

Board of Directors Meeting

AGENDA

Thursday, June 11, 2015

8:15 a.m. – 9:45 a.m.

Call-In Information: 1-800-871-6757
Conference Code: 47866965
(Listen in only)



Meeting Location(s):

San Diego County
3255 Camino Del Rio South, San
Diego, CA 92108

Doubletree Hotel Sacramento
2001 Point West Way
Sacramento, CA 95815

Fresno County
3133 N. Millbrook Ave, Room
263, Fresno, CA 93703

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

Thursday, June 11, 2015

8:15 a.m. – 9:45 a.m.

San Diego County

3255 Camino Del Rio South, San
Diego, CA 92108

Doubletree Hotel Sacramento

2001 Point West Way
Sacramento, CA 95815

Fresno County

3133 N. Millbrook Ave, Room
263, Fresno, CA 93703

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	6
A. Routine Matters	
1. Minutes from the April 9, 2015 Board of Directors Meeting.....	8
B. Reports / Correspondence	
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2. Financial Statements for quarters ended September 30 and December 31, 2014 and March 31, 2015.....	29
3. CalMHSA Investment Update.....	38
4. CalMHSA Financial Audit Engagement Letter.....	48
5. Finance Committee Teleconference Meetings for Fiscal Year 2015-16.....	55
6. Resolution 15-02: Authorizing Establishment of Bank Accounts and Account Signatures (replaces resolution 09-03).....	56
7. Resolution 15-03: Authorizing Investment of Monies in Morgan Stanley Smith Barney Money Market Account (replaces resolution 11-04).....	57
8. Resolution 15-04: Authorizing Investment Of Monies In The Local Agency Investment Fund (replaces resolution 13-01).....	58
9. Letters of Acknowledgment Matrix.....	59
10. RAND Press Conference / Reports Released.....	60
11. Harbage Consulting Agreement.....	68
12. State Hospital Bed Program Update.....	80
13. Plumas County Project Agreement.....	83
14. Central Valley Suicide Prevention Hotline (CVSPH) Regional Project.....	84

Recommendation: Approval of the Consent Calendar.

5. ADMINISTRATIVE MATTERS	
A. CalMHSA New Membership Application – Plumas County.....	85
• Plumas County Resolution	

Recommendation: Approve CalMHSA Membership for Plumas County.

B. Executive Committee / Finance Committee Election.....	87
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Recommendation: Approve recommended slate of officers, Executive Committee members representing the five CMHDA regions, and Finance Committee Members.

6. FINANCIAL MATTERS

- A. Report from the CalMHSA Finance Committee – Dawan Utecht.....89
Recommendation: None, information only.
- B. CalMHSA Annual Revenue and Expenditure Report – Proposed Budget June 30, 2016.....91
- CalMHSA Annual Revenue and Expenditure Report – Proposed Budget, June 30, 2016
 - Accounts Receivable Budget Preparation
- Recommendation: Adopt the CalMHSA Annual Revenue and Expenditure Report – Proposed Budget, June 30, 2016.**
- C. Report from CalMHSA Executive Director regarding CBHDA recommendations for continued County assistance for Statewide PEI, and action thereon if deemed appropriate – Wayne Clark

7. PROGRAM MATTERS

- A. Statewide PEI Phase II, Program One Proposal Recommendations.....98
- Summary of Proposals Recommended for Program One
 - Overview of Review and Selection Process for Statewide Phase II PEI Programs, Program One: Reaching California’s Diverse Communities to Achieve Mental Health Wellness RFP
 - Program Two Creating Healthier Organization and Communities Through Policy Change – Recommendations for Contract Extensions
 - Summary Table of Discontinued Activities from CalMHSA PEI SWP Phase I

Recommendations:

1. a. Approve the contract awards recommended by the Sustainability Taskforce for Program One: Reaching California’s Diverse Communities to Achieve Mental Health and Wellness for a maximum of \$4.2 million per year for FY 15/16 and 16/17 as follows:

- **Runyon, Saltzman and Einhorn (RSE) – \$3 million**
- **Foundation for California Community Colleges – \$700,000**
- **Active Minds – \$300,000**
- **NAMI-CA – \$200,000**

b. Delegate authority to the Taskforce to direct staff on allocating up to \$2 million in additional funds to Program One contractors if funds become available.

2. Approve the recommendation by the Sustainability Taskforce to have staff negotiate extensions of 4 existing contracts for up to \$400,000 for 2 years to accomplish the objectives set forth in Program Two: Creating Healthier Organizations and Communities through Policy Change.

3. Authorize the Executive Director to execute contract with selected contractors consistent with the foregoing approvals.

8. GENERAL DISCUSSION

A. Report from CalMHSA Executive Director – Wayne Clark.....122

Recommendation: None, information only.

B. Report from CalMHSA President – Maureen Bauman.....123

Recommendation: None, information only.

9. PUBLIC COMMENTS

A. Public Comments Non-Agenda Items

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

10. NEW BUSINESS

General discussion regarding any new business topics for future meetings.

11. CLOSING COMMENTS

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

12. 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 April 9, 2015 Board of Directors Meeting

B. Reports / Correspondence

1. Treasurer's Report as of December 31, 2014 and March 31, 2015
2. Financial Statements for quarters ended September 30 and December 31, 2014 and March 31, 2015
3. CalMHSA Investment Update
4. CalMHSA Financial Audit Engagement Letter
5. Finance Committee Teleconference Meetings for Fiscal Year 2015-16
6. Resolution 15-02: Authorizing Establishment of Bank Accounts and Account Signatures (replaces resolution 09-03)
7. Resolution 15-03: Authorizing Investment of Monies in Morgan Stanley Smith Barney Money Market Account (replaces resolution 11-04)
8. Resolution 15-04: Authorizing Investment Of Monies In The Local Agency Investment Fund (replaces resolution 13-01)
9. Letters of Acknowledgment Matrix
10. RAND Press Conference / Reports Released
11. Harbage Consulting Agreement
12. State Hospital Bed Program Update
13. Plumas County Project Agreement
14. Central Valley Suicide Prevention Hotline (CVSPH) Regional Project

FISCAL IMPACT:

None.

RECOMMENDATION:

Approval of the Consent Calendar.

TYPE OF VOTE REQUIRED:

Majority vote of the Board of Directors.

REFERENCE MATERIAL(S) ATTACHED:

- April 9, 2015 Board of Directors Meeting Minutes
- Treasurer's Report as of December 31, 2014 and March 31, 2015
- Financial Statements for quarters ended September 30 and December 31, 2014 and March 31, 2015
- CalMHSA Investment Update
- CalMHSA Financial Audit Engagement Letter
- Finance Committee Teleconference Meetings for Fiscal Year 2015-16
- Resolution 15-02: Authorizing Establishment of Bank Accounts and Account Signatures (replaces resolution 09-03)
- Resolution 15-03: Authorizing Investment Of Monies In Morgan Stanley Smith Barney Money Market Account (replaces resolution 11-04)
- Resolution 15-04: Authorizing Investment Of Monies In The Local Agency Investment Fund (replaces resolution 13-01)
- Letters of Acknowledgment Matrix 5/27/15
- California Well Being Infographic
- Suicide Prevention Infographic
- Stigma Reduction Infographic
- Suicide Prevention Cost Benefit Analysis Fact Sheet
- Harbage Consulting Agreement
- State Hospital Beds Payment Tracking Sheet 6/1/15
- Plumas County Project Agreement
- Overview of the Central Valley Regional Project to Support the Central Valley Suicide Prevention Hotline



"A George Hill Company Administered JPA"

**CalMHSA Board of Directors
Meeting Minutes from April 9, 2015**

BOARD MEMBERS PRESENT

Alameda County – **Rudy Arrieta** (*Alternate*)
Butte County – **Dorian Kittrell**
Colusa County – **Terence M. Rooney** (*Alternate*)
El Dorado County – **Patricia Charles-Heathers** (*Alternate*)
Fresno County – **Dawan Utecht**
Kern County – **Bill Walker**
Los Angeles County – **William Arroyo** (*Alternate*)
Marin County – **Suzanne Tavano**
Mendocino County – **Tom Pinizzotto** (*Alternate*)
Modoc County – **Karen Stockton**
Napa County – **Bill Carter**
Nevada County – **Michelle Violet** (*Alternate*)
Orange County – **Mary Hale**
Placer County – **Maureen Bauman** (**President**)
Riverside County – **Jerry Wengerd**
Sacramento County – **Uma Zykofsky**
San Bernardino County – **CaSonya Thomas**
San Diego County – **Alfred Aguirre**
San Francisco City & County – **Jo Robinson**
San Joaquin County – **Vic Singh**
San Mateo County – **Stephan Kaplan**
Santa Barbara County – **Michael Craft** (*Alternate*)
Shasta County – **Donnell Ewert**
Sonoma County – **Michel Kennedy**
Sutter/Yuba Counties – **Tom Sherry** (*Alternate*)
Tri-City Mental Health Center – **Antonette Navarro**
Trinity County – **Noel O'Neill**
Tuolumne County – **Rita Austin**
Yolo County – **Joan Beesley** (*Alternate*)

BOARD MEMBERS ABSENT

Berkeley, City of
Contra Costa County
Del Norte County
Glenn County
Humboldt County
Imperial County
Inyo County
Kings County

Lake County
Lassen County
Madera County
Mariposa County
Mono County
Monterey County
San Benito County
San Luis Obispo County
Santa Clara County
Santa Cruz County
Siskiyou County
Solano County
Stanislaus County
Tulare County
Ventura County

STAFF PRESENT

Doug Alliston, CalMHSA Legal Counsel, Murphy
Stephanie Welch, CalMHSA
Laura Li, CalMHSA
Sarah Brichler, CalMHSA

CALL TO ORDER

President Maureen F. Bauman, LCSW, called the Board of Directors of the California Mental Health Services Authority (CalMHSA) to order at 2:15 p.m. on April 9, 2015, at the Doubletree Hotel Sacramento, located at 2001 Point West Way, Sacramento, California. President Bauman welcomed those in attendance as well as those listening in on the phone.

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

1. ROLL CALL AND INTRODUCTIONS

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

2. INSTRUCTIONS FOR PUBLIC COMMENT AND STAKEHOLDER INPUT

Maureen Bauman, CalMHSA President, 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.

3. CONSENT CALENDAR

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

Action: *The Board approved the Consent Calendar.*

Motion: *Butte County – Dorian Kittrell*

Second: *Sutter/Yuba Counties – Tom Sherry*

COUNTY	AYE/NAY ABSTAIN/ ABSENT	COUNTY	AYE/NAY ABSTAIN/ ABSENT	COUNTY	AYE/NAY ABSTAIN/ ABSENT
Alameda	Aye	Marin	Aye	San Mateo	Aye
Berkeley		Mariposa		Santa Barbara	Aye
Butte	Aye	Mendocino	Aye	Santa Clara	
Colusa	Aye	Modoc	Aye	Santa Cruz	
Contra Costa		Mono		Shasta	Aye
Del Norte		Monterey		Siskiyou	
El Dorado	Aye	Napa	Aye	Solano	
Fresno	Aye	Nevada	Aye	Sonoma	Aye
Glenn		Orange	Aye	Stanislaus	
Humboldt		Placer	Aye	Sutter/Yuba	Aye
Imperial		Riverside	Aye	Tri-City	Aye
Inyo		Sacramento	Aye	Trinity	Aye
Kern	Aye	San Benito		Tulare	
Kings		San Bernardino	Aye	Tuolumne	Aye
Lake		San Diego	Aye	Ventura	
Lassen		San Francisco	Aye	Yolo	Aye
Los Angeles	Aye	San Joaquin	Aye		
Madera		San Luis Obispo			

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

None

4. PROGRAM MATTERS

A. Stigma and Discrimination Reduction (SDR) Consortium – Request for Sole Source Contract.

Stephanie Welch, Senior Program Manager, did an overview of the successful launch and implementation of the SDR Consortium and it becoming the hub of Each Mind Matters, California’s Mental Health Awareness Movement. Adding the existing SDR Consortium staff provides a critical linkage and technical assistance to counties and community providers, therefore requesting sole source approval to continue this important work.

During member discussion, it was requested materials distributed at the local level have the capability to be branded by the counties. Additionally, for transparency purposes, clarification was requested related to this being a “renewal” vs. “sole source,” as this is a current contract. Staff confirmed this was a renewal, however, it also met the requirement for a “sole source” request. Staff’s intent was to follow the appropriate protocol.

Action: *The Board authorized the Board President and Counsel to negotiate a sole source contract of up to \$500,000 per year, based on funding availability, to continue the vital work being done by the Stigma and Discrimination Reduction (SDR) Consortium.*

Motion: *Sonoma County – Michael Kennedy*

Second: *Colusa County – Terence Rooney*

COUNTY	AYE/NAY ABSTAIN/ ABSENT	COUNTY	AYE/NAY ABSTAIN/ ABSENT	COUNTY	AYE/NAY ABSTAIN/ ABSENT
Alameda	Aye	Marin	Aye	San Mateo	Aye
Berkeley		Mariposa		Santa Barbara	Aye
Butte	Aye	Mendocino	Aye	Santa Clara	
Colusa	Aye	Modoc	Aye	Santa Cruz	
Contra Costa		Mono		Shasta	Aye
Del Norte		Monterey		Siskiyou	
El Dorado	Aye	Napa	Aye	Solano	
Fresno	Aye	Nevada	Aye	Sonoma	Aye
Glenn		Orange	Aye	Stanislaus	
Humboldt		Placer	Aye	Sutter/Yuba	Aye
Imperial		Riverside	Aye	Tri-City	Aye
Inyo		Sacramento	Aye	Trinity	Aye
Kern	Aye	San Benito		Tulare	
Kings		San Bernardino	Aye	Tuolumne	Aye
Lake		San Diego	Aye	Ventura	
Lassen		San Francisco	Aye	Yolo	Aye
Los Angeles	Aye	San Joaquin	Aye		
Madera		San Luis Obispo			

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

None

B. Short Doyle Modernization (SDM) Project – Update and Request for Sole Source Contract with Harbage Consulting

Sarah Brichler, CalMHSA Consultant, did an overview of the initial intent of this project, and indicated it had developed into a Fiscal and Delivery System Pilot Study. In October 2014 the CalMHSA Board adopted the new project scope and confirmed no additional funding would be requested on top of what has already been committed and received. Staff requested authorization for sole source contracting with Harbage Consulting as they have the expertise needed to move forward.

During member discussions, it was requested staff go through a thorough vetting process to ensure best services and rates are being provided, given Harbage Consulting is well known by the counties. Staff and Steering Committee members confirmed this is the best option for the project at this time.

Action: The Board authorized proceeding with implementation of the Pilot program, and the expenditure of funds committed and received by CalMHSA for the implementation of the pilot program. The Board also authorized staff to negotiate a contract with Harbage Consulting for specialized fiscal and delivery system reform services for the Fiscal and Delivery System Pilot Program, and to proceed without competitive selection process based on sole source justification narrative above.

Motion: Orange County – Mary Hale

Second: Sonoma County – Michael Kennedy

COUNTY	AYE/NAY ABSTAIN/ ABSENT	COUNTY	AYE/NAY ABSTAIN/ ABSENT	COUNTY	AYE/NAY ABSTAIN/ ABSENT
Alameda	Aye	Marin	Aye	San Mateo	Aye
Berkeley		Mariposa		Santa Barbara	Aye
Butte	Aye	Mendocino	Aye	Santa Clara	
Colusa	Aye	Modoc	Aye	Santa Cruz	
Contra Costa		Mono		Shasta	Aye
Del Norte		Monterey		Siskiyou	
El Dorado	Aye	Napa	Aye	Solano	
Fresno	Aye	Nevada	Aye	Sonoma	Aye
Glenn		Orange	Aye	Stanislaus	
Humboldt		Placer	Aye	Sutter/Yuba	Aye
Imperial		Riverside	Aye	Tri-City	Aye
Inyo		Sacramento	Aye	Trinity	Aye
Kern	Aye	San Benito		Tulare	
Kings		San Bernardino	Aye	Tuolumne	Aye

Lake		San Diego	Aye	Ventura	
Lassen		San Francisco	Aye	Yolo	Aye
Los Angeles	Aye	San Joaquin	Aye		
Madera		San Luis Obispo			

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

None

5. GENERAL DISCUSSION

A. Report from CalMHSa President – Maureen Bauman

Maureen Bauman, President, announced her appointment of two new officers, Terrence M. Rooney, Colusa County – Vice President and Dawan Utecht, Fresno County – Treasurer. These positions will be affirmed at the June Board meeting during elections.

Action: *None, information only.*

B. Report from CalMHSa Executive Director – Wayne Clark

Action: *None, information only.*

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

None

6. PUBLIC COMMENTS

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

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

None

7. ADJOURNMENT

Hearing no further comments, the meeting was adjourned at 2:49 p.m.

