJECT: LESTER CONSULTING GROUP – PRIVATE FUND DEVELOPMENT & CREATION OF A LEADERSHIP COUNCIL

ACTION FOR CONSIDERATION:

1. Authorize staff to enter into a Sole Source Agreement with Lester Consulting Group (LCG) for the purpose of Fund Development for a three year term.
2. Approve a \$500,000 annual budget item for each of the next three years, which will pay for LCG consulting services, fund development staff and all associated costs, via an annual special member fee.
3. Affirm CalMHSA's commitment to sustain the CalMHSA Statewide PEI Project in order to meet the leverage amount of \$10- 15 million dollars per fiscal year, in an effort to secure private funding at an equal or greater level.

BACKGROUND AND STATUS:

The CalMHSA Statewide PEI Project, Phase Two Plan, adopted by the Board in August 2014, proposed diversifying the funding base for statewide projects to include private support. Additionally, the Board directed staff to seek private funding. While Staff has worked diligently to seek private funding from foundations and donors, to date the effort has been unsuccessful. At the August 11, 2016 Board of Directors meeting general support was provided with request to provide a more detailed plan to move forward with contract

STEP 1: FEASIBILITY STUDY – FUND DEVELOPMENT

On December 10, 2015 the Board authorized staff to execute a contract amendment with Runyon Saltzman Einhorn (RSE), to increase their contract by \$37,500 for the purpose of conducting a feasibility study for the purpose of ascertaining potential private interest and support of CalMHSA Statewide PEI Project via a subcontract with a known expert in fund raising, Lester Consulting Group (LCG).

Staff, led by Dr. Clark, LCG and RSE, executed the plan approved by the Board to test the interest level of private companies and individuals. Positive outcomes were derived from the feasibility study. As Jennifer Alpert, LCG, indicated at the August Board meeting, there is private interest in possibly funding the Statewide PEI Project, and expressed great interest in the development of a Leadership Council that would help guide efforts towards a fund-raising campaign.

In order to meet funding objectives by the Board we proceeded accordingly.

STEP 2: FUND DEVELOPMENT – EXECUTION

The next step in the LCG plan of action is the creation of a fund development office, which focuses on inviting, calling and securing additional study (cultivation) interviews; developing relationships and partnerships; approving CalMHSA fundraising messaging; and recruiting and supporting executives for the Leadership Council. These steps include dedication to development and implementation of fundraising systems, tracking information gathered, managing lists, supporting meetings, scheduling, managing calendars, generating reports, and editing documents. The work in this step will move CalMHSA toward Step Three, a Campaign to raise, at minimum, \$15 million per year for the sustainability of CalMHSA Statewide PEI project, for the next five years, for a total of \$75 million.

LCG has proposed an estimated annual budget of \$500,000 for fund development in Step Two, as follows:

Term:	A three year fund development commitment, effective October 14, 2016
CalMHSA Staffing:	.5 FTE of Executive Director and 1 FTE Administrative staff
Annual Budget:	\$500,000 per fiscal year, for the next three years
Annual Budget Summary:	\$226,000 = CalMHSA staff \$180,000 = LCG Consulting Services (<i>\$15,000 p/month x 12 months</i>) \$86,000 = Cost projections for database, travel, meetings, materials and communication.

SOLE SOURCE CONTRACT – FUND DEVELOPMENT

In order to proceed with fund development, staff is recommending the Board approve a sole source contract with LCG. This recommendation builds on the initial investments made by CalMHSA members, and exhibits to potential private investors that counties are continuing to invest in statewide PEI. This sole source contract would include the \$180,000 per year for consulting services, as indicated above.

CalMHSA's Purchasing and Procurement Policy, Section 7: Competitive Selection Process Exceptions, includes various factors which justify a sole source contract, including "The prior experience of the proposed vendor is vital to the goods or services" and "Whether the contractor has a substantial investment that would have to be duplicated at the expense of CalMHSA if another vendor provided services." Staff believes LCG meets the requirements for a sole source

contract. There has been a significant financial investment of \$70,000 for the findings of the initial feasibility study, as well as an investment of time. LCG owns the study, which contains confidential information from LCG's conversations potential donors that LCG agreed to keep confidential. Staff believes going to another provider would require a repeated expenditure of funds and significant additional time to complete a second survey. In addition, a second consultant approaching the same set of potential donors on CalMHSA's behalf could raise questions about CalMHSA's competence and ability to execute. Such delay, additional expense and questions would tend to defeat the purpose of the contract, which is to timely and efficiently develop sources of additional funds.

CalMHSA Legal Counsel, Doug Alliston, has been consulted and confirms these factors comply with the requirements for a sole source contract.

COUNTY COMMITMENT TO MINIMUM FUNDING

Additionally, the feasibility study has made it clear that private parties intend to only support activities, not supplant the current funding, and will supplement commensurate with county funding. This requires that counties commit to maintain and build a level of funding in order to secure and leverage those additional private funds—estimated county support to eventually reach \$15 million per year. Seed money raised during the fund development phase will go towards the launch of step three, which is the Campaign. The ultimate private funding goal is to obtain at minimum \$15 million per year, for five years, for a total of \$75 million, with similar leveraged amounts by county members. By doing so, staff expects that the relationships built during this effort will help maintain ongoing future funding. Staff has prepared a draft CalMHSA Statewide PEI Project Phase 3 implementation plan that addresses the program outcomes from public/private funding for your review and approval.

SUSTAINED CALMHSA STATEWIDE PEI PROJECT

Successful completion of the above steps will allow CalMHSA to implement CalMHSA Statewide PEI Project Phase 3: Forging California's Culture of Mental Wellness.

The original CalMHSA Statewide PEI Project was implemented with a one-time set aside of MHSAs PEI funds provided by counties, and has continued with CalMHSA member counties annual commitment of MHSAs PEI funds. CalMHSA Statewide PEI was at a crossroad in 2014 when the original funding was spent and the CalMHSA Board determined that continuation of the Statewide PEI Project needed new vision.




The CalMHSA Statewide PEI Project Phase Two Plan built upon the initial statewide PEI investment by bringing the original three initiatives, Suicide Prevention, Stigma and

Discrimination Reduction and Student Mental Health together under one common theme – Each Mind Matters. The Plan adopted a public health approach with population-based strategies which enhance local activities while creating a consistent statewide vision of mental wellness through targeted efforts to reach Diverse Communities, Schools, Workplace and Healthcare. The plan encompassed six strategies to reach all Californians and anticipated funding from the private and public sectors. The annual funding goal of \$20 million was ambitious. To date, the annual funding goal of \$20 million has not been achieved and again CalMHSA is at a crossroads after two years of implementing the Phase Two Plan.

CalMHSA Statewide PEI Project Phase 3 (Phase 3 Plan) requires continued investment by counties but embarks on a targeted fund development campaign to diversify funding for a PEI Statewide Project and achieve more long-term outcomes across all sectors: schools, diverse populations, healthcare, and workplace. The Phase 3 Plan focuses on advancing and refreshing the Social Marketing campaigns to reduce stigma and prevent suicides. The funding from counties will be leveraged and new private funding will allow targeted expansion of the campaign to Workplaces and Healthcare settings while maintaining its current focus on diverse communities and schools.

Building on the momentum of the current Phase Two Plan, the Phase 3 Plan will extend key activities which have shown positive short-term outcomes while allowing CalMHSA the time necessary to again seek input from counties and other stakeholders (including from the new Leadership Council) to further refine a long-term Statewide PEI Plan to prevent mental illness from becoming severe and disabling.