Respectfully submitted,

 CaSonya Thomas, MPA, CHC
 Secretary, CalMHSa

 Date



"A George Hills Company Administered JPA"

Treasurer's Report As of December 31, 2014

	Book Balance	Market Value	Effective Yield
Local Agency Investment Fund	\$9,674,697	\$9,674,507	0.25%
Morgan Stanley Smith Barney	18,791,029	18,647,834	0.66%
Cash with California Bank & Trust	(160,185)	(160,185)	0.00%
Total Cash and Investments	\$28,305,541	\$28,162,156	

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


The LAIF market value was derived by applying the December 2014 fair value factor of 0.99998038 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.

The negative balance with California Bank & Trust is due to outstanding checks. The bank balance at December 31, 2014 is \$795,970.

Respectfully submitted,

Accepted,



Kim Santin, Finance Director



Maureen F. Bauman, President

**CALMHSA
TREASURER'S REPORT
AS OF DECEMBER 31, 2014**

Investments	Date of Purchase	Date of Maturity	Par Value	Original Cost	Market Value	YTM (at Cost)	YTM (at Market)	Unrealized Gains/ (Losses)
Corporate Bonds:								
Wells Fargo Company	05/17/13	02/13/15	4,000,000	4,046,280	4,003,840	0.62%	0.62%	699
Pepsico Inc	12/09/13	03/05/15	2,485,000	2,495,760	2,486,292	0.37%	0.37%	(254)
Coca-Cola Co	12/13/12	03/13/15	4,667,000	4,692,902	4,671,714	0.37%	0.37%	2,387
Toyota Motor	12/04/13	06/17/15	2,365,000	2,464,590	2,394,492	1.54%	1.58%	(741)
Total Corporate Bonds			13,517,000	13,699,532	13,556,337			2,092
Total Portfolio Investments			13,517,000	13,699,532	13,556,337			2,092
Local Agency Investment Fund (LAIF)				9,674,697	9,674,507			
Morgan Stanley AA Money Trust				5,091,497	5,091,497			
Checking Account				(160,185)	(160,185)			
Total Cash and Investments			13,517,000	28,305,541	28,162,156			2,092

Inception to Date Activity	
Fair Market Value 7/1/12	90,699,394
Purchases	79,229,997
Sales/Maturities	(154,455,038)
Net Unrealized Gains/(Losses)	(1,918,016)
Fair Market Value 12/31/14	<u>13,556,337</u>

Maturity Distribution of Investments	
0 - 1 year	<u>13,556,337</u>

Notes
<p>All investments are in compliance with CalMHSA's current investment policy. CalMHSA has sufficient funds to meet its expenditure requirements for the next six months. The negative balance in the checking account is due to outstanding checks. The bank balance at December 31, 2014 is \$795,970.</p> <p>Market values and Yields are from the following source: Morgan Stanley Smith Barney Financial Management Account Summaries.</p> <p>Market Value is an approximation of the total worth of the asset, and fluctuates on a daily basis depending on market factors. YTM at Cost is the constant interest rate that makes the net present value of future principal & interest cash flows equal the purchase price of the security on the acquisition date. YTM at Market is the constant interest rate that makes the net present value of future principal & interest cash flows equal the current market price of the security.</p>

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

www.treasurer.ca.gov/pmia-laif/laif.asp
 January 15, 2015

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

PMIA Average Monthly Yields

Account Number:



< strong="">

Tran Type Definitions<

December 2014 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
12/1/2014	11/26/2014	RD	1451915	KIM SANTIN	650,000.00
12/15/2014	12/12/2014	RD	1452802	KIM SANTIN	2,000,000.00

Account Summary

Total Deposit:	<input type="text" value="2,650,000.00"/>	Beginning Balance:	<input type="text" value="7,024,697.43"/>
Total Withdrawal:	<input type="text" value="0.00"/>	Ending Balance:	<input type="text" value="9,674,697.43"/>

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

www.treasurer.ca.gov/pmia-laif/laif.asp
 January 15,
 2015

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

PMIA Average Monthly Yields

Account Number:



< strong="">

Tran Type Definitions<

November 2014 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
11/20/2014	11/19/2014	RW	1451311	KIM SANTIN	-1,800,000.00

Account Summary

Total Deposit:	<input type="text" value="0.00"/>	Beginning Balance:	<input type="text" value="8,824,697.43"/>
Total Withdrawal:	<input type="text" value="-1,800,000.00"/>	Ending Balance:	<input type="text" value="7,024,697.43"/>

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

www.treasurer.ca.gov/pmia-laif/laif.asp
 January 15,
 2015

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

PMIA Average Monthly Yields

Account Number:



< strong="">
 Tran Type Definitions<

October 2014 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
10/1/2014	10/1/2014	RD	1445542	KIM SANTIN	200,000.00
10/10/2014	10/9/2014	RW	1446122	KIM SANTIN	-5,100,000.00
10/15/2014	10/14/2014	QRD	1448109	SYSTEM	2,724.88
10/21/2014	10/20/2014	RD	1449233	KIM SANTIN	650,000.00
10/28/2014	10/27/2014	RW	1449710	KIM SANTIN	-5,050,000.00

Account Summary

Total Deposit:	<input type="text" value="852,724.88"/>	Beginning Balance:	<input type="text" value="18,121,972.55"/>
Total Withdrawal:	<input type="text" value="-10,150,000.00"/>	Ending Balance:	<input type="text" value="8,824,697.43"/>



"A George Hill Company Administered JPA"

Treasurer's Report As of March 31, 2015

	Book Balance	Market Value	Effective Yield
Local Agency Investment Fund	\$15,831,382	\$15,837,457	0.28%
Morgan Stanley - Investments	2,464,590	2,379,379	1.59%
Morgan Stanley – Money Trust	28,521	28,521	.010%
Cash with California Bank & Trust	121,183	121,183	0.00%
Total Cash and Investments	\$18,445,676	\$18,366,540	0.45%

Attached are the Local Agency Investment Fund (LAIF) and Morgan Stanley Smith Barney statements detailing all investment transactions.

The LAIF market value was derived by applying the March 2015 fair value factor of 1.000383728 to the book balance.

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

Respectfully submitted,

Accepted,

Kim Santin, Finance Director

Dawan Utecht, Treasurer

**CALMHSA
TREASURER'S REPORT
AS OF MARCH 31, 2015**

Investments	Date of Purchase	Date of Maturity	Par Value	Original Cost	Market Value	YTM (at Cost)	YTM (at Market)	Unrealized Gains/ (Losses)
Corporate Bonds:								
Toyota Motor	12/04/13	06/17/15	2,365,000	2,464,590	2,379,379	1.54%	1.59%	538
Total Corporate Bonds			<u>2,365,000</u>	<u>2,464,590</u>	<u>2,379,379</u>			<u>538</u>
Total Portfolio Investments			2,365,000	2,464,590	2,379,379			538
Local Agency Investment Fund (LAIF)				15,831,382	15,837,457			
Morgan Stanley AA Money Trust				28,521	28,521			
Checking Account				121,183	121,183			
Total Cash and Investments			<u>2,365,000</u>	<u>18,445,676</u>	<u>18,366,540</u>			<u>538</u>

Inception to Date Activity	
Fair Market Value 7/1/12	90,699,394
Purchases	79,229,997
Sales/Maturities	(165,607,038)
Net Unrealized Gains/(Losses)	<u>(1,942,974)</u>
Fair Market Value 3/31/15	<u>2,379,379</u>

Maturity Distribution of Investments	
0 - 1 year	<u>2,379,379</u>

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



**State of California
Pooled Money Investment Account
Market Valuation
3/31/2015**

Description	Carrying Cost Plus		Fair Value	Accrued Interest
	Accrued Interest	Purch		
	Amortized Cost			
United States Treasury:				
Bills	\$ 9,935,849,217.25	\$ 9,941,554,440.76	\$ 9,942,404,000.00	NA
Notes	\$ 17,813,380,152.91	\$ 17,810,620,708.18	\$ 17,835,471,000.00	\$ 24,369,871.50
Federal Agency:				
SBA	\$ 585,278,270.34	\$ 585,278,270.34	\$ 580,189,188.77	\$ 519,916.09
MBS-REMICs	\$ 96,154,707.08	\$ 96,154,707.08	\$ 103,062,066.26	\$ 457,548.05
Debentures	\$ 1,759,446,063.01	\$ 1,759,433,910.23	\$ 1,759,796,850.00	\$ 1,355,341.71
Debentures FR	\$ -	\$ -	\$ -	\$ -
Discount Notes	\$ 2,496,782,118.01	\$ 2,497,274,472.16	\$ 2,497,375,000.00	NA
GNMA	\$ -	\$ -	\$ -	\$ -
Supranational Debentures	\$ 450,235,913.36	\$ 450,189,038.36	\$ 450,574,500.00	\$ 493,156.50
CDs and YCDs FR	\$ -	\$ -	\$ -	\$ -
Bank Notes	\$ 600,000,000.00	\$ 600,000,000.00	\$ 599,891,264.27	\$ 359,638.90
CDs and YCDs	\$ 11,600,035,984.54	\$ 11,600,003,540.10	\$ 11,596,598,687.25	\$ 6,647,722.21
Commercial Paper	\$ 5,347,393,111.11	\$ 5,348,545,722.19	\$ 5,347,673,166.68	NA
Corporate:				
Bonds FR	\$ -	\$ -	\$ -	\$ -
Bonds	\$ -	\$ -	\$ -	\$ -
Repurchase Agreements	\$ -	\$ -	\$ -	\$ -
Reverse Repurchase	\$ -	\$ -	\$ -	\$ -
Time Deposits	\$ 5,170,540,000.00	\$ 5,170,540,000.00	\$ 5,170,540,000.00	NA
AB 55 & GF Loans	\$ 6,634,903,755.13	\$ 6,634,903,755.13	\$ 6,634,903,755.13	NA
TOTAL	\$ 62,489,999,292.74	\$ 62,494,498,564.53	\$ 62,518,479,478.36	\$ 34,203,194.96

Fair Value Including Accrued Interest

\$ 62,552,682,673.32

Repurchase Agreements, Time Deposits, AB 55 & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).

The value of each participating dollar equals the fair value divided by the amortized cost (1.000383728). As an example: if an agency has an account balance of \$20,000,000.00, then the agency would report its participation in the LAIF valued at \$20,007,674.57 or \$20,000,000.00 x 1.000383728.

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

www.treasurer.ca.gov/pmia-laif/laif.asp
 April 14, 2015

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

March 2015 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
3/17/2015	3/16/2015	RW	1461425	KIM SANTIN	-2,000,000.00
3/24/2015	3/23/2015	RD	1461863	KIM SANTIN	7,170,000.00

Account Summary

Total Deposit:	7,170,000.00	Beginning Balance:	10,661,381.63
Total Withdrawal:	-2,000,000.00	Ending Balance:	15,831,381.63

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

www.treasurer.ca.gov/pmia-laif/laif.asp
 March 06, 2015

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

PMLA Average Monthly Yields

Account Number:



Tran Type Definitions

February 2015 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
2/24/2015	2/23/2015	RD	1459990	KIM SANTIN	500,000.00

Account Summary

Total Deposit:	500,000.00	Beginning Balance:	10,161,381.63
Total Withdrawal:	0.00	Ending Balance:	10,661,381.63

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

www.treasurer.ca.gov/pmia-laif/laif.asp
 February 19, 2015

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

January 2015 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
1/8/2015	1/8/2015	RW	1454474	KIM SANTIN	-250,000.00
1/15/2015	1/14/2015	QRD	1456632	SYSTEM	6,684.20
1/20/2015	1/16/2015	RD	1457653	KIM SANTIN	730,000.00

Account Summary

Total Deposit:	736,684.20	Beginning Balance:	9,674,697.43
Total Withdrawal:	-250,000.00	Ending Balance:	10,161,381.63



Account Detail

Consulting and Evaluation Services Active Assets Account

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY (PFM)

Investment Objectives †: Income, Capital Appreciation

Investment Advisory Account
Manager: PFM ASSET MANAGEMENT, LLC

† Inform us if your investment objectives, as defined in the Expanded Disclosures, change.

HOLDINGS

This section reflects positions purchased/sold on a trade date basis. "Market Value" and "Unrealized Gain/(Loss)" may not reflect the value that could be obtained in the market. Fixed Income securities are sorted by maturity or pre-refunding date, and alphabetically within date. Estimated Annual Income a) is calculated on a pre-tax basis, b) does not include any reduction for applicable non-US withholding taxes, c) may include return of principal or capital gains which could overstate such estimates, and d) for securities that have a defined maturity date within the next 12 months, is reflected only through maturity date. Actual income or yield may be lower or higher than the estimates. Current yield reflects the income generated by an investment, and does not reflect changes in its price. Structured products, identified in the Security Description column, appear in various statement product categories. When displayed, accrued interest, annual income and current yield for structured products with a contingent income feature (such as Range Accrual Notes or contingent Income Notes) are estimates and assume specified accrual conditions are met during the relevant period and payment in full of all contingent interest. For Floating Rate Securities, the accrued interest, annual income and current yield are estimates based on the current floating coupon rate and may not reflect historic rates within the accrual period.

CASH, BANK DEPOSIT PROGRAM AND MONEY MARKET FUNDS

Cash, Bank Deposit Program, and Money Market Funds are generally displayed on a settlement date basis. You have the right to instruct us to liquidate your bank deposit balance(s) or shares of any money market fund balance(s) at any time and have the proceeds of such liquidation remitted to you. Estimated Annual Income, Accrued Interest, and APY% will only be displayed for fully settled positions.

Description	Value	Estimated Annual Income	7-Day Current Yield %	Annual Percentage Yield %
MS ACTIVE ASSETS MONEY TRUST	\$28,520.77	\$2.85	0.010	—
	Percentage of Assets %	Market Value	Estimated Annual Income	Accrued Interest
CASH, BDP, AND MMFs	1.2%	\$28,520.77	\$2.85	\$0.00

Money market funds seek to maintain a share price of \$1.00, therefore the dollar amounts listed equal the number of shares. Additional information concerning these transactions is available upon request. For more information about the pricing of Money Market Funds, please see the Expanded Disclosures. The money market funds reflected above include the balances in your automatic sweep feature, if any, and may include other money market funds that have been purchased in your account.

CORPORATE FIXED INCOME

CORPORATE BONDS

Security Description	Trade Date	Face Value	Orig. Unit Cost Adj. Unit Cost	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Current Yield %
TOYOTA MOTOR CREDIT CORP CUSIP 89233P4B9	12/4/13	2,365,000.000	\$104.211 \$100.585	\$2,464,590.15 \$2,378,841.33	\$2,379,379.20	\$537.87 LT	\$37,840.00 \$21,863.11	1.59

Unit Price: \$100.608; Coupon Rate 3.200%; Matures 06/17/2015; Int. Semi-Annually Jun/Dec 17; Moody AA3 S&P AA-; Issued 06/17/10

003303 MSADD481 021034



Consulting and Evaluation Services Active Assets Account

Account Detail

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY (PFM)

CASH RELATED ACTIVITY

ELECTRONIC TRANSFERS

Check disbursements from branch offices are displayed as Electronic Transfers.

Date	Activity Type	Description	Comments	Credits/(Debits)
3/23	Funds Transferred	WIRED FUNDS SENT	BENE: CALIFORNIA MENTAL HEALTH	\$(7,180,000.00)

TOTAL ELECTRONIC TRANSFERS \$(7,180,000.00)

TOTAL ELECTRONIC TRANSFERS-DEBITS \$(7,180,000.00)

OTHER CREDITS AND DEBITS

Date	Activity Type	Description	Comments	Credits/(Debits)
3/2	Service Fee	1ST QTR ADVISORY FEE *		\$(1,336.50)
3/24	Service Fee Adj	DEPOSIT/WITHDRAWAL ADJ		131.30

TOTAL OTHER CREDITS AND DEBITS \$(1,205.20)

TOTAL OTHER DEBITS \$(1,205.20)

MONEY MARKET FUND (MMF) AND BANK DEPOSIT PROGRAM ACTIVITY

Date	Activity Type	Description	Credits/(Debits)
3/3	Automatic Redemption	MS ACTIVE ASSETS MONEY TRUST	\$(1,336.50)
3/6	Automatic Investment	MS ACTIVE ASSETS MONEY TRUST	2,494,318.75
3/16	Automatic Investment	MS ACTIVE ASSETS MONEY TRUST	4,684,501.25
3/24	Automatic Redemption	MS ACTIVE ASSETS MONEY TRUST	(7,180,000.00)
3/25	Automatic Investment	MS ACTIVE ASSETS MONEY TRUST	131.30
3/31	Automatic Investment	MS ACTIVE ASSETS MONEY TRUST	22.86

NET ACTIVITY FOR PERIOD \$(2,362.34)

REALIZED GAIN/(LOSS) DETAIL

LONG-TERM GAIN/(LOSS)

Security Description	Date Acquired	Date Sold	Quantity	Sales Proceeds	Orig / Adj Total Cost	Realized Gain/(Loss)	Comments
COCA-COLA CO	3/4 3-13-15	12/13/12 03/13/15	4,667,000.000	\$4,667,000.00	\$4,667,000.00	\$0.00	
PEPSICO INC	3/4 3-05-15	12/04/13 03/05/15	2,485,000.000	2,485,000.00	2,485,000.00	0.00	
Long-Term This Period				\$7,152,000.00	\$7,152,000.00	\$0.00	

003303 MSADD481 021035 E



Account Detail

Consulting and Evaluation Services Active Assets Account

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY (PFM)

INVESTMENT RELATED ACTIVITY

TAXABLE INCOME AND DISTRIBUTIONS

Date	Activity Type	Description	Comments	Credits/(Debits)
2/13	Interest Income	WELLS FARGO & CO 1250 15FB13	CUSIP: 94974BFA3	\$25,000.00
2/26	Dividend	MS ACTIVE ASSETS MONEY TRUST DIV PAYMENT		7.79
TOTAL TAXABLE INCOME AND DISTRIBUTIONS				\$25,007.79
TOTAL OTHER DIVIDENDS				\$7.79
TOTAL INTEREST				\$25,000.00

CASH RELATED ACTIVITY

ELECTRONIC TRANSFERS

Check disbursements from branch offices are displayed as Electronic Transfers.

Date	Activity Type	Description	Comments	Credits/(Debits)
2/23	Funds Transferred	WIRED FUNDS SENT	BENE: CALIF MENTAL HEALTH SERV	\$(4,000,000.00)
TOTAL ELECTRONIC TRANSFERS				\$(4,000,000.00)
TOTAL ELECTRONIC TRANSFERS-DEBITS				\$(4,000,000.00)

OTHER CREDITS AND DEBITS

Date	Activity Type	Description	Comments	Credits/(Debits)
2/19	Service Fee	4TH QTR ADVISORY FEE *		\$(1,871.98)
2/19	Service Fee	4TH QTR ADVISORY FEE *		(1,687.70)
2/24	Service Fee Adj	DEPOSIT/WITHDRAWAL ADJ		324.38
TOTAL OTHER CREDITS AND DEBITS				\$(3,235.30)
TOTAL OTHER DEBITS				\$(3,235.30)

MONEY MARKET FUND (MMF) AND BANK DEPOSIT PROGRAM ACTIVITY

Date	Activity Type	Description	Credits/(Debits)
2/17	Automatic Investment	MS ACTIVE ASSETS MONEY TRUST	\$4,025,000.00
2/20	Automatic Redemption	MS ACTIVE ASSETS MONEY TRUST	(3,559.68)
2/24	Automatic Redemption	MS ACTIVE ASSETS MONEY TRUST	(4,000,000.00)
2/25	Automatic Investment	MS ACTIVE ASSETS MONEY TRUST	324.38
2/27	Automatic Investment	MS ACTIVE ASSETS MONEY TRUST	7.79
NET ACTIVITY FOR PERIOD			\$21,772.49

002021 MSADD481 013073 E



Account Detail

Consulting and Evaluation Services Active Assets Account

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY (PFM)

CASH RELATED ACTIVITY

ELECTRONIC TRANSFERS

Check disbursements from branch offices are displayed as Electronic Transfers.

Date	Activity Type	Description	Comments	Credits/(Debits)
1/14	Funds Transferred	WIRED FUNDS SENT	BENE: CALIFORNIA MENTAL HEALTH	\$(5,080,000.00)

TOTAL ELECTRONIC TRANSFERS				\$(5,080,000.00)
TOTAL ELECTRONIC TRANSFERS-DEBITS				\$(5,080,000.00)

OTHER CREDITS AND DEBITS

Date	Activity Type	Description	Comments	Credits/(Debits)
1/15	Service Fee	1ST QTR ADVISORY FEE		\$(3,291.83)
1/15	Service Fee Adj	DEPOSIT/WITHDRAWAL ADJ		857.34

TOTAL OTHER CREDITS AND DEBITS				\$(2,434.49)
TOTAL OTHER DEBITS				\$(2,434.49)

MONEY MARKET FUND (MMF) AND BANK DEPOSIT PROGRAM ACTIVITY

Date	Activity Type	Description	Credits/(Debits)
1/2	Automatic Investment	MS ACTIVE ASSETS MONEY TRUST	\$27.21
1/15	Automatic Redemption	MS ACTIVE ASSETS MONEY TRUST	(5,080,000.00)
1/16	Automatic Redemption	MS ACTIVE ASSETS MONEY TRUST	(2,434.49)
1/30	Automatic Investment	MS ACTIVE ASSETS MONEY TRUST	20.99

NET ACTIVITY FOR PERIOD			\$(5,082,386.29)
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MESSAGES

Important Information About Advisory Accounts

Please notify your Financial Advisor if there have been any changes in your financial situation or investment objectives, or if you wish to impose any reasonable restrictions on the management of your Investment Advisory accounts, or to reasonably modify existing restrictions. For a copy of the applicable ADV Brochure for Morgan Stanley Smith Barney LLC, or for any Investment Adviser with whom we contract to manage your investment advisory account, please contact your Financial Advisor. These ADV Brochures contain important information about advisory programs.

003185 MSADD481 020957

**SUMMARY OF SIGNIFICANT CHANGES IN FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2014**

BALANCE SHEET:

Cash and Investment – Overall cash and investments are \$41.2 million as of September 30, 2014. This is a decrease of \$3.6 million compared to the \$44.8 million in cash as of June 30, 2014. The decrease in cash relates to issuance of final payments to program partners for June 30, 2014, fiscal reconciliations offset by the receipt of Phase I Sustainability funding.

Investments – Current Portion – See Treasurer’s Report

Receivables – \$3,999,503

• Phase I Sustainability	\$3,545,618
• State Hospital Beds Program	320,325
• Feasibility Study	132,310
• Application Fees	<u>1,250</u>
	\$3,999,503

Interest receivable – Total interest receivable of \$45,422 is for accrued bond interest.

Accounts Payable – The balance in account payable as of September 30, 2014 is \$13.4 million. The payables are primarily related to final payments to program partners. The vendors with the most significant balances are:

• CA County Superintendents Education	\$3,478,155
• The Regents of the University of California	1,370,845
• Runyon Saltzman & Einhorn	1,322,072
• Foundation for CA Community Colleges	<u>1,269,184</u>
	\$7,440,256

STATEMENT OF REVENUE AND CHANGES IN NET ASSETS:

Operating Revenue – Total revenue for the three months ended September 30, 2014 was \$6,470,355 consisting of revenue for Phase I Sustainability and the State Hospital Beds Program.

Expenses – Overall expenses for the three months ended September 30, 2014 were \$5.4 million. The expenses for these three months consisted mainly of contract expenses for the PEI Program no-cost extension as well as contract expenses for Phase I sustainability.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

UNAUDITED BALANCE SHEET

	<u>September 30, 2014</u>	<u>June 30, 2014</u>
ASSETS		
Current Assets:		
Cash & Cash Equivalents	\$ 18,641,765	\$ 875,222
Investments - Current Portion	22,597,879	43,931,766
Contractor Prepayments		
Receivables:		
State Hospital Bed Funds	320,325	180,817
Feasibility Study	132,310	135,794
Tech Asst/Capacity Building		482,000
Phase I Sustainability	3,545,618	
Application Fees	1,250	1,250
Interest	45,422	179,906
Total Current Assets	<u>45,284,568</u>	<u>45,786,755</u>
Noncurrent Assets:		
Investments		
Total Assets	<u>\$ 45,284,568</u>	<u>\$ 45,786,755</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 10,696,587	\$ 12,050,580
Program Partner Holdbacks	2,709,914	2,942,042
Deferred Revenue		39,185
WET Program Funding		
Total Current Liabilities	<u>13,406,501</u>	<u>15,031,807</u>
Net Assets:		
Operations	874,918	884,805
Tech Asst/Capacity Building	199,684	239,597
WET Program Funding	148,470	148,470
Feasibility Study	271,124	271,134
SHB Program Funding	603,554	194,310
PEI Program Funding	15,928,468	29,016,633
Phase I Sustainability Funding	13,851,849	
Total Net Assets	<u>31,878,067</u>	<u>30,754,948</u>
Total Liabilities and Net Assets	<u>\$ 45,284,568</u>	<u>\$ 45,786,755</u>

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

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

For The Three Months Ended September 30, 2014

	<u>Operations</u>	<u>Tech Asst/ Capacity Building</u>	<u>WET Program Funding</u>	<u>Feasibility Study Funding</u>	<u>SHB Program Funding</u>	<u>PEI Program Funding</u>	<u>Phase I Sustainability</u>	<u>September 2014 Total</u>	<u>June 2014 Total</u>
OPERATING REVENUES:									
Technical Assistance/Capacity Building								\$ -	\$ 668,600
Community Planning (5%)								-	11,080
PEI State Wide Program Funding								-	210,520
WET Program Funding								-	-
SHB Funding					442,848			442,848	272,257
Feasibility Study Funding								-	299,171
Phase I Sustainability Funding							\$ 6,027,507	6,027,507	-
Donations								-	200
Application Fee								-	1,250
Total Operating Revenue	-	-	-	-	442,848	-	6,027,507	6,470,355	1,463,078
PROGRAM EXPENSES:									
Technical Assistance/Capacity Building									
Program Contract		39,913						39,913	417,469
Program Implementation & Oversight					29,920			29,920	49,665
Other Contract Services					225			225	-
Legal								-	-
Meeting and Other								-	601
WET Program Funding:								-	-
Program Contract								-	-
Program Mgmt. & Oversight								-	-
Legal								-	-
Meeting and Other								-	-
SHB Program Funding:								-	-
Program Contract								-	62,040
Program Mgmt. & Oversight								-	-
Other Contract Services								-	-
Legal					2,905			2,905	12,488
Meeting and Other					554			554	3,499
Feasibility Study Funding								-	-
Program Contract								-	27,368
Program Mgmt. & Oversight								-	-
Other Contract Services								-	-
Legal								-	629
Meeting and Other				10				10	40
PEI State Wide Program Funding:									
Program Expense:									
Program Contract						3,135,775	804,528	3,940,303	55,468,900
Program Mgmt. & Oversight						131,402	73,611	205,013	915,871
Other Contract Services								-	10,200
Legal						3,695		3,695	19,952
Meeting and Other						16,730		16,730	89,366
Evaluation Expense:									
Program Contract						640,863		640,863	2,989,170
Program Mgmt. & Oversight						7,643	6,944	14,587	49,767
Meeting and Other						487		487	10,760
Planning Expense:									
Program Mgmt. & Oversight						87,005		87,005	184,961
Other Contract Services						62,856		62,856	96,159
Legal						5,798		5,798	-
Dissemination Materials						19,907		19,907	71,324
Meeting and Other						15,565		15,565	20,582
Total Program Expense	-	39,913	-	10	33,604	4,127,726	885,083	5,086,336	60,500,811
INDIRECT EXPENSES:									
General Management						135,061	58,333	193,394	814,580
Other Contract Services						8,245		8,245	22,087
Legal Services						12,838		12,838	46,621
Insurance						31,431		31,431	33,209
Investment Management Fees	20,584							20,584	100,616
Financial Audit								-	-
Dissemination Materials								-	-
Meeting and Other	5,274					5,106		10,380	72,160
Formation Fees- Refund to Founding Members								-	-
Total General And Administrative	25,859	-	-	-	-	192,681	58,333	276,873	1,089,273
Total Expenses	25,859	39,913	-	10	33,604	4,320,407	943,416	5,363,209	61,590,083
(Loss) Income from Operations	(25,859)	(39,913)	-	(10)	409,244	(4,320,407)	5,084,091	1,107,146	(60,127,005)
OPERATING TRANSFER									
						(8,767,758)	8,767,758	-	-
NONOPERATING INCOME:									
Investment Income	109,984							109,984	945,376
Change in Investment Value	(94,012)							(94,012)	(641,078)
Total Nonoperating Income	15,971							15,971	304,298
Change in Net Assets	(9,887)	(39,913)	-	(10)	409,244	(13,088,165)	13,851,849	1,123,118	(59,822,708)
Beginning Net Assets	884,805	239,597	148,470	271,134	194,310	29,016,633	-	30,754,949	90,577,656
Ending Net Assets	\$ 874,918	\$ 199,684	\$ 148,470	\$ 271,124	\$ 603,554	\$ 15,928,468	\$ 13,851,849	\$ 31,878,067	\$ 30,754,948

**SUMMARY OF SIGNIFICANT CHANGES IN FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2014**

BALANCE SHEET:

Cash and Investment – Overall cash and investments are \$28.2 million as of December 31, 2014. This is a decrease of \$13.0 million compared to the \$41.2 million in cash as of September 30, 2014. The decrease in cash relates to issuance of final payments to program partners for contracts ending June 30, 2014, as well as payments for PEI Program no-cost extension and Phase I/Sustainability.

Investments – Current Portion – See Treasurer’s Report

Receivables – \$2,468,545

• Phase I Sustainability	\$2,192,376
• State Hospital Beds Program	167,477
• Feasibility Study	107,472
• Application Fees	<u>1,250</u>
	\$2,468,545

Interest receivable – Total interest receivable of \$45,300 is for accrued bond interest.

Accounts Payable – The balance in account payable as of December 31, 2014 is \$7.2 million. The payables are primarily related to payments to program partners. The vendors with the most significant balances are:

• California State University Office of the Chancellor	\$1,911,153
• The Regents of the University of California	1,427,607
• Foundation for CA Community Colleges	488,940
• Runyon Saltzman & Einhorn	451,260
• RAND	<u>428,022</u>
	\$4,706,982

STATEMENT OF REVENUE AND CHANGES IN NET ASSETS:

Operating Revenue – Total revenue for the six months ended December 31, 2014 was \$6,559,421 consisting primarily of revenue for Phase I Sustainability and the State Hospital Beds Program.

Expenses – Overall expenses for the six months ended December 31, 2014 were \$13.9 million. The expenses for these six months consisted mainly of contract expenses for the PEI Program no-cost extension as well as contract expenses for Phase I sustainability.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

UNAUDITED BALANCE SHEET

	December 30, 2014	June 30, 2014
ASSETS		
Current Assets:		
Cash & Cash Equivalents	\$ 14,606,009	\$ 875,222
Investments - Current Portion	13,556,337	43,931,766
Contractor Prepayments		
Receivables:		
State Hospital Bed Funds	167,447	180,817
Feasibility Study	107,472	135,794
Tech Asst/Capacity Building		482,000
Phase I Sustainability	2,192,376	
Application Fees	1,250	1,250
Interest	45,300	179,906
Total Current Assets	30,676,192	45,786,755
Noncurrent Assets:		
Investments		
Total Assets	\$ 30,676,192	\$ 45,786,755
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 6,477,145	\$ 12,050,580
Program Partner Holdbacks	762,379	2,942,042
Deferred Revenue		39,185
WET Program Funding		
Total Current Liabilities	7,239,524	15,031,807
Net Assets:		
Operations	904,834	884,805
International SDR Conference	(31,650)	
Tech Asst/Capacity Building	204,064	239,597
WET Program Funding	148,470	148,470
Feasibility Study	269,972	271,134
SHB Program Funding	569,401	194,310
PEI Program Funding	9,423,503	29,016,633
Phase I Sustainability Funding	11,948,074	
Total Net Assets	23,436,668	30,754,948
Total Liabilities and Net Assets	\$ 30,676,192	\$ 45,786,755