CalMHSA Statewide PEI Project Phase 3: Forging California's Culture of Mental Wellness

<p>Projected Statewide PEI Project Phase 3 Activities:</p>	<p>Short Term Outcomes Achieved:</p>	<p>Projected 10 Year Outcomes:</p>	<p>Projected 20 Year Outcomes:</p>	<p>Projected Societal Return on Investment:</p>
<p><i>Current funding:</i></p> 	<p><i>Independent evaluation shows:</i></p> <p>81% of Californians are aware of brands created by Statewide PEI Projects</p>	<ul style="list-style-type: none"> • Increased intervention and provision of support by a community helper 	<ul style="list-style-type: none"> • Reduced discrimination against persons with mental illnesses 	<p>Current funding will result in over \$6 billion return to society*</p>
<p><i>County funding at \$10-15 million:</i></p> 	<p>After one year of SDR initiatives, nearly 1.5 million more Californians are socially inclusive with people with mental health challenges</p> <p>15.4% more Californians exposed to Each Mind Matters turn to help for mental health challenges</p>	<ul style="list-style-type: none"> • Increased proactive inclusion of individuals with mental health challenges • Increased community encouragement and acceptance of seeking services early 	<ul style="list-style-type: none"> • Reduced social isolation and self-stigma • Improved functioning at school, work, home, and in the community 	<p>County funding at \$10-15 million per year result in over \$12 billion return to society*</p>
<p><i>County & private funding at \$25-30 million:</i></p> 	<p>Adults exposed to the Know The Signs campaign report gains in confidence to intervene with those who might be at risk of suicide</p> <p>13% of Californians have seen someone wearing a lime green ribbon and nearly half of those had a conversation about mental health because of it</p>	<ul style="list-style-type: none"> • Increased knowledge and skills for recognizing signs and facilitating help seeking 	<ul style="list-style-type: none"> • Reduced suicidal behavior • Reduced societal costs related to untreated mental illness 	<p>County and private funding at \$25-30 million per year will result in over \$31 billion return to society*</p>

Increased investment in programs will lead to commensurate increase in impact. Investment in ongoing and robust evaluation & surveillance efforts throughout Phase 3 will allow CalMHSA to capture and project expected impact.

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

Baseline studies show that Californians are recognizing the Mental Health messages, Californians are wearing lime green ribbons and Californians are poised for more change. Counties acting jointly have spearheaded a public health campaign and indications show that the private sector is willing to join the effort. Independent research has projected that for every \$1 spent on Each Mind Matters, the SDR campaign, there is a corresponding \$1,259 return to society through higher wages and lower social costs each year. Long-term measurable societal benefit of over \$31 billion could be realized with a \$25 million annual program investment. The Fund Development Project has a goal of leveraging every county dollar with a private dollar for over a five year period.

FISCAL IMPACT:

\$500,000.00 per fiscal year, for the next three years.

RECOMMENDATION:

1. Authorize staff to enter into a Sole Source Agreement with Lester Consulting Group (LCG) for the purpose of Fund Development for a three year term.
2. Approve a \$500,000 annual budget item for each of the next three years, which will pay for LCG consulting services, fund development staff and all associated costs, via a special member fee.
3. Affirm CalMHSA' s commitment to sustain the CalMHSA Statewide PEI Project in order to meet the leverage amount of \$10- 15 million dollars per fiscal year, in an effort to secure private funding at an equal or greater level.

TYPE OF VOTE REQUIRED:

Majority vote.

REFERENCE MATERIAL(S) ATTACHED:

- Draft LCG Sole Source Contract
- LCG Cost Projections
- CalMHSA Statewide PEI Projects Phase 3: Forging California's Culture of Mental Wellness

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY
CONTRACT FOR FUNDRAISING COUNSEL & CAMPAIGN SERVICES

This agreement is made and entered into effective this ____ day of October, 2016 (the “Effective Date”) by and between Lester Consulting Group, Inc. (hereinafter known as **LCG**), whose principal address is 715 University Avenue, Sacramento, CA 95825, and **California Mental Health Services Authority** (hereinafter known as **Client**), whose principal address is 3043 Gold Canal Drive, Suite 200, Rancho Cordova, CA 95670, acting by and through its duly authorized officers. The parties agree as follows:

I. GENERAL

LCG will render professional counsel to advance the research, strategy, systems, and processes required to launch a \$75 million campaign to advance mental health service throughout California. **Client** agrees that funds are to be used solely for the programs and purposes provided or supported by the **California Mental Health Services Authority**.

II. GENERAL SCOPE OF WORK

The general scope of work will be launched as a phased approach leading up to a refreshed feasibility study and statewide campaign. Following is a general outline of the scope of work.

NOTE: Client staff is responsible for all clerical tasks related to this contract.

Refine the Case Statement

LCG will revise the Case Statement based on previous and ongoing research and input from informed constituencies. The revised Case will be used to conduct additional and on-going confidential research designed to build the base of qualified prospects for **Client**.

Expand the Master Prospect List

LCG will expand the development of a Master Prospect List to include those interviewed during the feasibility study as well as other qualified prospects. **Client** staff is responsible for updating, maintaining, and producing the Master Prospect List, assignments, and updates on a regular basis.

Conduct Selected Confidential Interviews

Key community leaders will continue to be identified, evaluated, and interviewed or surveyed to determine the extent of their interest in this project, in order to expand the Master Prospect List. If travel is required to accomplish these key interviews, it will add to the expense of the contract. Please refer to the fees section for more detail. **LCG** will coordinate scheduling of the interviews with **Client** staff, conduct the interviews, evaluate the results, and use the data to inform long-term strategy.

Organize Fundraising Office

LCG will assist in the design and advise on the production of communication and

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY
CONTRACT FOR FUNDRAISING COUNSEL & CAMPAIGN SERVICES

marketing materials including the case statement, pledge cards, fact sheets, prospect lists, budget and financial reports, the record management process, acknowledgement letters, and donor recognition records. **LCG** will also assist in organizing the development office systems, supplies, equipment, donor database and staff provided by **Client**.

Create the Leadership Council Structure

LCG will recommend the Leadership Council structure, purpose, goals, objectives, leadership options, and guide the strategy to define the public-private partnership. **LCG** will develop a prioritize action plan for recruiting the members of the Leadership Council and recommend a customized strategy for each prospective Leadership Council member.

Recruit the Members for the Leadership Council

LCG will provide the agenda, prospect profiles, meeting strategy, agendas, proposals, and follow-up for the recruitment of Leadership Council members. **LCG's** trainings in governance, fund development and philanthropy will be implemented as needed. **Client** leadership and support staff are responsible for managing this process in terms of long-term sustainability. Travel will be required of the Executive Director of **Client**.

Identify Funding Strategies

LCG will provide prioritized research on individuals, corporations, and foundations with potential interest in **Client's** long-range vision. **LCG** will also recommend a customized strategy for approaching each of those prospects (six figures and higher.)

LCG will develop a major gift proposal and foundation grant template for **Client's** on-going use and will assist with editing proposals and grants pursuing funding for the mission of **Client**.

Client is responsible for providing initial and follow up contact, managing proposal and grant deadlines, and providing data and materials requested of prospective funders.

Refresh Feasibility Study

LCG shall design and implement a refresh of the state-wide feasibility study interviews/surveys for employees, Board members, stakeholders, related groups, individuals, foundations, and corporate leaders. Such counsel will include but not be limited to: assistance with participant identification, evaluation, and selection; case statement revisions with **Client**; review and modification (if necessary) of the survey instrument; written and verbal reports in support of the study process, at least 40 study interviews/surveys (and up to 100 qualified interviews); and a report of the findings and a summary of recommendations.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY
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Design Campaign Strategy

Campaign strategy is developed by **LCG** with input from the Campaign Steering Committee of the **Client** Board of Directors. (Note: **LCG** will recommend members of the Board to serve on the Campaign Steering Committee.) A campaign plan including a campaign calendar and budget will be developed by **LCG**.

Develop Chart of Gifts

LCG will identify the number and size of gifts needed to achieve the goal, which is used as a tool by volunteers in the solicitation of gifts.

Develop Campaign Calendar

LCG will create a calendar that will outline the deadlines developed within the campaign strategy.

Update the Case Statement

This professionally produced marketing tool explains the services and needs of **Client** as they pertain to the campaign and is used in the solicitation process with potential donors. With counsel from **LCG**, **Client** is responsible for coordinating design, approvals, and production of all revisions to the Case.

Direct Campaign Recruitment

It is the responsibility of **Client**, its staff, Board of Directors, and Leadership Council to identify and recruit experienced volunteers for campaign leadership and volunteers for campaign committees. This is accomplished with direction, training, and support from **LCG** throughout the identification and recruitment process.

Conduct Volunteer Training Program

LCG will conduct a thorough orientation on the organization, the need, the goal, the campaign schedule, and effective solicitation techniques at a training session for each committee of the campaign. **LCG** will also provide ongoing training to campaign committees and individual volunteers as needed.

Develop Briefing Strategies and Materials

LCG will create the system for prospect identification, evaluation, assignment, scheduling, profile, proposal and meeting notes.

Identify Named Gift Opportunities

LCG will identify named gift opportunities (and a donor recognition program) and policies on contributions of in-kind, real property, and deferred gifts.

Prospect Identification and Evaluation

LCG will direct the development of a comprehensive prospect list and guide each committee of the campaign as they complete an evaluation of prospects. **LCG**

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CONTRACT FOR FUNDRAISING COUNSEL & CAMPAIGN SERVICES

will also direct the prospect assignment process through each campaign committee. **Client's** staff is responsible for updating, maintaining, and producing all prospect and assignment lists for each campaign committee and volunteer.

Volunteer Meetings and Updates

LCG will organize and manage a schedule of volunteer meetings and updates to advise volunteers in their solicitations and to keep them on track.

Support Campaign Public Relations Program

Internal and external public relations is vital to a successful campaign. Campaign public relations may include press conferences, direct mail, open houses, closing celebration, etc. In general, community-wide external public relations efforts do not begin until 60-70% of the goal is achieved to position the organization for success and to ensure the achievement of the goal in a timely fashion (campaigns that publicly stall for a long period of time can have a negative affect on an organization's image). **LCG** will advise and support **Client's** efforts in this area.

Foundation Research/Grant Writing

Once the research of potential grants is completed and a template is created by **LCG**, **Client's** development staff should manage the writing, tracking, and follow-up of the grant process. **LCG** will advise and support **Client's** efforts in this area.

Reports and Records

This includes providing informational and financial reports to management, the Steering Committee, the Board of Directors and regular follow-up reports to all volunteers. Systems for donor tracking and acknowledgments will be designed by **LCG** with an ongoing financial reporting mechanism. **Client's** staff will produce monthly gift and budget reports with **LCG** direction.

Follow-up Report

A final written report of campaign progress, outstanding solicitations, policy recommendations, gift reports, and a financial report of expenses will be submitted by **LCG** at the conclusion of the contract.

III. CAMPAIGN EXPENSE AND REVENUE

It is understood that the total expense, exclusive of **LCG's** fee, shall not exceed the approved budget without specific authority from **Client** - the necessary part of this budget to be expended for cost of meetings, clerical services, headquarters, equipment, postage, printing, supplies, telephone, travel and other similar items. It is further understood that approved expenditures are to be made by **LCG** on behalf of and only with full budget approval from **Client**. All bills are to be sent to **Client** and reviewed by **LCG**.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY
CONTRACT FOR FUNDRAISING COUNSEL & CAMPAIGN SERVICES

IV. CONTROL OF FUNDS

Furthermore, both parties agree that all funds shall be handled by, and pledges and contributions made payable to, **Client** or its legal representative. As professional counsel, **LCG** is prohibited from soliciting funds, assets, or property for charitable purposes, receiving or controlling funds, assets, or property solicited for charitable purposes, or employing, procuring, or engaging any compensated person to solicit, receive, or control funds, assets, or property for charitable purposes. **Client** shall exercise control and approval over the content and frequency of any solicitation.

V. RELIANCE

Client understands that it is solely responsible for providing accurate, reliable, timely, and complete information that **LCG** will depend upon in the performance of the organizational planning, study refresh, and campaign process. Failure to meet these criteria could result in delays and additional costs to **Client**. **LCG** will provide sufficient notice to **Client**, its Board and Campaign Steering Committee, of its failure to meet these expectations.

VI. OFFICE

Client agrees to arrange for an enclosed space allowing for private meetings and telephone contacts with interviewees as needed. Availability of a photocopy and FAX machine or scanner, stationery, clerical assistance and occasional use of a conference room will also be provided by **Client**.

VII. ACCESS TO RECORDS

Records and documents produced under this agreement are the property of **Client** with the exception of the confidential survey instruments/responses and **LCG** prospect lists and prospect profiles. Other such documents and files will be maintained at **Client's** office. **LCG** reserves the right to retain copies of campaign documents and records as part of normal business practice. **LCG** will not share any confidential or proprietary information with outside organizations without permission from **Client**.

VIII. CONFLICT OF INTEREST

Client acknowledges that **LCG** may provide fund-development, management, or organizational planning services to other clients while in the performance of the duties herein noted.

IX. ACCOUNTABILITY

LCG will report to the Executive Director of **Client** and the Board Campaign Steering committee. This committee shall be appointed by the Board to be responsible for campaign management and oversight throughout the duration of the organizational planning, study refresh and campaign period. NOTE: **LCG** cannot manage or direct the staff of **Client** but will guide the assignment of objectives through the office of the Executive Director.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY
CONTRACT FOR FUNDRAISING COUNSEL & CAMPAIGN SERVICES

X. AUTHORITY

In the performance of the services hereunder, **LCG** shall be an independent contractor and not an employee of **Client**. **LCG** will have no authority to act as an agent on behalf of **Client** in any capacity whatsoever or to bind it to any obligation whatsoever.

XI. ASSIGNMENT

LCG's obligations authorized under this agreement are not assignable or transferable to another consulting firm or independent consultant. **LCG** agrees not to subcontract any work without the prior written approval of **Client**.

XII. FEES, TERMS, AND CONDITIONS OF RETENTION

LCG ascribes to the codes of conduct and ethics of The Giving Institute, which exclusively recommends a "fee for service" consulting agreement.

Professional Counsel and Campaign Management (From November 1, 2016 to October 31, 2019): **LCG's** fee for fundraising counsel and campaign management is \$15,000 (fifteen thousand dollars) per month. As compensation for **LCG's** campaign services, **Client** agrees to reimburse on invoices that are due in advance and payable on the first of every month beginning on November 1, 2016 and ending on October 1, 2019.

Expenses incurred by **LCG** are to be reimbursed separately from professional fees for fund raising counsel.

Expenses: Miscellaneous expenses may include things such as photocopying, printing of campaign documents, postage, out-of-town expenses, meals, parking, courier services, producing committee binders, and travel outside a 40-mile radius of Sacramento which will be billed at the current IRS mileage reimbursement rate. Expenses will appear on the invoice as separate items with receipts attached.

Term of Agreement: This Agreement shall commence on the Effective Date hereof and shall continue until **October 31, 2019** unless terminated prior thereto in accordance with the terms of this Agreement.

Termination of Campaign Services: **Client** has the right to cancel this contract without cost, penalty, or liability for a period of 10 days following the date of execution by serving a written notice of cancellation to **LCG**. If mailed, service shall be by certified mail, return receipt requested, and cancellation shall be deemed effective upon the expiration of five calendar days from the date of mailing.

Following the initial 10-day cancellation period, either party may terminate the contract for professional counsel by giving 30 days' written notice.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY
CONTRACT FOR FUNDRAISING COUNSEL & CAMPAIGN SERVICES

In the event of early termination by the **Client**, **LCG** shall be paid according to this contract from the date the written notice is received until the date it becomes effective, thirty (30) days thereafter. Contract services will terminate on receipt of notice.

In the event of early termination by **LCG**, **Client** shall not be liable for payment of **LCG** under this agreement for any hours accrued after the receipt of a written notice of termination. In the case of early termination by **LCG**, **Client** will be reimbursed for any pro-rated amount of fees paid in advance of the services rendered.

Executed this _____ of October 2016 in Sacramento, California.

By: _____

Wayne Clark, PhD, Executive Director
California Mental Health Services Authority

By: _____

Rose Lester, President
Lester Consulting Group, Inc.

DRAFT

**Lester Consulting Group Cost Projections for CalMHSA
Leadership Council (years 1 and 2) and
Campaign Launch (year 3)**

Projected Cost*	Year 1	Year 2	Year 3
	Research prospects, Refine Messaging, Build systems, Engage partners	Engage Partners & Secure Seed Money	Pre-Campaign & Campaign
Personnel (0.5 FTE Executive Director, 1.0 FTE Admin year 1 & 2; 0.5 FTE development staff added year 3)	\$180,000	\$180,000	\$230,000
Personnel Benefits	\$54,000	\$54,000	\$69,000
Fundraising Counsel	\$180,000	\$180,000	\$180,000
Database (20,000 - 100,000 records)	\$6,000	\$6,000	\$6,000
Travel	\$25,200	\$25,704	\$26,218
Meetings	\$16,000	\$16,000	\$12,000
Materials/Communication**	\$5,800	\$55,800	\$5,800
<i>Total estimated</i>	<i>\$467,000</i>	<i>\$517,504</i>	<i>\$523,218</i>

*These projections do not include Each Mind Matters public awareness expenses, which are important to Leadership Council engagement in addition to being a vital element of PEI. Also assumes CalMHSA facilities are available to staff assigned to the Leadership Council.