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

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

For The Six Months Ended December 31, 2014

	<u>Operations</u>	<u>International SDR Conference</u>	<u>Tech Asst/ Capacity Building</u>	<u>WET Program Funding</u>	<u>Feasibility Study Funding</u>	<u>SHB Program Funding</u>	<u>PEI Program Funding</u>	<u>Phase I Sustainability</u>	<u>December 2014 Total</u>	<u>June 2014 Total</u>
OPERATING REVENUES:										
Technical Assistance/Capacity Building									\$ -	\$ 668,600
Community Planning (5%)									-	11,080
PEI State Wide Program Funding									-	210,520
SHB Funding						\$ 438,642			438,642	272,257
Feasibility Study Funding									-	299,171
Phase I Sustainability Funding								\$ 6,082,429	6,082,429	
Conference Registration		33,350							33,350	
Donations		5,000							5,000	200
Application Fee									-	1,250
Total Operating Revenue	-	38,350	-	-	-	438,642	-	6,082,429	6,559,421	1,463,078
PROGRAM EXPENSES:										
SDR Conference		70,000							70,000	
Technical Assistance/Capacity Building										
Program Contract			35,533						35,533	417,469
Program Implementation & Oversight									-	49,665
Other Contract Services									-	-
Legal									-	-
Meeting and Other									-	601
SHB Program Funding:										
Program Contract									-	62,040
Program Mgmt. & Oversight						56,672			56,672	-
Other Contract Services						612			612	-
Legal						5,254			5,254	12,488
Meeting and Other						1,013			1,013	3,499
Feasibility Study Funding									-	-
Program Contract									-	27,368
Program Mgmt. & Oversight									-	-
Other Contract Services									-	-
Legal					1,152				1,152	-
Meeting and Other									-	629
PEI State Wide Program Funding:					10				10	40
Program Expense:										
Program Contract							8,325,733	2,624,335	10,950,068	55,468,900
Program Mgmt. & Oversight							236,648	147,222	383,870	915,871
Other Contract Services							8,200		8,200	10,200
Legal							7,306		7,306	19,952
Meeting and Other							29,877		29,877	89,366
Evaluation Expense:										
Program Contract							1,468,945	13,889	1,482,834	2,989,170
Program Mgmt. & Oversight							10,648		10,648	49,767
Meeting and Other									-	10,760
Planning Expense:										
Program Mgmt. & Oversight							160,242		160,242	184,961
Other Contract Services							86,928		86,928	96,159
Legal							5,817		5,817	-
Dissemination Materials							38,158		38,158	71,324
Meeting and Other							38,964		38,964	20,582
Total Program Expense	-	70,000	35,533	-	1,162	63,551	10,417,466	2,785,446	13,373,158	60,500,811
INDIRECT EXPENSES:										
General Management							314,684	116,667	431,351	814,580
Other Contract Services							15,577		15,577	22,087
Legal Services							29,392		29,392	46,621
Insurance							31,431		31,431	33,209
Investment Management Fees	28,481								28,481	100,616
Financial Audit									-	-
Dissemination Materials									-	-
Meeting and Other	9,647						16,822		26,469	72,160
Formation Fees- Refund to Founding Members							-		-	-
Total General And Administrative	38,128	-	-	-	-	-	407,906	116,667	562,701	1,089,273
Total Expenses	38,128	70,000	35,533	-	1,162	63,551	10,825,372	2,902,113	13,935,859	61,590,083
(Loss) Income from Operations	(38,128)	(31,650)	(35,533)	-	(1,162)	375,091	(10,825,372)	3,180,316	(7,376,438)	(60,127,005)
OPERATING TRANSFER										
							(8,767,758)	8,767,758	-	-
NONOPERATING INCOME:										
Investment Income	193,712						-		193,712	945,376
Change in Investment Value	(135,554)						-		(135,554)	(641,078)
Total Nonoperating Income	58,158						-		58,158	304,298
Change in Net Assets	20,029	(31,650)	(35,533)	-	(1,162)	375,091	(19,593,130)	11,948,074	(7,318,281)	(59,822,708)
Beginning Net Assets	884,805	-	239,597	148,470	271,134	194,310	29,016,633	-	30,754,949	90,577,656
Ending Net Assets	\$ 904,834	\$ (31,650)	\$ 204,064	\$ 148,470	\$ 269,972	\$ 569,401	\$ 9,423,503	\$ 11,948,074	\$ 23,436,668	\$ 30,754,948

**SUMMARY OF SIGNIFICANT CHANGES IN FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2015**

BALANCE SHEET:

Cash and Investment – Overall cash and investments are \$18.3 million as of March 31, 2015. This is a decrease of \$9.9 million compared to the \$28.2 million in cash as of December 31, 2014. The decrease in cash relates to issuance of payments to program partners for PEI Program no-cost extension and Phase I/Sustainability.

Investments – Current Portion – See Treasurer’s Report

Receivables – \$2,209,747

• Phase I Sustainability	\$1,945,519
• State Hospital Beds Program	159,035
• Feasibility Study	103,943
• Application Fees	<u>1,250</u>
	\$2,209,747

Interest receivable – Total interest receivable of \$28,617 is for accrued bond interest.

Accounts Payable – The balance in accounts payable as of March 31, 2015 is \$1.5 million. The payables are primarily for payments to program partners. The vendors with the most significant balances are:

• Civilian, Inc.	\$ 368,713
• Didi Hirsch Psychiatric Service	270,090
• Runyon Saltzman & Einhorn	<u>233,515</u>
	\$ 872,318

STATEMENT OF REVENUE AND CHANGES IN NET ASSETS:

Operating Revenue – Total revenue for the nine months ended March 31, 2015 was \$6,764,753 consisting primarily of revenue for Phase I Sustainability and the State Hospital Beds Program.

Expenses – Overall expenses for the nine months ended March 31, 2015 were \$18.5 million. The expenses for these nine months consisted mainly of contract expenses for the PEI Program no-cost extension as well as contract expenses for Phase I sustainability.

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

UNAUDITED BALANCE SHEET

	March 31, 2015	June 30, 2014
ASSETS		
Current Assets:		
Cash & Cash Equivalents	\$ 15,981,085	\$ 875,222
Investments - Current Portion	2,379,379	43,931,766
Contractor Prepayments		
Receivables:		
State Hospital Bed Funds	159,035	180,817
Feasibility Study	103,943	135,794
Tech Asst/Capacity Building		482,000
Phase I Sustainability	1,945,519	
Application Fees	1,250	1,250
Interest	28,617	179,906
Total Current Assets	20,598,828	45,786,755
Noncurrent Assets:		
Investments		
Total Assets	\$ 20,598,828	\$ 45,786,755
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 1,515,255	\$ 12,050,580
Program Partner Holdbacks	33,634	2,942,042
Deferred Revenue		39,185
WET Program Funding		
Total Current Liabilities	1,548,889	15,031,807
Net Assets:		
Operations	879,810	884,805
International SDR Conference	(75,036)	
Tech Asst/Capacity Building	204,064	239,597
WET Program Funding	148,470	148,470
Feasibility Study	267,267	271,134
SHB Program Funding	557,935	194,310
PEI Program Funding	7,553,687	29,016,633
Phase I Sustainability Funding	9,513,742	
Total Net Assets	19,049,939	30,754,948
Total Liabilities and Net Assets	\$ 20,598,828	\$ 45,786,755

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

UNAUDITED
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS

For The Nine Months Ended March 31, 2015

	Operations	International SDR Conference	Tech Asst/ Capacity Building	WET Program Funding	Feasibility Study Funding	SHB Program Funding	PEI Program Funding	Phase I Sustainability	March 2015 Total	June 2014 Total
OPERATING REVENUES:										
Technical Assistance/Capacity Building									\$ -	\$ 668,600
Community Planning (5%)									-	11,080
PEI State Wide Program Funding									-	210,520
SHB Funding						\$ 438,642			438,642	272,257
Feasibility Study Funding									-	299,171
Sustainability Funding								\$ 6,133,998	6,133,998	
Conference Registration		152,113							152,113	
Donations		40,000							40,000	200
Application Fee									-	1,250
Total Operating Revenue	-	192,113	-	-	-	438,642	-	6,133,998	6,764,753	1,463,078
PROGRAM EXPENSES:										
SDR Conference		267,149							267,149	
Technical Assistance/Capacity Building										
Program Contract			35,533						35,533	417,469
Program Implementation & Oversight									-	49,665
Other Contract Services									-	-
Legal									-	-
Meeting and Other									-	601
SHB Program Funding:										
Program Contract									-	62,040
Program Mgmt. & Oversight						66,880			66,880	-
Other Contract Services						1,356			1,356	-
Legal						5,550			5,550	12,488
Meeting and Other						1,231			1,231	3,499
Feasibility Study Funding									-	-
Program Contract									-	27,368
Program Mgmt. & Oversight									-	-
Other Contract Services					3,857				3,857	-
Legal									-	629
Meeting and Other					10				10	40
PEI State Wide Program Funding:										
Program Expense:										
Program Contract							9,236,058	4,971,347	14,207,405	55,468,900
Program Mgmt. & Oversight							289,681	220,834	510,515	915,871
Other Contract Services							10,500		10,500	10,200
Legal							9,038		9,038	19,952
Meeting and Other							42,097		42,097	89,366
Evaluation Expense:										
Program Contract							1,916,299		1,916,299	2,989,170
Program Mgmt. & Oversight							40,262	20,833	61,095	49,767
Meeting and Other							100		100	10,760
Planning Expense:										
Program Mgmt. & Oversight							209,348		209,348	184,961
Other Contract Services							158,561		158,561	96,159
Legal							5,817		5,817	-
Dissemination Materials							58,253		58,253	71,324
Meeting and Other							49,706		49,706	20,582
Total Program Expense	-	267,149	35,533	-	3,867	75,017	12,025,720	5,213,014	17,620,300	60,500,811
INDIRECT EXPENSES:										
General Management							544,043	175,000	719,043	814,580
Other Contract Services	175						23,909		24,084	22,087
Legal Services							41,367		41,367	46,621
Insurance							31,431		31,431	33,209
Investment Management Fees	35,356								35,356	100,616
Financial Audit									-	-
Dissemination Materials									-	-
Meeting and Other	44,563						28,718		73,281	72,160
Formation Fees- Refund to Founding Members									-	-
Total General And Administrative	80,094	-	-	-	-	-	669,468	175,000	924,562	1,089,273
Total Expenses	80,094	267,149	35,533	-	3,867	75,017	12,695,188	5,388,014	18,544,862	61,590,083
(Loss) Income from Operations	(80,094)	(75,036)	(35,533)	-	(3,867)	363,625	(12,695,188)	745,984	(11,780,109)	(60,127,005)
OPERATING TRANSFER										
							(8,767,758)	8,767,758	-	-
NONOPERATING INCOME:										
Investment Income	235,611						-		235,611	945,376
Change in Investment Value	(160,512)						-		(160,512)	(641,078)
Total Nonoperating Income	75,099						-		75,099	304,298
Change in Net Assets	(4,995)	(75,036)	(35,533)	-	(3,867)	363,625	(21,462,946)	9,513,742	(11,705,010)	(59,822,708)
Beginning Net Assets	884,805	-	239,597	148,470	271,134	194,310	29,016,633	-	30,754,949	90,577,656
Ending Net Assets	\$ 879,810	\$ (75,036)	\$ 204,064	\$ 148,470	\$ 267,267	\$ 557,935	\$ 7,553,687	\$ 9,513,742	\$ 19,049,939	\$ 30,754,948

Performance and Income, through 4/29/15

Prepared on April 30, 2015

Prepared For: **CalMHSA Finance Committee; May 11, 2015**

Account No. 178-116821

John T Liddle

Financial Advisor

Senior Vice President

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ACCOUNT(S) INCLUDED IN THIS REPORT

Account No. 178-116821

Reporting Currency: USD

ACCOUNT(S) DETAIL

Account Name and Address	Account Type	Advisory/Brokerage	Account Number	Date Opened	Date Closed
PFM ACCT 3043 GOLD CANAL DRIVE SUITE 200 RNCHO CORDOVA	Consulting and Evaluation Services	Advisory	178-116821	06/03/11	

Account No. 178-116821

As of April 29, 2015 | Reporting Currency: USD

CASH, MMF AND BANK DEPOSITS

Security Description	Quantity	Average Unit Cost	Total Cost	Price	Total Value	Unrealized Gain/Loss	Est. Annual Income	% of Portfolio
MS ACTIVE ASSETS MONEY TRUST <i>AAMT, Cusip: 004940102</i>	27,152.44	-	-	\$1.00	\$27,152.44	-	-	1.12%
Cash, MMF and Bank Deposits Total			-		\$27,152.44	-	-	1.12%

CORPORATE FIXED INCOME

Security Description	Quantity	Average Unit Cost	Total Cost	Price	Total Value	Unrealized Gain/Loss	Est. Annual Income	% of Portfolio
TOYOTA MOTOR CREDIT CORP <i>Cusip: 89233P4B9, Moody's Rating: AA3, S & P Rating: AA-, Maturity Date: 6/17/2015, Coupon: 3.200, Accrued Interest: \$27749.325, Curr Yield: 3.18%</i>	2,365,000.00	\$1.00	\$2,373,377.65	\$100.35	\$2,400,932.23	-\$194.75	\$37,840.00	98.88%
Corporate Fixed Income Total			\$2,373,377.65		\$2,400,932.23	-\$194.75	\$37,840.00	98.88%

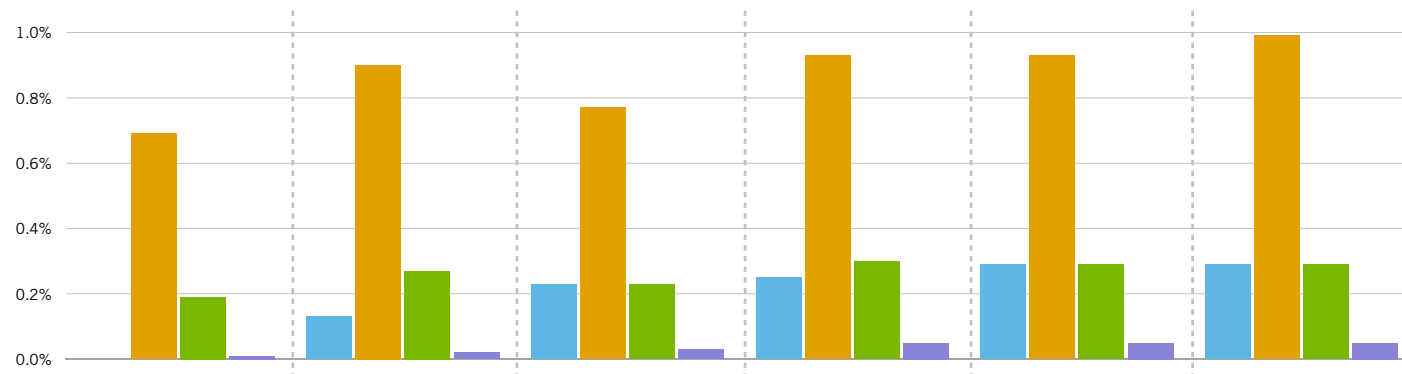
Unrealized Gain/Loss value does not reflect interest and dividend accruals.
Estimated Annual Income (EAI) does not include income from external assets.

TIME WEIGHTED PERFORMANCE SUMMARY

Account No. 178-116821

As of April 29, 2015 | Reporting Currency: USD

RETURN % (GROSS AND NET OF FEES) VS. BENCHMARKS



	Year to Date 12/31/14 - 04/29/15	Custom Period 06/30/14 - 04/29/15	Previous Year 12/31/13 - 12/31/14	Last 3 Years 04/30/12 - 04/29/15	Performance Inception Month End 01/31/12 - 04/29/15	Performance Inception 01/11/12 - 04/29/15
Beginning Total Value	\$18,686,450.22	\$44,220,757.74	\$62,013,890.58	\$91,501,241.42	\$91,332,617.76	\$91,336,342.00
Net Contributions/Withdrawals	-16,260,000.00	-41,814,700.00	-43,404,700.00	-89,617,047.00	-89,617,047.00	-89,617,047.00
Income Received	51,898.85	375,738.62	779,317.71	3,343,685.14	3,563,550.14	3,334,161.06
Appreciation/Depreciation	-50,264.41	-353,711.70	-702,058.07	-2,799,794.90	-2,851,036.24	-2,625,371.40
Ending Total Value	\$2,428,084.67	\$2,428,084.67	\$18,686,450.22	\$2,428,084.67	\$2,428,084.67	\$2,428,084.67

Return % (Gross of Fees)	0.10	0.32	0.41	0.43	0.46	0.46
Return % (Net of Fees)	0.00	0.13	0.23	0.25	0.29	0.29
BC Gov/Cr 1-3 Yr	0.69	0.90	0.77	0.93	0.93	0.99
Citi TSY 1 Yr	0.19	0.27	0.23	0.30	0.29	0.29
90-Day T-Bills	0.01	0.02	0.03	0.05	0.05	0.05

Inception dates for advisory account(s) reflect the most recent advisory program or account change.

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

DISCLOSURES

Explanatory Notes and Disclosures: This document is designed to assist you and your Financial Advisor in understanding portfolio positions, composition and subsets thereof. It is designed solely for your individual use, is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. Do not take action relying on this information without confirming its accuracy and completeness. Please read carefully all accompanying notes and disclosures provided in this Document.

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Additional information about your Floating Rate Notes: For floating rate securities, the estimated accrued interest and estimated annual income are based on the current floating coupon rate and may not reflect historic rates within the accrual period.

Performance: Performance results are annualized for time periods greater than one year and include all cash and cash equivalents, realized and unrealized capital gains and losses, and dividends, interest and income. The investment results depicted herein represent historical performance. As a result of recent market activity, current performance may vary from the figures shown. Please contact your Financial Advisor for up to date performance information. Past performance is not a guarantee of future results.