** Materials/Communication in Year 2 includes a professionally produced fundraising video for campaign.

COST PROJECTION ASSUMPTIONS:

Database Projection: \$6,000

- Donor Perfect 25K records = \$3,168/year
- Salsa CRM 25K records = \$2,818/year
- eTapestry 20K records = \$4,788/year
- Neon 25K records = \$6,600/year

Travel & Hotel Projection: \$25,200

\$600/trip x 3.5 trips/month = \$2,100/month

Meetings: \$16,000

- Meetings Food @ \$25/person x 30 members x 12 months = \$9,000
- Briefings Food @ \$20/person x 50 briefings/year = \$1,000
- Meeting location \$500/month = \$6,000/year

Materials/Communication: \$5,800

- Meeting packets \$5/person x 30 members x 12 months = \$1,800
- Note cards & postage
- Folders with pockets
- Letterhead
- Video (year 2) = \$50,000

CalMHSA Statewide Prevention and Early Intervention
(PEI) Project
Proposed Phase 3 Implementation Plan

Forging California's Culture of Mental Wellness

Presented to the CalMHSA Board of Directors on October 13th, 2016



Rationale for Proposed Phase 3 CalMHSA Statewide PEI Project Plan

Through the implementation of the Phase 3 CalMHSA Statewide PEI Project Plan, CalMHSA and its member counties will embark on the 7th year of CalMHSA Statewide PEI Project activities. While the CalMHSA Statewide PEI Project has made significant accomplishments since its inception in 2011, there continues to be a critical need to continue the investment over the long term. Prevention and public-oriented efforts require long term investments and commitment to ensure the achievement of long term goals. The following outlines explicit rationales that support the continuation of CalMHSA Statewide PEI Project.

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

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

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

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

The CalMHSA Statewide PEI Project is designed with the perspective of a strengths-based and recovery-oriented approach. The Phase 3 Plan will continue to take this approach. The strengths-based approach focuses on each individual's unique strengths and abilities as key to achieving recovery and wellness. This approach is in alignment with other national and international stigma reduction approaches.

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

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

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

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

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

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

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

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

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

Proposed **Phase 3** CalMHSA Statewide PEI Project
Forging California's Culture of Mental Wellness

Background:

For the past decade, California has steadily grown a statewide movement toward prevention and early intervention. CalMHSA, a Joint Powers Authority, was created by the counties in 2010, to administer MHS PEI projects on a statewide basis. Through the initial implementation and the first 2 phases (Phase 1: 2011-2015 and Phase 2: 2015-2017) of the CalMHSA Statewide PEI Project, CalMHSA developed and implemented population-based strategies aligned with the Welfare and Institutions Code Section 5840: MHS PEI Programs designed to prevent mental illnesses from becoming severe and disabling through outreach to recognize the early signs of mental illness, reduce stigma associated with mental illness and service seeking, and reduce discrimination against people with mental health challenges.

Goal of Phase 3:

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

Proposed Phase 3 Plan:

The Phase 3 Plan will build upon the strategies of the Phase 2 Plan, which was approved by the Board of Directors on August 14, 2014. Specifically, it will expand the reach and capacity of the social marketing programs that were originally developed in Phase 1.

Phase 3 Strategies:

Social Marketing and Informational Resources

- Utilize social change, social science and marketing concepts to change attitudes and behaviors regarding mental illness and services.



- Disseminate an array of quality resource materials that are culturally responsive for California’s diverse communities in order to increase awareness and knowledge of mental health, wellness, and services. Resource materials include, but is not limited to, print, online, social media, and traditional media materials.
- Outreach, engagement and technical assistance to counties, community-based organizations, and other key partners to refine, tailor and use materials and to achieve and ensure cultural relevance.

Research, Evaluation and Surveillance

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

Phase 3 Activities:

Phase 3 activities will focus on the reach of statewide social marketing campaigns. Implementation of specific campaigns and breadth of reach within those campaigns will be commensurate with funding level. CalMHSA has developed the following proposals for CalMHSA Statewide PEI Project activities based on the following funding levels, and CalMHSA’s ability to raise funds through county and/or private contributions:

Funding at \$10 million per year:

- *Each Mind Matters & Know the Signs campaigns*
 - Provision of technical assistance and subject matter expertise to support dissemination of resources associated with *Each Mind Matters & Know the Signs* campaigns
 - Expansion and maintenance of *Each Mind Matters* and *Know the Signs* Campaign websites to address additional diverse populations
 - Sustained *Each Mind Matters* statewide social media marketing presence
- *SanaMente and Reconozca Las Senales campaign*
 - Provision of technical assistance and subject matter expertise to support dissemination of resources associated with *SanaMente & Reconozca Las Senales* campaigns
 - Modest enhancements to the *SanaMente* and *Reconozca Las Senales* campaigns websites to address 1-2 specific needs for the Spanish-speaking community
- *Directing Change*
 - Maintenance of the *Directing Change* program website
 - Modest provision of technical assistance and subject matter expertise to support schools and counties in integration of *Directing Change*

- Minimal dissemination of existing resources associated with *Directing Change*
- *Walk In Our Shoes*
 - Maintenance of the *Walk In Our Shoes* program website
 - Implementation of one *Walk In Our Shoes* school performance tour, with the goal of reaching each region at least once
- *Reaching diverse communities*
 - Dissemination of existing culturally adapted resources to diverse communities

Funding at \$25 million per year:

- *Each Mind Matters & Know the Signs campaigns*
 - Provision of technical assistance and subject matter expertise to support dissemination, customization and integration of *Each Mind Matters & Know the Signs* campaigns into local efforts
 - Expansion and maintenance of *Each Mind Matters* and *Know the Signs* campaign websites to address additional diverse populations
 - Sustained *Each Mind Matters* and *Know the Signs* statewide media and social media marketing presence
- *SanaMente and Reconozca Las Senales campaigns*
 - Provision of technical assistance and subject matter expertise to support dissemination, customization and integration of *SanaMente & Reconozca Las Senales* campaigns into local efforts
 - Enhancements to the *SanaMente* and *Reconozca Las Senales* campaign websites to address 4-5 specific needs for the Spanish-speaking community
- *Directing Change*
 - Maintenance of the *Directing Change* program website
 - Provision of technical assistance and subject matter expertise to support schools and counties in integration of *Directing Change*
 - Dissemination of existing resources associated with *Directing Change*
- *Walk In Our Shoes*
 - Maintenance of the *Walk In Our Shoes* program website
 - Implementation of one *Walk In Our Shoes* school performance tour, with the goal of reaching each region at least 2-3 times
- *Reaching diverse communities*
 - Dissemination of existing culturally adapted resources to diverse communities
 - Creation of additional culturally adapted resources or identification of other existing culturally adapted resources that can be disseminated statewide
- *Reaching workplace settings*
 - Adaptation of existing statewide campaigns, resources, and programs to address the needs of mental health in the workplace settings
 - Creation of new resources to reach workplace settings

- Provision of technical assistance to support integration of workplace campaigns, resources, and programs into counties and organizations
- *Reaching healthcare settings*
 - Adaptation of existing statewide campaigns, resources, and programs to address the needs of mental health in healthcare settings
 - Creation of new resources to reach healthcare settings
 - Provision of technical assistance to support integration of healthcare campaigns, resources and programs into counties and organizations

Projected 10 year outcomes:

- Increased intervention and provision of support by a community helper
- Increased proactive inclusion of individuals with mental health challenges
- Increased community encouragement and acceptance of seeking services early
- Increased knowledge and skills for recognizing and facilitating help seeking




Projected 20 year outcomes:

- Reduced discrimination against persons with mental illnesses
- Reduced social isolation and self-stigma
- Improved functioning at school, work, home and in the community
- Reduced suicidal behavior
- Reduced societal costs related to untreated mental illness

Phase 3 Timeframe:

July 1, 2017 - June 30, 2025

CalMHSA Statewide PEI Project Phase 3: Forging California's Culture of Mental Wellness

<p>Projected Statewide PEI Project Phase 3 Activities:</p>	<p>Short Term Outcomes Achieved:</p>	<p>Projected 10 Year Outcomes:</p>	<p>Projected 20 Year Outcomes:</p>	<p>Projected Societal Return on Investment:</p>
<p><i>Current funding:</i></p> 	<p><i>Independent evaluation shows:</i></p> <p>81% of Californians are aware of brands created by Statewide PEI Projects</p> <p>After one year of SDR initiatives, nearly 1.5 million more Californians are socially inclusive with people with mental health challenges</p>	<ul style="list-style-type: none"> • Increased intervention and provision of support by a community helper • Increased proactive inclusion of individuals with mental health challenges 	<ul style="list-style-type: none"> • Reduced discrimination against persons with mental illnesses • Reduced social isolation and self-stigma 	<p>Current funding will result in over \$6 billion return to society*</p>
<p><i>County funding at \$10 million:</i></p> 	<p>15.4% more Californians exposed to Each Mind Matters turn to help for mental health challenges</p> <p>Adults exposed to the Know The Signs campaign report gains in confidence to intervene with those who might be at risk of suicide</p>	<ul style="list-style-type: none"> • Increased community encouragement and acceptance of seeking services early • Increased knowledge and skills for recognizing signs and facilitating help seeking 	<ul style="list-style-type: none"> • Improved functioning at school, work, home, and in the community • Reduced suicidal behavior • Reduced societal costs related to untreated mental illness 	<p>County funding at \$10 million per year result in over \$12 billion return to society*</p>
<p><i>County & private funding at \$25 million:</i></p>  <p>Workplace Healthcare</p>	<p>13% of Californians have seen someone wearing a lime green ribbon and nearly half of those had a conversation about mental health because of it</p>	<p><i>Increased investment in programs will lead to commensurate increase in impact. Investment in ongoing and robust evaluation & surveillance efforts throughout Phase 3 will allow CalMHSA to capture and project expected impact.</i></p>		<p>County and private funding at \$25 million per year will result in over \$31 billion return to society*</p>

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

FINANCIAL MATTERS
Agenda Item 5.B

SUBJECT: CALMHSA ANNUAL REVENUE AND EXPENDITURE REPORT – BUDGET JUNE 30, 2017 – PROPOSED REVISION

ACTION FOR CONSIDERATION:

Approve the Revised CalMHSA Annual Revenue and Expenditure Report – Budget, June 30, 2017.

BACKGROUND AND STATUS:

The CalMHSA Board of Directors adopted the CalMHSA 16/17 budget at their June 2016 meeting. However, since adopting the budget certain projections and other fiscal realities have come to light. These have been reviewed with the Finance Committee and Officers. Below is a high level view of the budget and changes requiring revisions for Board consideration.

CalMHSA PROPOSED REVISED BUDGET

For Fiscal Year 2016-17 - Revised October 13, 2016

	2015/16 Adopted Budget	Adopted Budget 2016/2017	August 2016 Budget Revision \$1.2 million reduction to Program Contracts	**Revised Budget with Fund Development 10/13/2016	Variance (4)-(2)	
	(1)	(2)	(3)	(4)	(5)	
A	Total Revenue to CalMHSA 2016/17	6,259,417	13,316,192	13,316,192	6,923,162	(6,393,030)
B	Total Program Services Expenditures	9,493,686	13,987,887	12,787,887	10,346,920	(3,640,967)
C	Total General And Administrative Expenditures	522,907	380,510	380,510	631,574	251,064
D	Total Expenditures	10,016,593	14,368,397	13,168,397	10,978,494	(3,389,903)
E	Net Increase/(Decrease) Unexpended Funds	(3,757,176)	(1,052,205)	147,795	(4,055,332)	(3,003,127)
F	Total Reserves at Fiscal Year Ended June 30, 2016	6,478,561	2,735,470	2,735,470	6,491,784	3,756,314
G	Less Obligated Reserves		(985,470)	(985,470)	(2,343,350)	(1,357,880)

H	Total Available Reserves at Fiscal Year Ended June 30, 2016	6,478,561	1,750,000	1,750,000	4,148,434	2,398,434
I	Total Unobligated Reserves at the Fiscal Year Ended June 30, 2017	\$2,721,385	\$697,795	\$1,897,795	\$93,102	\$ (604,693)
K	FTE	11.9	10.92	10.92	8.3	(2.62)

**Total Revenue (\$6,923,162) + Total Available Reserves (\$4,148,434) = \$11,071,596
\$11,071,596 - Total Expenditures (\$10,978,494) = \$93,102.00 Unobligated Reserves

Reasons for Budget Revisions

Revenue

- Member Fee- Fundraising Consulting Project \$500,000
- Drug Medical Program Eliminated (38,940)
- Suicide and Other Prevention Funding for LA County removed from budget (6,000,000)
- LOA's Reduced from \$6 million to actual received to date of \$5,145,910 (854,090)
- **Total Revenue Decrease (6,393,030)**

Expenditures

- Suicide Prevention & PEI expenses reduced related to Funding removed (3,295,548)
- Program Mgmt. & Oversight, General & Admin - staffing reductions (523,161)
- Program Legal Increased 18,452
- PEI Travel & Meeting Expense Increased for Fund Raising 25,000
- Other Prog. Expenditures increased related to carryover of prior year unexpended 94,354
- Fundraising Consulting Project Expenses (Staffing filled by current CalMHSA staff) 265,000
- General & Admin increases related to legal and other contracts 26,000
- **Total Expenditure Decrease (3,389,903)**

Revised Reserves at the Fiscal Year Ended June 30, 2016 93,102

RECOMMENDATION:

Approve the Revised CalMHSA Annual Revenue and Expenditure Report – Budget, June 30, 2017.

TYPICAL OF VOTE REQUIRED:

Majority vote.

REFERENCE MATERIALS ATTACHED:

- CalMHSA Annual Revenue and Expenditure Report – Adopted Budget for June 30, 2017 can be found at: <http://calmhsa.org/documents/finance/>
- Proposed Revised CalMHSA Annual Revenue and Expenditure Report –FY 2016-17 (Revised presented October 13, 2016)
- Organizational Charts

CalMHSA PROPOSED REVISED BUDGET

Presented to Finance Committee September 26, 2016

	Adopted Budget	Revised Budget with Member Fee for Public /Private Partnership Development
Revenue to CalMHSA 2016/2017		
County Contributions	\$ 13,277,252	\$ 6,423,162
Private Funding		
Other Contracts	38,940	-
Funds provided for PEI		
Member Fees - Fund Raising Consulting Project		500,000
Total Revenue to CalMHSA 2016/17	13,316,192	6,923,162
Expenditures		
Program Services Expenditures		
PEI Statewide Program Services		
Program Contracts	11,365,500	8,069,952
Program Management & Oversight Staffing	1,596,149	1,112,924
Executive Director/Support	278,846	278,846
Subtotal Program Services	13,240,495	9,461,722
Legal	10,500	28,952
Evaluation		
Travel & Meetings	10,000	35,000
Total Program Expenditure	13,260,995	9,525,674
Other Program Expenditures	726,892	821,246
Total Program Services Expenditures	13,987,887	10,346,920
General And Administrative Expenses		
General & Administrative Staffing	305,510	265,574
Fund Raising Consulting Project		200,000
Legal	10,000	10,000
Travel & Meetings	20,000	66,000
Other Contracts	-	45,000
Insurance	30,000	30,000
Financial Audit	15,000	15,000
Total General And Administravive Expenditures	380,510	631,574
Total Expenditures	14,368,397	10,978,494
Net Increase/(Decrease) Unexpended Funds	(1,052,205)	(4,055,332)
Total Reserves at Fiscal Year Ended June 30, 2016	2,735,470	6,491,784
Less Obligated Reserves	(985,470)	(2,343,350)
Total Available Reserves at Fiscal Year Ended June 30, 2016	1,750,000	4,148,434
Total Unobligated Reserves at the Fiscal Year Ended June 30, 2017	\$ 697,795	\$ 93,102

**California Mental Health Services Authority
Annual Revenue and Expenditure Report - Draft Revised Budget
June 30, 2017**