Market values used for performance calculation do not include performance ineligible assets and thus may differ from asset allocation market values. Common examples of performance ineligible assets include life insurance, some annuities and assets held externally. Unless otherwise indicated, performance is a composite calculation on the entire portfolio and may include brokerage and investment advisory accounts, as well as assets for different accounts included in this report. The accounts included in the composite may have (or have had) different investment objectives and strategies, been subject to different restrictions, and incurred different types of fees, markups, commissions and other charges. Accordingly, performance results may blend the performance of assets and strategies that may not have been available in all of the accounts at all times during the reporting period. In addition, accounts in the composite may have changed from brokerage to advisory or vice versa. Accounts may also have moved from one advisory program to another (including from a discretionary program to a non-discretionary program).

Performance information may cover the full history of the account(s) or just the performance of an account(s) since the inception of the current program(s). Performance results on individual accounts will vary and may differ from the composite returns. Your Financial Advisor can provide you with individual account portfolio composition and

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Prepared on April 30, 2015 | Reporting Currency: USD

performance information. For investment advisory accounts, please see the Morgan Stanley Smith Barney Form ADV Part 2 or applicable disclosure brochure and any applicable brokerage commission and/or fee schedule for a full disclosure of fees and expenses. Your Financial Advisor will provide those documents to you upon request. Performance inception date does not necessarily correspond to the account opening date. Where multiple accounts are included in performance calculations, the inception date is the oldest performance inception. Performance data may not be available for all periods as some accounts included in performance may have more recent performance inception dates. Consequently, the actual performance for a group of accounts may differ from reported performance. Please ask your Financial Advisor for the performance inception date for each account.

Gross of Fees: As fees are deducted quarterly, the compounding effect will be to increase the impact of the fees by an amount directly related to the gross account performance. For example, for an account with an initial value of \$100,000 and a 2% annual fee, if the gross performance is 10% per year over a three year period, the compounding effect of the fees will result in a net annual compound rate of return of approximately 7.81% per year over a three year period, and the total value of the client's portfolio at the end of the three year period would be approximately \$133,100 without the fees and \$125,307 with the fees.

Indices: Benchmark indices and blends included in this material are for informational purposes only, are provided solely as a comparison tool and may not reflect the underlying composition and/or investment objective(s) associated with the account(s). In some circumstances, the benchmark index may not be an appropriate benchmark for use with the specific composite portfolio. For instance, an index may not take into consideration certain changes that may have occurred in the portfolio since the inception of the account(s), (e.g., changes from a brokerage to an advisory account or from one advisory program to another, asset class changes, or index changes for individual managers).

The volatility of the index used for comparison may be materially different from that of the performance shown. Indices are unmanaged and not available for direct investment. Index returns do not take into account fees or other charges. Such fees and charges would reduce performance. Please see the Benchmark Definitions section of this material for additional information on the indices used for comparison.

Performance Inception Month End: Performance Inception Month End refers to performance calculated from the end of the month in which the accounts became eligible for performance. Calculating performance from the Performance Inception Month End allows for a comparison to be made to appropriate benchmarks. Performance Inception Month End does not necessarily correspond to the account opening date.

Realized/Unrealized Gain/Loss: The gain and loss information is provided for informational purposes only, may not be complete, is not a substitute 1099 form (or any other appropriate tax form), and should not be used for tax planning or preparation. Gain and loss values are estimates and should be independently verified. We are not responsible for any gain and loss information provided by you or another financial institution you are responsible for ensuring the accuracy of such information.

Projected Next 12 Months income: Projected Next 12 Months income includes cash income such as interest and cash dividends, based on current yields and does not include income from external accounts. These are projections and the actual income may be lower or higher than the projections.

Bank Deposit Program: Morgan Stanley Smith Barney LLC is a registered broker-dealer, not a bank. Unless specifically disclosed in writing, other investments and services offered through Morgan Stanley Smith Barney LLC are not insured by the Federal Deposit Insurance Corporation (FDIC), are not deposits or other obligations of, or guaranteed by, a Bank and involve risks, including possible loss of principal amount invested. Bank Deposit Program balances are held at (1) Morgan Stanley Bank, N.A., and/or Morgan Stanley Private Bank, National Association, affiliates of Morgan Stanley Smith Barney, or (2) Citibank, N.A., each Members FDIC.

Certificates of Deposit (CD's): CDs are insured by the FDIC, an independent agency of the U.S. Government, up to a maximum amount of \$250,000 (including principal and

Account No. 178-116821

Prepared on April 30, 2015 | Reporting Currency: USD

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

Global Currency Deposits: Global Currency deposits are held at Morgan Stanley Private Bank, National Association ("MSPBNA"), Member FDIC. Morgan Stanley Smith Barney LLC and MSPBNA are affiliates. Morgan Stanley Smith Barney LLC is a registered broker-dealer, not a bank. Unless specifically disclosed in writing, other investments and services offered through Morgan Stanley Smith Barney are not insured by the FDIC, are not deposits or other obligations of, or guaranteed by, a bank and involve investment risks, including possible loss of principal amount invested. FDIC insurance does not protect against losses due to exchange rate movements.

GENERAL DEFINITIONS

Total Value: Total Value represents the Market Value of the portfolio or of a given Asset Class inclusive of interest and dividend accruals. Total Value for Change in Portfolio Value and Asset Allocation before January 2014 does not include accruals.

Time-Weighted Return: A return calculation that measures the performance of one dollar invested over the reporting period. As time-weighted returns do not include the impact of timing of contributions and withdrawals, they can be compared to market indices and used to evaluate the performance of an investment or manager.

Gross of Fees: Performance results depicted as "gross" of fees do not reflect the deduction of any wrap fee, investment management fee, trade commissions, and/or other account fees. Your actual returns are lower after deducting these expenses. Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.

Net of Fees: Performance results depicted as "net" of fees shall mean that any wrap fee, investment management fees, trade commissions, and/or other account fees have been deducted. Any other fees or expenses associated with the account, such as third party custodian fees, may not have been deducted. Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.

Net Contributions/Withdrawals: The net value of cash and securities contributed to or withdrawn from the account(s) during the reporting period. Net contributions and withdrawals may include advisory fees for advisory accounts.

Appreciation/Depreciation: The total portfolio value increase or decrease over the reporting period excluding net contributions and withdrawals.

Income Received: Income received includes cash income such as interest and cash dividends and does not include income from external accounts.

APY: The Annual Percentage Yield ("APY") for deposits represents the applicable rate in effect for your deposits at the period ending date. This APY may be different than the APY that was in effect during the statement period. For current Bank Deposit or Money Market Fund yields, go to <http://www.morganstanleyindividual.com/AccountOptions/ActiveAssets/InvestmentFeatures>

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Call Date: The date on which a bond or preferred stock can be redeemed by the issuer before maturity.

Call Price: The price at which a bond or a preferred stock can be redeemed by the issuer before maturity.

Current Yield: The indicated Estimated Annual Income divided by the Market Value/Current Cost.

Gross Accumulated Value (\$): Gross Accumulated Value is the most current market value provided by carriers of the Annuity or Life insurance product.

Net Invested Premium(\$): Net Invested Premium is the total amount invested and minus the total amount withdrawn. The total amount invested includes the initial investment and any future contributions.

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

Focus (FL): Investment products on the Focus List have been subject to an in-depth review and possess CG IAR's highest level of confidence.

Approved (AL): Investment products on the Approved List have typically been subject to a less rigorous review process and have been approved for recommendation to investors.

Not Approved (NL): Investment products that were previously on the Focus List or Approved List but are no longer on either of those lists. CG IAR no longer covers these products.

Morgan Stanley Research Ratings: Morgan Stanley uses a relative rating system using terms such as Overweight, Equal-weight, Not-Rated, or Underweight (see definition below). Morgan Stanley does not assign ratings of Buy, Hold or Sell to the stocks we cover. Overweight, Equal-weight, Not-Rated and Underweight are not the equivalent of buy, hold and sell. Investors should carefully read the definitions of all ratings used in Morgan Stanley Research. In addition, since Morgan Stanley Research contains more complete information concerning the analyst's view, investors should carefully read Morgan Stanley Research, in its entirety, and not infer the contents from the ratings alone. In any case, ratings (or research) should not be used or relied upon as investment advice. An investor's decision to buy or sell a stock should depend on individual circumstances (such as the investor's existing holdings) and other considerations.

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

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

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

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

Not Available (NAV): Indicates that the ratings for this company are not available because of a Morgan Stanley policy.

Discontinued Coverage (DC)

Moody's Investor Service and Standard & Poor's Credit Ratings: The credit ratings from Moody's Investors Service and Standard & Poor's may be shown for certain securities. All credit ratings represent the "opinions" of the provider and are not representations or guarantees of performance. Your Financial Advisor will be pleased to provide you with

further information or assistance in interpreting these credit ratings.

STANDARD & POOR'S Equity Research Ratings: For ease of comparison, Morgan Stanley Wealth Management has normalized Standard & Poor's proprietary research ratings to a 1 (Buy), 2 (Hold), and 3 (Sell), which differs from Standard & Poor's rating system. Please refer to a Standard & Poor's research report for a complete description of Standard & Poor's rating system and Standard & Poor's actual proprietary rating on any covered company. Standard & Poor's ratings are described below:

1 / 5-STARS (Strong Buy): Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis

1 / 4-STARS (Buy): Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis

2 / 3-STARS (Hold): Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis

3 / 2-STARS (Sell): Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain

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

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

Not Rated: Not Rated is assigned to an unrated issuer, obligation and/or program and can also include mutual funds and ETFs.

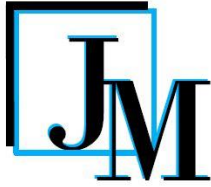
Accrued Income: Income earned but not yet received.

BENCHMARK DEFINITIONS

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

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

BC Gov/Cr 1-3 Yr: The Barclays 1-3 Year Government/Credit Bond Index contains bonds that are investment grade with maturities between one and three years.



James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

May 4, 2015

Kim Santin, Finance and Administration Director
George Hills Company, Inc.

Re: California Mental Health Services Authority

Dear Board of Directors

We are pleased to confirm our understanding of the services we are to provide for California Mental Health Services Authority for June 30, 2015.

I. SCOPE OF WORK

The following represents our understanding of the services we will provide California Mental Health Services Authority (Authority).

You have requested that we audit the Statement of Net Position of California Mental Health Services Authority as of June 30, 2015, and for the year then ended and the related notes to the financial statements, which collectively comprise Authority's basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audit will be conducted with the objective of our expressing an opinion on each opinion unit.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP) and Actual, General Fund – Current Year and Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP) and Actual, General Fund – Prior Year be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- *Management’s Discussion and Analysis*
- *Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP) and Actual, General Fund – Current Year*
- *Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP) and Actual, General Fund – Prior Year*

Supplementary information other than RSI will accompany Authority’s basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole.

The Objective of an Audit

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

General Audit Procedures

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) *and in accordance with Government Auditing Standards*, and the State Controller’s *Minimum Audit Requirements for California Special Districts*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting

estimates made by management, as well as evaluating the overall presentation of the financial statements.

Internal Control Audit Procedures

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS *and in accordance with Government Auditing Standards, and the State Controller's Minimum Audit Requirements for California Special Districts.*

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

Compliance with Laws and Regulations

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of California Mental Health Services Authority's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Management Responsibilities

Our audit will be conducted on the basis that *management* acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America
- b. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
- c. To provide us with:
 - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
 - ii. Additional information that we may request from management for the purpose of the audit; and
 - iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

- d. For including the auditor's report in any document containing financial statements that indicates that such financial statements have been audited by the entity's auditor;
- e. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities; and
- f. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.¹

As part of our audit process, we will request from *management and, when appropriate, those charged with governance*, written confirmation concerning representations made to us in connection with the audit.

Reporting

We will issue a written report upon completion of our audit of Authority's basic financial statements. Our report will be addressed to the governing body of Authority. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

We also will issue a written report on Internal Control over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standard upon completion of our audit.

Other

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Provisions of Engagement Administration, Timing and Fees

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

James P. Marta is the engagement partner for the audit services specified in this letter. *His* responsibilities include supervising James Marta & Company's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Fees

Our fee for the audits will be \$10,710 for 2015. We will bill you on a monthly basis for our services and invoices are payable upon presentation. Unpaid fee balances 30 days overdue will bear interest at 18 percent per annum. This fee is based upon the assumption that the closing journal entries will be made and accounting will be finalized and closed before the year end audit fieldwork. Additional time and billing charges will incur if accounting service is provided for closing or reconciling accounting records.

Whenever possible, we will attempt to use your personnel to assist in the preparation of schedules and analyses of accounts. We understand that your employees will prepare all cash or other confirmations we request and will locate any invoices selected by us for testing. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit.

Our initial fee estimate assumes we will receive the aforementioned assistance from your personnel and unexpected circumstances will not be encountered. In the event that the GASB, FASB, AICPA, GAO, OMB, or the State of California issues additional standards or audit procedures that require additional work during the audit period, we will discuss these requirements with you before proceeding further. Before starting the additional work, we will prepare an estimate of the time necessary, as well as the fee for performing the additional work. Our fee for addressing the additional requirements will be at our standard hourly rates for each person involved in the additional work.

In the event we are required to respond to discovery requests, subpoenas, and outside inquiries, we will first obtain your permission unless otherwise required to comply under the law. Our time and expense to comply with such requests will be charged at our standard hour rates in addition to the stated contract.

We agree to retain our audit documentation or work papers for a period of at least seven years from the date of our report.

At the conclusion of our audit engagement, we will communicate to the board of directors the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of James Marta & Company, LLC and constitutes confidential information. However, we may be requested to make certain audit documentation available pursuant to authority given to any regulator by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of James Marta & Company, LLC's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to any regulator. They may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

Mediation Provision

Disputes arising under this agreement (including scope, nature, and quality of services to be performed by us, our fees and other terms of the engagement) shall be submitted to mediation. A competent and impartial third party, acceptable to both parties shall be appointed to mediate, and each disputing party shall pay an equal percentage of the mediator's fees and expenses. No suit or arbitration proceedings shall be commenced under this agreement until at least 60 days after the mediator's first meeting with the involved parties. If the dispute requires litigation, the court shall be authorized to impose all defense costs against any non-prevailing party found not to have participated in the mediation process in good faith.

Several technical accounting and auditing words and phrases have been used herein. We presume you to understand their meaning or that you will notify us otherwise so that we can furnish appropriate explanations.

We have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.¹²

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

Sincerely,



James P. Marta CPA ARM

Principal
James Marta & Company LLP
Certified Public Accountants

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of

California Mental Health Services Authority

Approved by: _____

Title: _____

Date: _____



**FINANCE COMMITTEE CALENDAR of MEETINGS
FISCAL YEAR 2015-2016**

<u>Date:</u>	<u>Time:</u>	<u>Location:</u>
July 27, 2015	3:00 pm – 4:00 pm	Teleconference <i>Financial Audit Engagement Letter State Hospital Beds</i>
December 7, 2015	3:00 pm – 4:00 pm	Teleconference <i>Review of Draft Financial Audit, June 30, 2015 Review of the first quarter financial statements for the period ending September 30, 2015</i>
March 21, 2016	3:00 pm – 4:00 pm	Teleconference <i>Review of the second quarter financial statements for the period ending December 31, 2015</i>
May 9, 2016	3:00 pm – 4:30 pm	Teleconference <i>Review of the third quarter financial statements for the period ending March 31, 2016 Review of Annual Revenue and Expense Report – Proposed Budget, June 30, 2017 for presentation at next Board of Directors Meeting</i>

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

Resolution No. 15-02

Subject: Authorizing Establishment of Bank Accounts and Account Signatures

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY (CalHMSA) that Banks insured by the FDIC may be used as the depositories of Authority funds; and

WHEREAS, the Board of Directors does hereby find that the deposit and withdrawal of money in Banks insured by the FDIC are in accordance with the provisions of Section 53600-53609 and 53630-53686 of the Government Code for the purpose of investment as stated therein as in the best interests of CalHMSA.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors does hereby authorize the deposit and withdrawal of CalMMSA monies in the Banks insured by the FDIC for the purpose of investment as stated therein.

BE IT FURTHER RESOLVED that:

1. The following CalHMSA officers and designated staff shall be authorized to order the deposit or withdrawal of monies:
 - President
 - Vice President
 - Treasurer
 - Secretary
 - Executive Director
 - Chief Operating Officer
 - Finance Director
2. There shall be required two signatures on any bank account for the disbursement of funds.