	Operations	Research and Development	Public/Private Partnership Development	Tech Asst/Capacity Building	Wet Program Funding	Fiscal Modernization Project	State Hospital Bed Funding	Plumas Wellness Center	Suicide Prevention - Regional Program	PEI Programs	Total	Adopted Budget
Revenue to CalMHSA 2016/2017												
County Contributions	-						652,252		625,000	5,145,910	6,423,162	13,277,252
Private Funding												
Other Contracts			500,000									
Funds provided for PEI												
Member Fees - Fund Raising Consulting Project											500,000	38,940
Total Revenue to CalMHSA 2016/17			500,000				652,252		625,000	5,145,910	6,923,162	13,316,192
Expenditures												
Program Services Expenditures												
PEI Statewide Program Services												
Program Contracts	313,498	173,722	189,696	31,949			143,770	554,359	659,411	6,856,182	8,069,952	11,365,500
Program Management/ Executive Director & Oversight Staffing	313,498	173,722	189,696	31,949			143,770	554,359	659,411	6,856,182	8,069,952	11,365,500
Subtotal Program Services												
Other Contracts							5,000			23,452	28,952	10,500
Legal												
Evaluation												
Travel & Meetings							5,000			30,000	35,000	10,000
Other Program Expenditures												
Total Program Expenditure	313,498	173,722	189,696	31,949			153,770	610,269	735,289	7,273,052	9,525,674	13,260,995
Total Program Services Expenditures	313,498	173,722	189,696	197,176	148,470		624,819	610,269	735,289	7,273,052	10,346,920	13,987,887
General And Administrative Expenses												
General & Administrative Staffing	59,821	33,149	36,197	6,096			27,434	10,669	14,479	69,347	265,574	305,510
Public/Private Partnership Dev Personnel			0									
Fundraising Counsel			200,000								200,000	10,000
Legal	10,000										10,000	10,000
Travel & Meetings	16,000										16,000	20,000
Other Contracts	10,000		50,000							20,000	45,000	30,000
Insurance	30,000		15,000								30,000	15,000
Financial Audit	15,000										15,000	15,000
Total General And Administrative Expenditures	140,821	33,149	301,197	6,096			27,434	10,669	14,479	89,347	631,574	380,510
Total Expenditures	454,319	206,871	490,893	203,272	148,470		652,252	620,938	749,768	7,362,398	10,978,494	14,368,397
Net Increase/(Decrease) Unexpended Funds	(454,319)	(206,871)	9,107	(203,272)	(148,470)		(0)	(620,938)	(124,768)	(2,216,488)	(4,055,332)	(1,052,205)
Prior Year Reserves	726,402						1,347,307	620,938	128,161	3,147,319	6,491,784	2,735,470
Projected Reserves at June 30, 2017	272,083	(206,871)	9,107	(0)			1,347,307	(0)	3,393	930,831	2,436,452	1,683,265
Less Obligated Reserves	(646,043)						(1,347,307)			(350,000)	(2,343,350)	(985,470)
Fund Balance Transfer	373,960	206,871								(580,831)		
Projected Unobligated Reserves at the Fiscal Year Ended June 30, 2017	0	0	9,107	(0)	(0)		(0)	(0)	3,393	(0)	93,102	697,795

Projected Program Staffing 16/17

Department/Position	Staffing 15-16 FTE	Recommended Staffing 16-17 FTE	Operations	Research and Development	Public/Private Partnership development	Tech Asst/ Capacity Building	Feasibility Study /Capitation Plan	State Hospital Bed Funding	Suicide Prevention	Plumas Wellness Center	PEI Programs	indirect	Total Percentage	\$96 per hour/Annual Hours per employee	Annual Staffing Cost
Administrative & Program Services	8.20	5.55	0.86	0.68	0.90	0.09	0.15	0.65	0.38	0.22	1.62	0.00	5.55	2080	1,108,224
Fiscal Services	2.25	1.50	0.71	0.19	0.05	0.07	0.07	0.07	0.00	0.06	0.20	0.08	1.50	2080	299,520
Indirect Staff: IT, Corp Admin, HR, Admin Support	1.45	1.25	0.00									1.25	1.25	2080	249,600
Total	11.90	8.30	1.57	0.87	0.95	0.16	0.22	0.72	0.38	0.28	1.82	1.33	8.30	2080	1,657,344
Annual Hours	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080
All inclusive Hourly Rate	24,752	17,264													
Annual Estimated Compensation	\$ 93 \$ 2,301,936	\$ 96 \$ 1,657,344	\$ 96 \$ 313,498	\$ 96 \$ 173,722	\$ 96 \$ 189,696	\$ 96 \$ 31,949	\$ 96 \$ 43,930	\$ 96 \$ 143,770	\$ 96 \$ 75,878	\$ 96 \$ 55,910	\$ 96 \$ 363,418	\$ 96 \$ 265,574	\$ 96 \$ 1,657,344	\$ 96 \$ 1,657,344	\$ 96 \$ 1,657,344

22.53%	12.48%	13.63%	2.30%	3.16%	10.33%	5.45%	4.02%	26.11%	100%
59,821	33,149	36,197	6,096	8,383	27,434	14,479	10,669	69,347	265,574
373,319	206,871	225,893	38,045	52,312	171,203	90,357	66,579	432,764	1,657,344

Allocation of Indirect to Programs

CalMHSA Budget Revision Narrative
June 30, 2017

Adopted Budget Projected Reserves at the Fiscal Year ended June 30, 2017	1,683,265
Less Obligated Reserves Available at the Fiscal Year Ended June 30,2017	(985,470)
Adopted Budget Reserves at June 30, 2017	697,795
Proposed Revisions:	
Change in Projected Carry Over from Prior Year Mostly related to Unexpended PEI & SHB from PY	3,756,314
Change In Obligated Reserves Available from Prior Year	(1,357,880)
Reserves Carried Over From Prior Year	2,398,434
Revenue Revisions:	
Member Fees - Fundraising Consulting Project	500,000
Drug Medical Program Eliminated	(38,940)
Suicide and Other Prevention Funding for LA County Removed from Budget	(6,000,000)
LOA's Reduced from \$6 million to Actual received to date of \$5,145,910	(854,090)
Proposed Revisions to Revenue	(6,393,030)
Expenditure Revisions:	
Suicide Prevention & PEI expenses reduced related to Funding removed	(3,295,548)
Program Mgmt & Oversight and General & Admin - Staffing Reductions	(523,161)
Program Legal Increased	18,452
PEI Travel & Meeting Expense Increased for Fund Raising	25,000
Other Program Expenditures Increased related to Carryover of Prior Year Unexpended	94,354
Fundraising Consulting Project Expenses (Staffing filled by current CalMHSA Staff)	265,000
General & Admin Increases related to legal and other contracts	26,000
Proposed Revisions to Expenditures	(3,389,903)
Revised Reserves at the Fiscal Year Ended June 30, 2017	93,102

CalMHSA Board of Directors

Advisory Committee

12 members:

6 standing members of the Board of Directors (1 member of the Executive Committee and 5 representing CA regions), and

6 stakeholder members (Co-chair and 5 representing CA regions)

Executive Committee

14 members:

The President, Vice President, Treasurer, Secretary; and

10 directors (2 from each of the five regions utilized by CBHDA: Bay Area, Central, Los Angeles, Southern, and Superior), and

The immediate past President, if available

Finance Committee

6 members:

The Treasurer and one representative from each of the five (5) CBHDA regions*; and

The President, if available (ex officio member)