PASSED AND ADOPTED, by the Board of Directors of CalHMSA on _____

Date of last Revision: 7/9/2009

Replaces Resolution No: 09-03

Ayes: _____ Noes: _____ Abstains: _____ Absent: _____

PURCHASING AND PROCUREMENT POLICY
FOR
CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY

Resolution No. 15-03
Replacement of Resolution 09-04

Resolution of California Mental Health Services Authority

AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND

WHEREAS, the Local Agency Investment Fund is established in the State Treasury under Government Code section 16429.1 et. seq. for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the California Mental Health Service Authority (CalMHSA) hereby finds that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein is in the best interests of CalMHSA.

NOW THEREFORE, BE IT RESOLVED, the California Mental Health Services Authority hereby authorizes the deposit and withdrawal of CalMHSA monies in the Local Agency Investment Fund in the State Treasury in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein.

BE IT FURTHER RESOLVED, as follows:

Section 1. The following CalMHSA officers and designated staff members herein below are hereby authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund and may execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby:

- President
- Vice-President
- Secretary
- Treasurer
- Executive Director
- Chief Operating Officer
- Finance Director

Section 2. This resolution shall remain in full force and effect until rescinded by CalMHSA's Board of Directors by resolution and a copy of the resolution rescinding this resolution is filed with the State Treasurer's Office.

PASSED AND ADOPTED, by the Board of Directors of CalMHSA on _____

Date of last Revision: 3/6/2013

Replaces Resolution No: 13-01

Ayes: _____ Noes: _____ Abstains: _____ Absent: _____

California Mental Health Services Authority

Resolution No. 15-04

**AUTHORIZING INVESTMENT OF MONIES IN MORGAN STANLEY SMITH BARNEY MONEY
MARKET ACCOUNT**

WHEREAS, the California Mental Health Service Authority (CalMHSA) does hereby find that the deposit and withdrawal of money with Morgan Stanley Smith Barney for the purpose of deposit of funds in money market account stated therein as in the best interests of CalMHSA.

NOW THEREFORE, BE IT RESOLVED, that the California Mental Health Services Authority does hereby authorize the deposit and withdrawal of CalMHSA monies with Morgan Stanley Smith Barney for the purpose of investment as stated therein.

BE IT FURTHER RESOLVED, that CMHSA's President, Vice-President, Secretary, Treasurer, Executive Director, Chief Operating Officer and Finance Director shall be authorized to order the deposit or withdrawal of monies with Morgan Stanley Smith Barney.

PASSED AND ADOPTED, by the Board of Directors of CalMHSA on _____.

Date of last Revision: July 14, 2011

Replaces Resolution No.: 11-04

Ayes: _____ Noes: _____ Abstains: _____ Absent: _____

Letters of Acknowledgement

County	PHASE I FUNDING FY 14-15 Funding		PHASE I Funding Received	PHASE II FUNDING FY 15-16 LOA Rcvd & Funding Projected		PHASE II Funding Received FY 15-16	FY 16-17 LOA Rcvd & Funding Projected (Phase II)		Funding Received FY 16-17
	\$	%		\$	%		\$	%	
Alameda County	\$380,240.00	4%		\$342,215.00	3%	*	\$290,883.00	3%	*
*Alpine County									
*Amador County	\$8,000.00	4%	\$ 8,000.00						
Butte County									
*Calaveras County	\$2,693.64	1%	\$ 2,694.00						
City of Berkeley									
Colusa County	\$11,413.72	7%	\$ 11,414.00						
Contra Costa County									
Del Norte County									
El Dorado County									
Fresno County	\$550,974.00	7%	\$ 455,864.00						
Glenn County	\$8,800.00	5%	\$ 8,800.00	\$ 12,536.00	3%	\$ 12,536.00	\$ 13,493.00	3%	\$ 13,493.00
Humboldt County									
Imperial County	\$48,915	4%	\$ 48,915.00	\$ 48,915.00	4%		\$ 48,915.00	4%	
Inyo County									
Kern County	\$120,019	2%		\$ 120,019.19	2%		\$ 120,019.19	2%	
Kings County	\$48,915.50	5%	\$ 48,916.00	\$ 48,373.00	5%		\$ 48,373.00	5%	
Lake County	\$27,027.69	7%	\$ 27,028.00						
Lassen County									
Los Angeles County									
Madera County				\$ 15,200.00	2%		\$ 15,000.00	2%	
Marin County	\$101,536.00	7%	\$ 101,536.00	\$ 75,000.00	5%	*	\$ 75,000.00	5%	*
Mariposa County	\$11,413.72	7%	\$ 11,414.00						
Mendocino County	\$5,348.14	1%	\$ 5,348.00	\$ 7,180.00	1%		\$ 8,625.00	1%	
*Merced County	\$40,000.00	4%	\$ 40,000.00						
Modoc County	\$6,522.13	4%	\$ 6,522.00	\$ 6,522.00	4%		\$ 6,522.00	4%	
Mono County									
Monterey County	\$208,460.20	7%	\$ 208,460.00	\$ 252,000.00	7%	*	\$ 252,000.00	7%	*
Napa County	\$10,551.00	1%	\$10,551.00	\$ 9,391.00	1%		\$ 10,471.00	1%	
Nevada County									
Orange County	\$900,000.00	4%	\$900,000.00	\$ 900,000.00	4%		\$ 900,000.00	4%	
Placer County	\$162,000.00	6%	\$ 162,000.00	\$ 162,000.00	6%		\$ 162,000.00	6%	
*Plumas County									
Riverside County	\$494,695.00	4%	\$ 482,953.00	\$ 516,058.00	4%		\$ 526,379.00	4%	
Sacramento County	\$460,302.00	5%	\$ 460,302.00						
San Benito County									
San Bernardino County	\$561,894.23	4%	\$ 561,894.00	\$ 561,894.00	4%		\$ 561,894.00	4%	
San Diego County	\$650,000.00	3%	\$ 650,000.00	\$ 650,000.00	3%				
San Francisco City And County	\$100,000.00	2%	\$ 100,000.00	\$ 100,000.00	2%		\$ 100,000.00	2%	
San Joaquin County	\$174,662.54	4%	\$ 174,663.00	\$ 174,662.54	4%	verbal commitment	\$ 174,662.54	4%	verbal commitment
San Luis Obispo County	\$67,308.34	4%	\$ 67,308.00						
San Mateo County	\$85,139.00	2%		\$ 90,508.00	2%		\$ 95,965.00	2%	
Santa Barbara County									
Santa Clara County	\$502,699.41	4%							
Santa Cruz County									
Shasta County	\$11,485.46	1%	\$ 11,485.00	\$ 11,485.00	1%		\$ 11,485.00	1%	
*Sierra County									
Siskiyou County	\$11,674.61	5%	\$ 11,674.00						
Solano County	\$54,922	2%	\$ 54,922.00	\$ 53,930.00	2%		\$ 60,611.00	2%	
Sonoma County	\$57,355.58	2%	\$ 57,356.00	\$ 109,000.00	4%				
Stanislaus County	\$232,931.00	7%	\$ 232,931.00						
Sutter/Yuba County	\$39,185.00	4%	\$ 39,185.00	\$ 39,185.00	4%		\$ 39,185.00	4%	
*Tehama County									
Tri-City Mental Health Center	\$13,324.70	1%	\$ 13,325.00	\$ 14,852.00	1%		\$ 15,181.00	1%	
Trinity County	\$6,522.13	6%	\$ 6,522.13	\$ 10,000.00	4%		\$ 10,000.00	4%	
Tulare County	\$31,443.17	1%	\$ 31,443.00	\$ 31,443.17	1%	\$ 31,443.17	\$ 31,443.17	1%	\$ 31,443.17
Tuolumne County	\$15,750.94	5%	\$ 15,751.00	\$ 16,715.00	5%	\$ 16,715.00	\$ 16,715.00	5%	\$ 16,715.00
Ventura County	\$55,000.00	1%	\$ 55,000.00	\$ 52,500.00	1%		\$ 53,500.00	1%	
Yolo County	\$70,000.00	5%	\$ 70,000.00						
TOTAL	\$6,349,125.04	4%	\$ 5,154,176.13	\$ 4,431,583.90	3%	\$ 60,694.17	\$ 3,648,321.90	3%	\$ 61,651.17
Balance Due			\$ 1,194,948.91			\$ 4,370,889.73			\$ 3,586,670.73

CONSENT CALENDAR
Agenda Item 4.B.10.

SUBJECT: RAND Press Conference / Reports Released

ACTION FOR CONSIDERATION:

None, information only

BACKGROUND AND STATUS:

On Monday May 18th, RAND Corporation released three reports, which resulted from their independent evaluations of CalMHSA’s programs and demonstrated the progress made in California in stigma reduction and suicide prevention. These were released in conjunction with a legislative briefing hosted by RAND in the State Capitol which was attended by legislative staff, the Steinberg Institute, CBHDA, MHSOAC, and DHCS. Below is a brief description and key findings from each and attached are the full reports and supporting tools for outreach. We are pleased with the emerging results coming from year 2 of the evaluation of the PEI Statewide Projects CalMHSA administers on your behalf. Please share widely with your staff and colleagues and if you have questions please contact Stephanie Welch at Stephanie.Welch@CalMHSA.org and she can assist you.

READ RAND’s PRESS RELEASE: <http://www.rand.org/news/press/2015/05/18.html>

Report: “Changes in Mental Illness Stigma in California During the Statewide Stigma and Discrimination Reduction Initiative”

Summary: Across one year of the California Stigma and Discrimination Reduction (SDR) initiative, the stigma of mental illness decreased in important ways. State residents became more aware of stigma and more accepting and supportive of those with mental health challenges. The methods in use by the SDR initiative have the potential to touch the lives of nearly every Californian.

Key findings:

- One in four adults is now aware of “Each Mind Matters”
- More Californians say they are willing to socialize with, live next door to, and work closely with people experiencing mental illness
- Californians display meaningful increases in awareness of the stigma faced by people with mental health problems

Report: [“Analysis of the Benefits and Costs of CalMHSA’s Investment in Applied Suicide Intervention Skills Training \(ASIST\)”](#)

Summary: RAND estimates that California will benefit from CalMHSA’s investment in ASIST in multiple ways: fewer suicide attempts and deaths, reduced spending on emergency care and recovery, and increased earnings. After calculating the associated state income tax revenue from increased earnings and the state government’s portion of reduced health care spending, RAND projects a positive financial benefit for the state government.

Fact Sheet: [“Should California Continue to Invest in Applied Suicide Intervention Skills Training \(ASIST\)?](#)

Key findings:

- Just one year of CalMHSA’s investment in the ASIST program is projected to prevent at least 140 deaths and 3,600 suicide attempts over the next three decades.
- For every \$1 the state invests in CalMHSA’s suicide prevention program, the people of California will receive an estimated \$1,100 in economic benefits such as reduced spending on emergency care and increased earnings.
- The state government will gain \$50 for each dollar invested in ASIST through averted Medi-Cal health care costs and increased state income tax revenue.

Report: [“Adults Newly Exposed to the “Know the Signs” Campaign Report Greater Gains in Confidence to Intervene with Those Who Might Be at Risk for Suicide Than Those Unexposed to the Campaign”](#)

Summary: A mass media campaign intended to help prevent suicides in California is reaching a majority of the state’s adults and appears to be increasing their confidence about how to intervene with those at risk of suicide, according to new RAND Corporation research.

Key Findings:

- More than half of Californian adults were exposed to Know the Signs
- Those exposed report higher levels of confidence

There are also has created 3 infographics (attached) summarizing the key findings from these reports and the California Well-Being Survey (ADD Link) Please feel free to distribute these graphics as a simple tool to report on the RAND evaluation findings.

RECOMMENDATION:

None, information only.

TYPE OF VOTE REQUIRED:

None, information only.

REFERENCE MATERIAL(S) ATTACHED:

- California Well Being Infographic
- Suicide Prevention Infographic
- Stigma Reduction Infographic
- Suicide Prevention Cost Benefit Analysis Fact Sheet

RAND California Well-Being Survey Results

The California Well-Being Survey assessed the impact of mental health prevention and early intervention programs on individuals who are experiencing psychological distress. The survey was conducted by RAND Corporation as part of efforts by the California Mental Health Services Authority (CalMHSA) to improve the mental health of California residents. Results are available at www.rand.org.

Findings show **recovery is possible**, but continued efforts for stigma and discrimination reduction are needed

90%

of Californians living with **psychological distress** report some measure of **discrimination**

75%

of Californians would definitely or probably **hide a mental health problem** from coworkers or classmates

“Those experiencing **PSYCHOLOGICAL DISTRESS** may find it more difficult to secure a job, rent a home or form close relationships.”

US Department of Health and Human Services.
Mental Health: A Report of the Surgeon General. 1999

Over **3 IN 10** of those surveyed had been **touched by CalMHSA efforts**



CalMHSA is on **target to reach 9 IN 10** Californians most at risk for mental health concerns

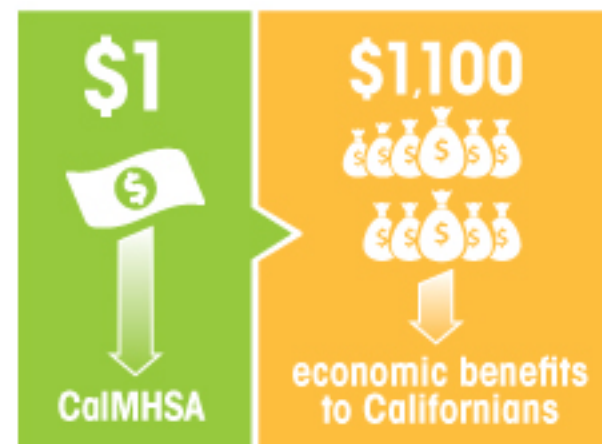
“Our findings indicate the **clear need for stigma and discrimination reduction efforts** in the state of California.” – RAND Corporation

SUICIDE PREVENTION PROGRAMS WILL Save Lives and Dollars

California Mental Health Services Authority's (CalMHSA) Applied Suicide Intervention Skills Training (ASIST) instructs people holding jobs in which they are likely to come in contact with people at risk for suicide how to recognize risk factors, intervene, and link those at risk with appropriate resources. An independent cost-benefit analysis of ASIST by RAND found that Californians stand to benefit from continued investment in the ASIST program in multiple ways:



The state government will **gain \$50 for each dollar invested** in ASIST through averted Medi-Cal health care costs and increased state income tax revenue.



For **every \$1 the state invests** in CalMHSA's suicide prevention program, the people of California will receive an estimated **\$1,100 in economic benefits** such as reduced spending on emergency care and increased earnings.



One year invested in CalMHSA's ASIST program is projected to **prevent at least 140 deaths and 3,600 suicide attempts** over the next three decades.

*Analysis of the Benefits and Costs of CalMHSA's Investment in Applied Suicide Intervention Skills Training (ASIST)

“California’s **pioneering suicide prevention** effort is showing early signs of **making progress.**” – RAND Corporation

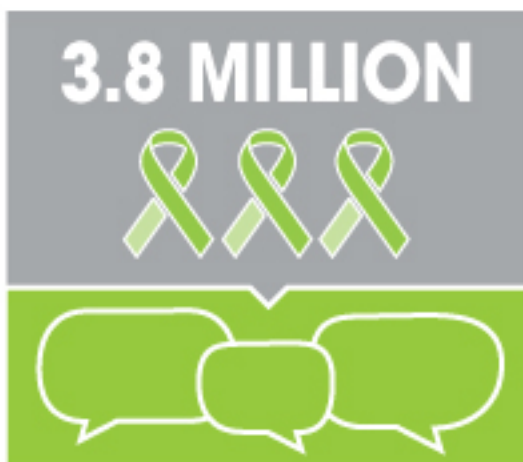
California Mental Health Services Authority (CalMHSA) EFFORTS ARE WORKING

In a one year period, the RAND California Statewide Survey found that Californians became more aware of stigma and more accepting and supportive of those with mental health challenges. Across the state, people are taking action, speaking up and reaching out to help when they see someone struggling.



More Inclusion

Nearly 1.5 million more Californians (a 5% increase year-over-year) are **willing to socialize with, live next door to or work with people who have mental health challenges.**



More Momentum

3.8 million Californians (or 13% of Californians surveyed) saw someone wearing a lime green ribbon, and almost half of those had a **conversation about mental health because of the green ribbon.**



More Support

Approximately 600,000 additional Californians (a 2% increase year-over-year) **provided emotional support to someone with a mental health challenge.**

*Changes in Mental Illness Stigma in California During the Statewide Stigma and Discrimination Reduction Initiative.

"It is clear that the methods in use by the SDR [Stigma and Discrimination Reduction] initiative have the **potential to touch the lives of every Californian.**"

- RAND Corporation



Should California Continue to Invest in Applied Suicide Intervention Skills Training (ASIST)?

ASIST Could Save Lives and Wages and Reduce Medical Costs

Over 4,000 people die from suicide every year in California, and there are many more who attempt suicide. In fact, suicide is among the top five causes of death among 10- to 54-year-olds in the state. To save lives and reduce the adverse social and financial effects of suicide, the California Mental Health Services Authority (CalMHSA) has fostered a statewide suicide prevention initiative, which is part of the prevention and early intervention programs funded by the Mental Health Services Act (Proposition 63) of 2004. This initiative implemented multiple programs and tools to prevent suicide.

In 2011, RAND researchers were asked to assist CalMHSA in evaluating the effectiveness of its prevention and early intervention programs. One such program, Applied Suicide Intervention Skills Training (ASIST), instructs clergy, first responders, teachers, and others holding jobs in which they are likely to come in contact with people at risk for suicide how to recognize risk factors, intervene, and link those at risk with appropriate resources. The ASIST workshops held from 2011 to 2013 prepared participants to conduct future ASIST workshops, thereby building suicide prevention capacity in communities throughout the state. The research team conducted a cost-benefit analysis to estimate the value of CalMHSA's continued investment in this program.

The study found that Californians stand to benefit from continued investment in the ASIST program in multiple ways:

- Just one year of CalMHSA's investment in the ASIST program is projected to prevent at least 3,600 suicide attempts and 140 deaths over the next 28 years. This represents a reduction of 0.13 percent in the number of suicide attempts and deaths in the state.
- By averting these suicide attempts and deaths, individuals and families will gain \$1,100 for each dollar invested in ASIST by CalMHSA. These benefits include savings in medical costs and increased lifetime earnings.
- The state government will gain \$50 for each dollar invested in ASIST through averted Medi-Cal health care costs and increased state income tax revenue.

This analysis of costs and benefits was designed to be comprehensible and informative, rather than exhaustive. Quantifying the relationship between CalMHSA's investment in ASIST and California's gain in labor productivity, tax revenues, and averted medical costs does not consider nonmonetary benefits of suicide prevention (e.g., reduced suffering) but can help California policymakers put their investments into perspective.

This fact sheet describes work done for RAND Health and is based on Ashwood SJ, Briscoe B, Ramchand R, May E, and Burnam MA, *Analysis of the Benefits and Costs of CalMHSA's Investment in Applied Suicide Intervention Skills Training (ASIST)*, RR-1115-CMHSA, 2015 (available at www.rand.org/t/RR1115). To view this brief online, visit www.rand.org/t/RB9849.

RAND Health

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

CalMHSA

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

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www.rand.org



The RAND Corporation is a nonprofit institution that helps improve policy and decisionmaking through research and analysis. RAND focuses on the issues that matter most, such as health, education, national security, international affairs, law and business, the environment, and more. As a nonpartisan organization, RAND operates independent of political and commercial pressures. We serve the public interest by helping lawmakers reach informed decisions on the nation's pressing challenges. RAND's publications do not necessarily reflect the opinions of its research clients and sponsors. **RAND**® is a registered trademark.

**Harbage Consulting
And
California Mental Health Services Authority
Consulting Agreement**

This Agreement ("Agreement") is entered into this 1st day of June 2015 between the California Mental Health Services Authority, a Joint Powers Authority (which may be referred to as "CalMHSA" or "JPA"), and Harbage Consulting (which may be referred to as "contractor"), referred to individually as "Party" and jointly as "Parties". The Parties agree as follows:

WHEREAS, the Department of Health Care Services (DHCS) has indicated that county Behavioral Health Departments acting jointly through CalMHSA may propose fiscal and delivery system reforms that may result in a Medicaid waiver or state plan application to the Centers for Medicare and Medicaid Services (CMS). The CalMHSA and California Behavioral Health Directors Association (CBHDA) member counties would like to conduct a pilot with selected counties prior to considering advancing a recommendation to DHCS. In order to facilitate an informed discussion among the member counties of the options available the CalMHSA Board approved the expenditure of funds to pursue contractor support for this process.

WHEREAS, in 2014 CalMHSA's Board adopted a Short Doyle Modernization New Project Scope as approved by the Project Steering Committee and the Governance Team Committee (with staff and leadership from DHCS and counties).

WHEREAS, Harbage Consulting specializes in health policy and delivery system reform within the public sector and has extensive experience working in California with DHCS and counties. The organizational capacity of Harbage Consulting is unique and includes consulting partnerships that bring diverse specialties not available elsewhere, including but not limited to Medi-Cal specialty mental health service delivery and Medicaid financing, including federal waiver development, including Geiss Consulting, and Harbage Mental Health Director, Don Kingdon.

NOW, THEREFORE, the Parties do hereby agree as follows:

1. SCOPE.

CalMHSA is contracting with Harbage Consulting to provide services set forth in the attached Statement of Work.

2. TERM OF AGREEMENT.

Harbage Consulting services under this Agreement will terminate on (1) June 30, 2016; (2) any new end date established by a written renewal or extension of the term; (3) seven calendar days' notice by either Party of a material breach of this Agreement by the other Party, if the breach has not been cured to the satisfaction of the non-breaching party; or (4) for any reason with 30 days' notice.

3. REPRESENTATIONS.

Harbage represents to the best of its knowledge, information, and belief that (a) it has the necessary qualifications, background and

skills to provide the contracted services in a professional manner based on CalMHSA's stated requirements, and (b) Harbage consulting is not subject to any legal, contractual or other limitations on its ability to perform services under this Agreement. Failure to perform services in a professional manner shall constitute a material breach of this Agreement.

5. PAYMENT FOR SERVICES.

Harbage Consulting will be paid no more than \$100,000 for Phase 1a by CalMHSA upon successful completion of work under this agreement, paid in increments as described in the Phase 1 Project Budget section of the attached Statement of Work. Budget for Phase 1b is to be determined.

6. CONFIDENTIALITY.

Harbage agrees not to disclose to any third party, confidential information of CalMHSA. As used herein, "Confidential Information" means any and all tangible and/or intangible non-public business, technical, consumer or other information, including third party information, furnished or disclosed (either orally or in writing) by CalMHSA (the "Disclosing Party") to Harbage Consulting (the "Receiving Party") including, but not limited to: prices, fees, process manuals, pricing strategies, operational techniques, strategic plans, business or operations plans and strategies and financial information and methodologies, including:

- I. trade secrets, ideas, performance or process data, methods of doing business, forecasts, processes, programs, formulas, materials, technology, know-how, designs and reports prepared by the Disclosing Party and,
- II. personally identifiable consumer financial and transactional information including but not limited to names, addresses, telephone numbers, e-mail addresses, credit information, account numbers, account balances, the content or summary of any communications and any other account information of any nature or kind together with any customer list, demographics, description, or other grouping or category of consumers and any other information pertaining to each such consumer that is derived from or obtained by using any personally identifiable consumer financial information that is not publicly available. Such information will be deemed confidential and proprietary, regardless of whether such information was disclosed intentionally or unintentionally or marked as "confidential" or "proprietary" Confidential Information includes information owned by the Disclosing Party, its affiliates and its clients and information owned by third parties. Confidential Information also includes all information or materials derived from or based on Confidential Information and all complete and partial copies or reproductions (in any form or medium) of Confidential Information. All product and information gained by Harbage Consulting under this contract is considered the Confidential Information of CalMHSA.

Harbage Consulting agrees CalMHSA's Confidential Information shall remain the sole and exclusive property of CalMHSA. Harbage Consulting will hold any and all CalMHSA's Confidential Information that it obtains in the strictest confidence and will use CalMHSA's Confidential Information solely for carrying out its obligations or exercising its rights under the agreement.

In addition, Harbage Consulting will be allowed to disclose Confidential Information to the extent that such disclosure is: (a) approved in writing by CalMHSA; (b) necessary for Harbage Consulting to enforce its rights under this Agreement in connection with a legal proceeding; or (c) required by law or by the order of a court of similar judicial or administrative body, provided that Harbage Consulting notifies CalMHSA of such required disclosure promptly and in writing.

Harbage Consulting further agrees that it will not will use, remove, transfer, transmit, reproduce or otherwise deal with

confidential information or other tangible or intangible property of another party, except for the sole purpose of performing services under this Agreement.

7. RETURN OF CONFIDENTIAL MATERIAL.

Upon termination of this Agreement or the Disclosing Party's request, Harbage Consulting will promptly return any Confidential Information of the other Party or destroy such at the request of CalMHSA.

8. CONDUCT AND STATUS.

In performing its services under this Agreement, Harbage Consulting shall be responsible for providing competent professional services in the required areas of expertise. In the event any individual or entity brings or threatens to bring a claim against CalMHSA related to the status, acts or omissions of Harbage Consulting while performing under this Agreement, Harbage Consulting agrees to cooperate with CalMHSA's defense against such claims.

Harbage Consulting is solely responsible for their conduct and information released by Harbage Consulting.

9. OWNERSHIP OF INTELLECTUAL PROPERTY.

Harbage Consulting agrees that all documents, deliverables, software, systems designs, disks, tapes and any other materials (collectively, "materials") created in whole or in part by Harbage Consulting related to providing services to CalMHSA shall be treated as a "work for hire" for CalMHSA. All ownership of any such materials or creations shall vest exclusively with CalMHSA, including any copyright rights, patent rights or any other intellectual property rights. Any rights conferred upon CalMHSA under this paragraph may only be waived or assigned in writing signed by an authorized representative of CalMHSA. To the extent that the materials fail to qualify as a work for hire, Harbage Consulting assigns to CalMHSA all copyright and other use rights in the materials. If for any reason said assignment is not effective, Harbage Consulting hereby grants CalMHSA and any assignee of CalMHSA an express royalty-free license to retain and use said materials. Harbage Consulting agrees to execute any documents reasonably necessary to complete the transfer to CalMHSA of those rights to which CalMHSA is entitled under this agreement.

10. INDEMNIFICATION.

Harbage Consulting shall indemnify and hold harmless CalMHSA, their owners, officers, directors, agents, and employees, from and against all claims, liabilities or costs (including attorney's fees and court costs), brought by any other Party against CalMHSA related to performance of Harbage Consulting and its subcontractors under this agreement. The types of claims covered by this indemnification provision, shall include, but shall not be limited to: worker's compensation claims, claims under wage and hour laws, employment tax liability, benefits claims, claims related to Harbage Consulting status, or any other matters involving the acts or omissions of Harbage Consulting and/or its subcontractors.

11. INSURANCE.

Harbage Consulting shall purchase and maintain policies of insurance with an insurer or insurers, admitted in the State of California, and with a current A.M. Best's rating of no less than A-, which will protect Harbage Consulting and CalMHSA from claims arising out of Contractor's performance under this Agreement, regardless of whether such performance is by Harbage Consulting or by any subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. The aforementioned insurance shall include:

- a. If Harbage Consulting has employees, Contractor shall carry workers' compensation and employers liability insurance in accordance with the laws of the State of California, and such insurance shall waive subrogation against CalMHSA.

- b. Harbage Consulting shall carry automobile liability insurance including coverage for owned, non-owned, and hired autos. Harbage Consulting shall also carry commercial general liability insurance with coverage for liability assumed by contract. Such policies shall have limits of not less than \$1,000,000 per accident or occurrence. In the event this Agreement is for a total amount of \$5,000,000 or more, such policies shall have limits of at least \$2,000,000 per accident or occurrence.
- c. If applicable, Harbage Consulting shall carry professional liability insurance, including contractual liability, with limits of at least \$1,000,000 per claim, or at least \$2,000,000 per claim if the total amount of this Agreement exceeds \$5,000,000. Such insurance shall be maintained during the term of this Agreement and renewed for a period of at least five years thereafter. In the event that Harbage Consulting subcontracts any portion of Contractor's duties, Harbage Consulting shall require any such subcontractor to purchase and maintain insurance coverage as provided in this subsection c.
- d. Each policy of insurance required in subsection b. above shall name CalMHSA and its agents, officers, governing board, and employees as additional insureds; shall state that, with respect to the operations of Harbage Consulting hereunder, such policy is primary and any insurance carried by CalMHSA or its agents, officers, governing board or employees is excess and non-contributory with such primary insurance; shall state that not less than thirty days' written notice shall be given to CalMHSA prior to cancellation; and, shall waive all rights of subrogation against the additional insureds. The additional insured endorsement issued on the commercial general liability policy shall be a CG 2010 or equivalent.
- e. Harbage Consulting shall notify CalMHSA in the event of material change in, or failure to renew each policy required under subsections a., b., or c.
- f. As to any policy of insurance required by this section, Harbage Consulting shall disclose any self-insured retention or deductible exceeding \$5,000. CalMHSA may require that an endorsement be obtained reducing or eliminating such self-insured retention or deductible as to the CalMHSA and its officers, agents, board and employees; or may require Harbage Consulting to provide a financial guarantee guaranteeing payment of any necessary expenses of investigation, costs of defense, settlement or judgments.
- g. Prior to commencing work, Harbage Consulting shall deliver to CalMHSA certificates of insurance and any required additional insured endorsements demonstrating compliance with these requirements. In the event Harbage Consulting fails to secure or maintain any required policy of insurance, CalMHSA may, at its sole discretion, secure such insurance in the name of and for the account of Harbage Consulting, and in such event Harbage Consulting shall reimburse CalMHSA upon demand for the cost thereof. Any failure of CalMHSA to require certificates of insurance and additional insured endorsements shall not operate as a waiver of these requirements.

12. BREACH.

In the event of a breach of this Agreement, each Party shall have such rights and remedies to which it is entitled at law or in equity. CalMHSA will not pay for incomplete work when the breach is due to circumstances in which the Harbage Consulting is responsible for the events that have led to the breach. CalMHSA will only pay for the work that has been successfully completed. In the event of impossibility of performance due to force majeure circumstances beyond a Party's control, such non-performance shall be excused without seeking recourse or penalties. The prevailing Party in any action shall be entitled from the other Party its reasonable attorney's fees and other expenses of litigation.

13. BUDGET CONTINGENCY.

It is mutually understood that CalMHSA is funded by amounts that Counties voluntarily transfer or assign to it, and that CalMHSA has no authorization to obtain additional funding by imposition of taxes, fees, or mandatory contributions. If due to unforeseen contingencies CalMHSA determines that it will not be able to fully fund the obligations it has undertaken:

- a. CalMHSA may give notice to Harbage Consulting that this Agreement is cancelled. In the event of such cancellation, CalMHSA shall have no liability to pay further funds to Harbage Consulting or to furnish any other consideration under this

agreement, and Harbage Consulting shall not be obligated to further perform.

b. CalMHSA may alternatively offer an agreement amendment to Harbage Consulting to reflect the reduced amount available.

14. OTHER PROVISIONS.

This Agreement represents the entire agreement of the Parties. Any modification of this Agreement must be in writing and signed by both Parties. Any agreement between Harbage Consulting and CalMHSA shall not modify any terms of this Agreement unless this Agreement is amended to include such agreement. Parties may assign their rights under this Agreement to any legal successors. Any subcontracts or subcontractors used by Harbage Consulting for this work must be approved in advance by CalMHSA. If any provision of this Agreement is determined to be unenforceable in whole or in part, all remaining provisions shall be given full effect to the extent possible without the unenforceable provision. This Agreement shall be governed by the laws of the State of California, without regard to choice of law principles, regardless of where Harbage Consulting work is performed, and any litigation shall be brought in the state or federal courts of the State of California. The Parties each represent that their authorized representative has read, understands and agrees to the terms of this Agreement, has had an opportunity to ask any questions and to seek the assistance of an attorney regarding their legal effect, and is not relying upon any advice from Harbage Consulting or CalMHSA.

CalMHSA

Harbage Consulting

Date: _____

Date: 5/27/15

Name: _____

Name: Hilary Haycock

Title: _____

Title: President

Sign: _____

Sign: 

Official Notices should be directed to:

Wayne Clark, PhD
Executive Director
CalMHSA
3043 Gold Canal Drive, Suite 200
Rancho Cordova, CA 95670-6394
Office: (916) 800-4677
Fax: (916) 859-4805
wayne.clark@calmhsa.org

Or

Hilary Haycock
President
Harbage Consulting
1400 K St., Suite 204
Sacramento, CA 95814
Ph. 916-662-7930
Fax 916-662-7982

Statement of Work

Phase 1 Engagement Proposal Elements

Under contract with the JPA, Harbage Consulting would conduct the Phase 1a county pilots and Phase 1b activities utilizing the financial resources available to the JPA and under the oversight and supervision of the JPA in coordination with DHCS and CBHDA. The key elements of Phase 1a will be: county orientation to the pilot goals and objectives, county selection, state and county data identification and analysis, county pilot implementation and support. The key elements of Phase 1b will be: development of a final report including highlighted significant and common findings, a summary of implications and options and an initial risks and benefits analysis, a presentation ready PowerPoint presentation highlighting significant results, implications and prioritized options, and technical assistance and support. Each of these key elements are identified in the deliverables below and will be implemented and adjusted, if necessary, in the context of ongoing communication and collaboration between the pilot counties, DHCS, CalMHSA and the contractors during the study period. The counties will determine based on a review of the results of the pilot if it is necessary to engage DHCS, stakeholders and CMS in a conversation about fiscal transformation, delivery system improvements and beneficiary benefits. It will be important to prepare for the transformation conversation from the start. The right care, at the right time, by the right provider at the right price is the sum focus of the conversation. Fiscal and federal reimbursement efficiencies are a key element of the pilot as counties seek to analyze their systems of care from a results and incentives perspective.