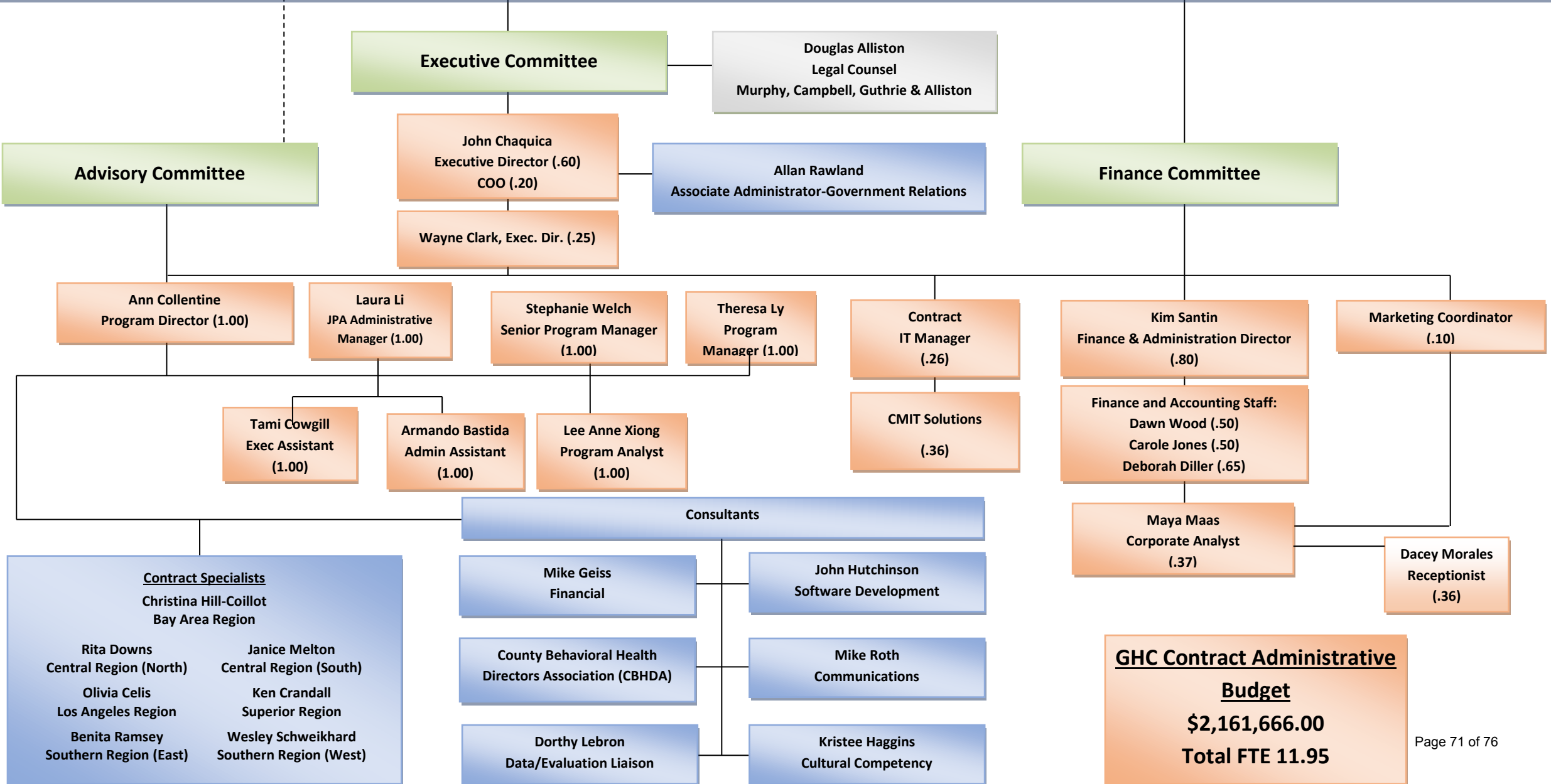
*At least three (3) of the Committee members shall be CalMHSA Board Members, who shall be determined and appointed by the President and approved by the Board of Directors. Two (2) of the Committee members may be Chief Financial Officers of a County member of CalMHSA

George Hills Company, Inc./CalMHSA Contract Services

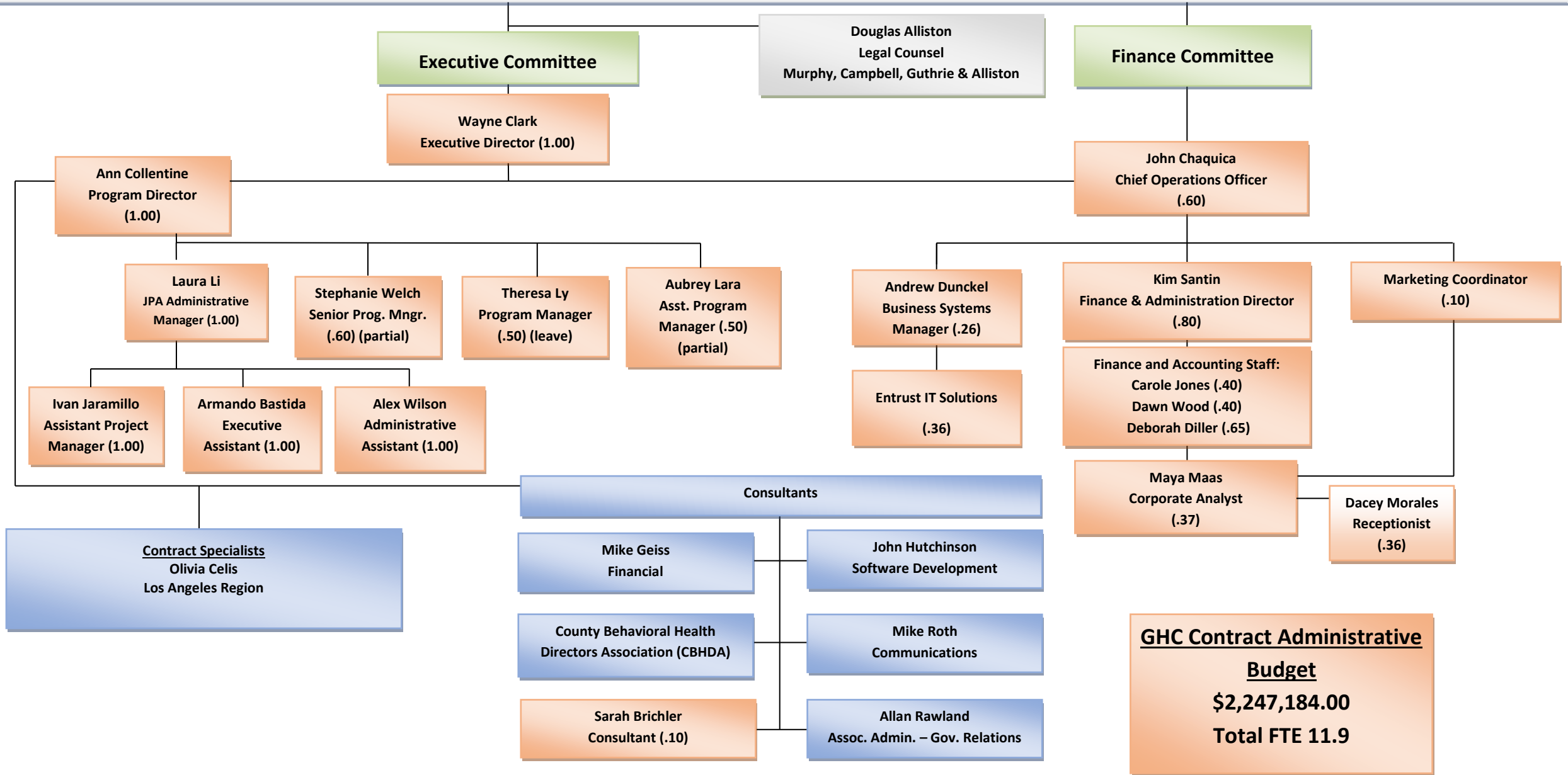
⇒	Personnel Related	Hiring/Onboarding	Assessments	Benefits-Health/Pension-401k administration/other	Oversight of Staff	Payroll	Termination/Off Boarding		
⇒	Network and Technology Management	Network – Identify, interview, select and monitor third party provider		Desktop – Evaluate need and inventory all equipment and software					
⇒	Resources Management	Furniture	Rent	Facilities Mgmt.	Supplies	Equipment Services			
⇒	Administration	Manage all personnel forms/files	Records	Reporting	Banking	Insurance	Legal		
⇒	CalMHSA Contract Services	JPA Management	Membership	Executive Management	Program	Fiscal	Legal	IT	Fund Development

FY 14-15 Prior to Wayne Arrival

CalMHSA Board of Directors

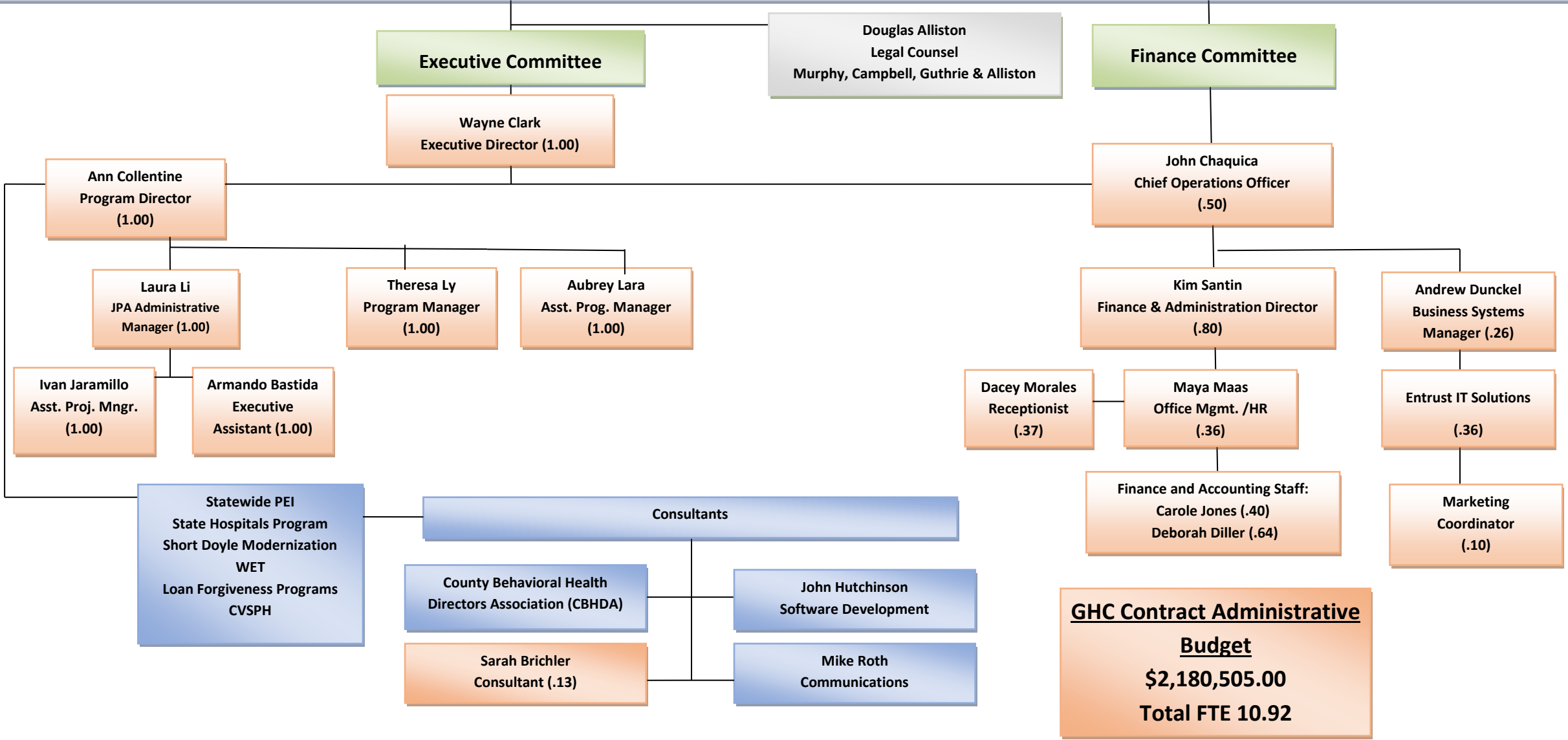


CalMHSA Board of Directors



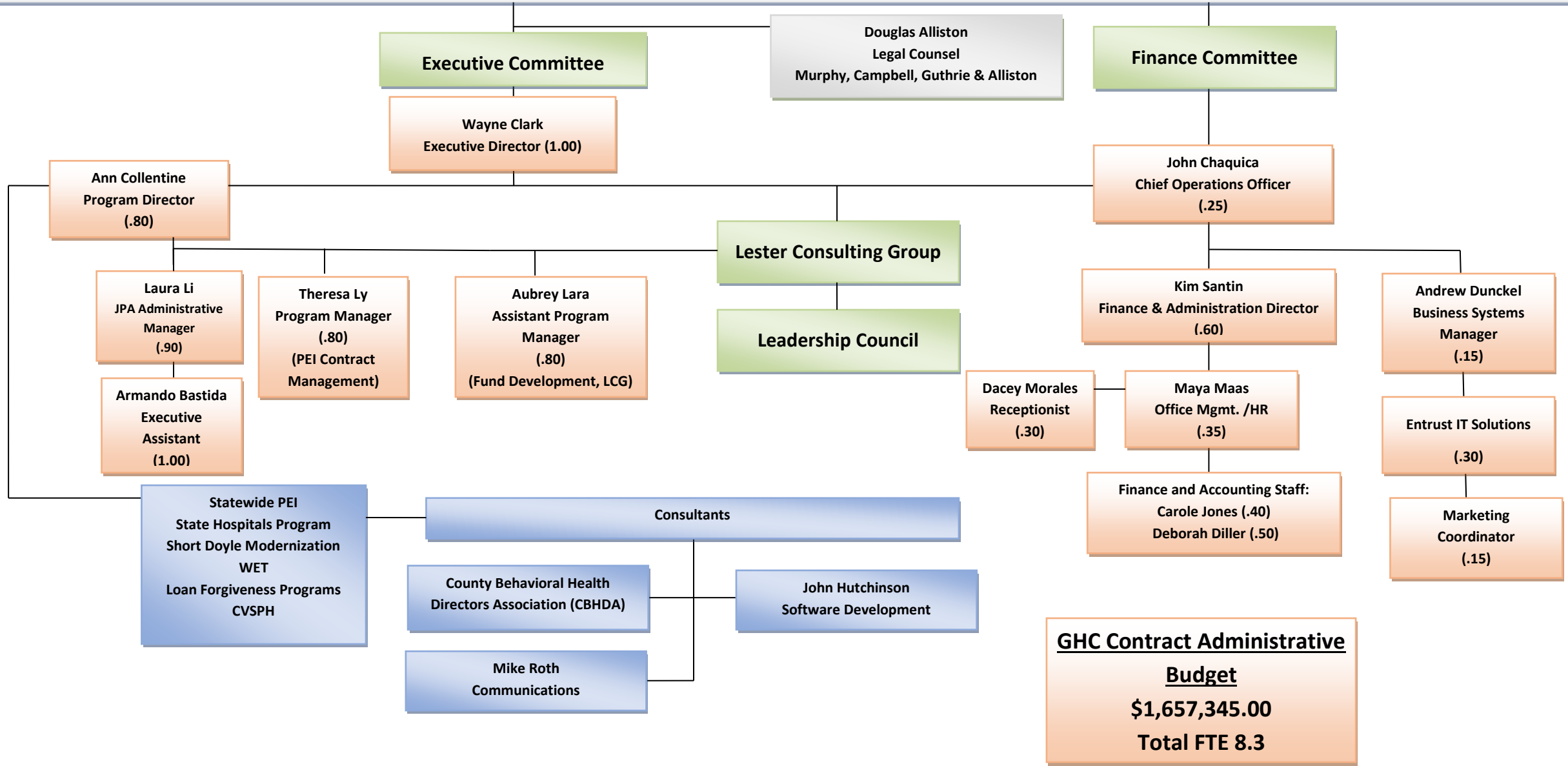
FY 16-17 - Current

CalMHSA Board of Directors



FY 16-17 – Proposed Staffing Revisions w/LGC

CalMHSA Board of Directors



GENERAL DISCUSSION
Agenda Item 6.A.

SUBJECT: Report from CalMHSA President – Terence M. Rooney

ACTION FOR CONSIDERATION:

Discussion and/or action as deemed appropriate.

BACKGROUND AND STATUS:

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

- General

FISCAL IMPACT:

None.

RECOMMENDATION:

Discussion and/or action as deemed appropriate.

TYPE OF VOTE REQUIRED:

Majority vote.

REFERENCE MATERIAL(S) ATTACHED:

- None.

GENERAL DISCUSSION
Agenda Item 6.B.

SUBJECT: Report from CalMHSA Executive Director – Wayne Clark

ACTION FOR CONSIDERATION:

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

BACKGROUND AND STATUS:

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

- Update on Strategic Planning Session Report
- CBHDA Action on Statewide Projects and Possible Staff Direction
- Drug Medi-Cal Organized Delivery System Update
- Housing Update
- Payment Reform
- Other

FISCAL IMPACT:

None.

RECOMMENDATION:

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

TYPE OF VOTE REQUIRED:

Majority vote.

REFERENCE MATERIAL(S) ATTACHED:

- None.