In order to assure that there is a linkage between the fiscal efficiencies and the delivery system and beneficiary benefits the county pilot will be structured using the following general principles and sources of information:

The ultimate goal of the Phase 1 county pilot is to provide the background, information and structure necessary for the consideration of the risks and benefits associated with proposing fiscal and delivery system changes that will impact the county operated Medi-Cal mental health system in California. Opportunities for fiscal efficiencies, system improvement and clarification of the role of the counties in relation to other healthcare systems will hopefully emerge as a result of these pilot efforts.

The structure proposed assumes that the current sources of non-federal match, state sales tax and state income tax will remain in place and that federal reimbursement or payment to the counties will continue under the provisions of the Medi-Cal program. In addition the pilot is intentionally calibrated to assist counties to prepare to look at alternatives to the fee for service, non-risk federal payment structure currently outlined under the provisions of the MH 1915(b) waiver. The pilot will be structured from the start to look at the interaction of Medi-Cal beneficiary characteristics, treatment system design and charge and cost variables consistent with the goals of improved care and cost effectiveness. A general summary of the critical beneficiary data and system elements that will be the focus of the pilot are outlined below:

- **Eligible Population and Prevalence:** Collection and analysis of county Medi-Cal beneficiary information including analysis of important Medicaid Eligibility Groups (MEGS), age cohorts (children and youth (EPSDT) and adult) and application of prevalence estimates to the beneficiary population using the major diagnostic categories covered by the county Mental Health Plan (MHP)
- **Access and Penetration:** Collection and analysis of current county Medi-Cal access and penetration rates for inpatient, emergency and outpatient services sorted by age cohort, MEG and major diagnostic category.
- **Utilization:** Collection and analysis of Medi-Cal utilization data including inpatient, emergency, Rehabilitation and Targeted Case Management (TCM) service categories sorted by age cohort, MEG and major diagnostic categories. In addition we will collect and analyze MHSA Full Service Partnership (FSP) enrollment and utilization data and State

Hospital and community Institution for Mental Disease (IMD) admission and utilization data to get a picture of the other aspects of the delivery system that parallel and interact with the county Medi-Cal responsibilities.

- **Outcomes Including Charge and Cost from a Beneficiary and System Perspective:** Analysis of the information gained from the above will be completed to estimate and trend the historical and projected future charges and actual cost of service delivery. This analysis will include charge and cost distributions by MEG, age cohort, service types and major diagnostic categories to establish county cost per beneficiary trends. In addition the counties' penetration data will be compared to the eligible population to determine if pent up demand exists that should be considered in the analysis.

The analysis will include existing data sources (e.g. External Quality Review Organization- EQRO will be one source of information as will local county information.) The analysis will expand the view of the current data to include MEG cost distribution and consider whether there is pent up demand in the enrolled beneficiary population. The county pilot data and results will be summarized in a format that will support review and discussion by the counties for the purposes of determining if further action in Phase 1b is needed.

Phase 1a Project Deliverables and Specifications

1. **Communication and Coordination with DHCS and Counties:** Coordination with DHCS and JPA staff will be provided by Harbage Consulting (contractor) throughout the project. Coordination to occur weekly through meetings, conference calls and email. Harbage project lead, Don Kingdon PhD, will coordinate all communication and assure that project activities are on track and being conducted consistent with agreed timeframes. **Specifications:** a) Harbage staff to schedule weekly conference calls with the CalMHSA contract liaison to provide updates on progress and issues raised throughout the project, b) Harbage staff to participate in weekly update calls convened by DHCS and will respond to issues and requests raised on the calls as needed, c) Harbage staff will maintain ongoing support for project coordination and implementation through phone and email communication with key participants and others as needed or directed by the contract liaison. This includes ongoing and regular communication with selected counties to assure and fully support pilot county participation throughout the project, via phone, email and onsite as needed.
2. **County Status Update and Orientation to the Pilot Project:** County orientation to pilot requirements, goals and products will be conducted by contractor in conjunction with the JPA and DHCS. The orientation will occur through conference call and will include invitations to all county Mental Health Plans (MHP) through the department directors. The contractor will develop draft agendas and materials for review and will assist in the organization and presentations for the conference call. **Specifications:** a) Harbage staff to develop the county orientation and selection conference call materials for contract liaison review and approval, Harbage staff to develop and coordinate conference call scheduling and invitations with the contract liaison, Harbage staff to finalize agenda and materials and provide to contract liaison for member distribution, b) Harbage staff to host the call with the contract liaison and provide response to questions and technical assistance in the form of follow up to requests for more information from members after the call.
3. **Selection of Pilot Counties; Develop Participation Agreements and Pilot Program Materials:** Pilot county selection and orientation activities will be conducted by the contractor in consultation with the JPA and DHCS. Pilot county selection criteria will be applied. Harbage will identify potential pilot county candidates and perform additional outreach and

engagement/orientation activities as needed. The final selection will be governed by counties and DHCS representatives. Selected counties will be required to acknowledge their intent to participate through a mutually acceptable agreement with the JPA. Harbage will work with counties to develop data sharing protocols. The contractor will develop orientation materials and conduct orientation and support activities throughout the pilot for each participating county.

Specifications: a) Harbage staff in consultation with Geiss Consulting to provide recommendations for pilot participant selections to contract liaison and DHCS. b) Coordinate and host final selection process with CalMHSA, DHCS and CBHDA. c) Harbage will develop a proposed participant agreement between the counties and CalMHSA for review and implementation, including addressing all information exchange questions and requirements on a county by county basis, c) Orient selected county management and staff to the purposes and participant benefits of the project and answer questions and address concerns on a county by county basis, d) Establish clear lines of responsibility and communication and protocols for exchange of information and questions with each participating county, e) Harbage staff in consultation with Geiss Consulting will develop county orientation materials, reporting formats and specifications for county reporting and for ongoing communication between the pilot counties and Harbage resources.

4. **Pilot Program Implementation and Support to Pilot Counties:** The contractor will provide implementation support to each selected county and will coordinate implementation activities with DHCS and all Harbage subcontractors. Implementation activities include county and state data exchange, and technical assistance and support to pilot counties. Harbage will develop materials and proposed implementation procedures for data collection and vet the materials and procedures with each selected county to assure that it meets the county's needs and all federal, state and county data exchange requirements. Adjust these protocols as needed to meet individual county needs to assure continued county participation throughout the project. Harbage will review the proposed county protocols with DHCS and determine the most effective methods and protocols for data collection from a state perspective. County protocols will be adjusted as needed if more efficient state level data sources are identified. Harbage will convene, support and follow up on individual county technical assistance (TA) calls, which will be held at least weekly. Additional calls will be scheduled as needed to assure continued county participation in the pilot. Onsite visits to be added if requested by the county to address local project related problems or resource needs. The contractor will provide the level of support requested and deemed necessary by each county to promote continued participation in the project. Host, support and provide follow up for bi-weekly TA calls with all pilot counties to build, support and encourage communication among the pilot participants. **Specifications:** a) Geiss Consulting and Harbage staff will develop the reporting and analysis materials to be provided to the pilot counties including the format and methodologies for data collection, analysis and reporting, b) Harbage staff will review these materials with the contract liaison and DHCS representatives and make adjustments as needed, c) Harbage staff will schedule and coordinate initial weekly individual county conference calls for technical assistance purposes and consulting partners will join these calls based on the content to be covered, d) Harbage staff to maintain ongoing technical support to counties through email, phone and onsite as requested, e) Harbage staff and consulting partners to schedule and provide technical assistance through bi-weekly conference calls with all participating pilot counties focused on topic areas and mutual support and inter county consultation.

5. **Data Analysis and Reporting:** The contractor will complete data analysis for each participating pilot county with a focus

on Medi-Cal beneficiary characteristics, treatment system design and charge and cost variables. This analysis will focus on critical beneficiary data and system elements outlined above, including, but not limited to:

- Eligible Population and Prevalence
- Access and Penetration
- Utilization
- Outcomes Including Charge and Cost from a Beneficiary and System Perspective

Harbage will collect and analyze county data in conjunction with each selected county through conference calls and email report exchange as determined with each participating county. Generate individual county draft reports and review these reports with each county for accuracy and completeness. Modify reports as needed based on county input.

Specifications: a) Analyze county fiscal and delivery system data and generate a report for each pilot county. b) Review reports with each county and modify as needed based on input.

6. **Results Review and Validation:** The pilot county data and results analysis validation process will be conducted on both an individual and collective basis by the contractor through meetings and conference calls with participating counties and JPA and DHCS representatives as necessary. Review initial draft reports with other county representatives selected as non-participant reviewers including representatives from Los Angeles County Mental Health. Convene any interested participating counties in Sacramento to further refine the presentation of the results, finalize the validation process, and consider initial impressions and implications from a participant and reviewer county perspective. **Specifications:** a) Harbage staff in conjunction with consulting partners, the contract liaison and DHCS representatives will conduct results review and validation conference calls with each pilot county, b) Additionally, Harbage will seek input from other county representatives selected as non-participant reviewers. c) Harbage staff and Geiss Consulting to facilitate and develop content for a meeting of counties in Sacramento to complete the results review and validation process. The meeting will be convened by CalMHSA and open to County Directors.

Phase 1b Project Deliverables and Specifications

Phase 1b of the project will be conducted subject to the availability of funds and at the direction of county members based on the results of the pilot. The goal of this phase, if conducted, is to further analyze and refine the county pilot findings and implications from a risks and benefits perspective to assist the counties in the development of a proposal for presentation to DHCS. The material generated will include fully researched federal options for alternative delivery system and available risk and non-risk federal payment methodologies. Relevant examples from other states will be researched and analyzed to determine if they offer alternatives that would be viable in California. Relevant federal waiver and state plan options will be researched and summarized for prioritized review with the counties.

The Medi-Cal data exchange implications of the relevant options will also be researched and summarized to determine the implications from a Short Doyle 2 and Health Information Exchange (HIE) perspective. If needed the implications from a California, Medicaid Information Technology Architecture (MITA) federal planning perspective will also be considered.

It is anticipated that the counties will review the materials generated in Phase 1a to determine if a proposal should be advanced to DHCS and on what timeframe. Harbage will provide technical assistance and support throughout this county determination process

to answer questions and follow up regarding requests for further information on the prioritized options. The deliverables outlined below are preliminary in nature and will be further refined, as needed, once Phase 1b is approved for implementation by the counties. Adjustments to the deliverables and the timeframes may be necessary based on changes in federal or state policy related to the current 1915(b) waiver, the state plan, program realignment or the contracted obligations of the counties. In addition the counties may want to seek additional input from key external Medi-Cal mental health delivery system partners, stakeholders and legislative representatives related to the prioritized options presented.

7. **Develop Aggregate Report:** Once the county validation process has been completed the results from the selected counties will be integrated into an initial draft report summarizing the results, important findings, impressions and implications from an initial risks and benefits perspective. This initial draft report will first be reviewed with JPA and DHCS representatives to determine if further data collection and analysis should be conducted by the contractor. **Specifications:** a) Harbage staff to develop initial draft report summarizing county by county results as well as combined results in conjunction with consulting partners Geiss Consulting, PCG Consulting and Sellers Dorsey, b) The content of the draft report will include a review of the methodology, a summary of findings including highlighted significant and common findings, a summary of implications and options and an initial risks and benefits analysis, c) The initial draft will be reviewed by the contract liaison, DHCS representatives and the consulting partners to determine if further data collection and analysis is necessary.
8. **Finalize Report and Develop Presentation Materials:** If no further data collection or analysis is determined to be necessary then the draft report will be refined and prepared by the contractor for presentation. An executive summary highlighting significant results and recommendations will be developed along with a presentation ready PowerPoint. The contractor will review the content of the report and presentation materials with JPA staff as well as with DHCS representatives to prepare for initial presentation and discussion with county mental health representatives. **Specifications:** a) The pilot summary report will be written and finalized by Harbage staff and will include an executive summary as well as a presentation ready PowerPoint presentation highlighting significant results, implications and prioritized options, b) Harbage staff and consulting partners, as needed will review the report and materials in detail with the contract liaison and others as identified by CalMHSA management and members, c) Harbage staff will facilitate a “next steps” conversation with identified participants to determine the most appropriate methodology and process to review the results with county MHP representatives through CBHDA.
9. **Technical Assistance and Support; Participate in Presentation of Pilot Findings:** The contractor will be prepared to assist JPA staff and DHCS representatives with presentation of the materials as requested and will provide follow up support to answer questions and address concerns and recommendations raised by county members. **Specifications:** a) Harbage staff and consulting partners as needed will provide technical assistance and support for development of the materials for the presentation to county MHP representatives in coordination with CalMHSA management, b) Harbage staff and consulting partners as needed will participate in the presentation as requested by the contract liaison.

Phase 1 Project Timeframes-

Phase 1a (Deliverables 1 through 6):

- Deliverables 1 is ongoing throughout the contract term.
- Deliverables 2 and 3 will be completed within three months of the initiation of the contract.
- Deliverables 4, 5 and 6 are estimated to take no more than five months depending on the level of county participation and barring complications regarding data and fiscal information exchange and analysis. The information validation and initial implications discussion process both at the individual county level as well as collectively is an important element of this deliverable and as a result process this may require scheduling coordination that could impact projected timeframes.

Upon completion of Phase 1a, counties will have the opportunity to consider the initial findings and determine how to proceed with the project. CalMHSA will notify Harbage Consulting regarding Phase 1b and the related budget and, upon finalizing the Phase 1b contract amendment, will provide up to 60 days to allow Harbage to assemble the team of subject matter experts.

Phase 1b (Deliverables 7 through 9):

- Deliverables 7 and 8 are estimated to take approximately two months unless further data collection and analysis is determined to be necessary.
- The timeframe for deliverable 9 will be determined by JPA staff, county members and DHCS representatives in consultation with the contractor.

Phase 1 Project Budget

1. The estimated total budget for completion by the contractor of all Phase 1a project deliverables will not exceed \$100,000.
2. The contractor (Harbage) will provide all necessary resources and support including sub-contracts, travel and expenses.
3. The following dollar amounts will be invoiced by Harbage and paid by CalMHSA upon satisfactory completion (based on approval of the CalMHSA Contract Manager) of the corresponding deliverables for Phase 1a:
 - \$20,000 payable upon satisfactory completion of Deliverables 2 and 3.
 - \$50,000 payable upon satisfactory completion of Deliverables 4, 5 and 6.
 - \$30,000 payable upon satisfactory completion of Phase 1a of the project (Deliverables 1 through 6) to reflect effort related to Deliverable 1.
4. Once the Phase 1b funding availability and amount has been determined by the counties Harbage Consulting and CalMHSA will negotiate the proposed amounts for the Phase 1b deliverables.

Proposed Project Staffing for Phase 1a only. The proposed staffing and consulting partners for Phase 1b will be specified once the Phase 1b funding has been determined and project deliverables have been further refined as needed. It is anticipated that Phase 1b will require a significant expansion in contract partner contracts which will require verification of availability and rates at the point at which the Phase 1b extension is confirmed by the counties.

Harbage Consulting staff and the principal consultant possess specialized skills that are vital to the services required.

- Project Lead Don Kingdon, Mental Health Policy Director (Estimated 15 hours per week) Role: Responsible for facilitating planning and implementation of project, managing project budget and timelines, communication with participating counties and compliance with CalMHSA contract requirements and oversight of consulting services and Harbage staff support.
- Courtney Kashiwagi, Consultant, and Molly Brassil (Estimated at 15 hours per week total) Role: Will assist with the county participant communication, scheduling and convening functions outlined in the contract.

Project Consultants:

- Geiss Consulting: Mike Geiss, principal consultant on the project will develop and adjust the fiscal pilot data collection and analysis materials as well as assist throughout the implementation of the pilot with the fiscal elements and data analysis and presentation. (Estimated 8-10 hours per week).

COSNENT CALENDAR
Agenda Item 4.B.12.

SUBJECT: State Hospital Bed Program Update

ACTION FOR CONSIDERATION:

None, information only.

BACKGROUND AND STATUS:

Memorandum of Understanding (MOU):

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

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

Request for Interest (RFI): An RFI has been developed and released, with two (2) proposals and one (1) letter of interest received. On March 24, 2015 the SHB Committee held interviews with all three interested entities. The following committee members/staff formed part of the interview panel: Mary Marx – Los Angeles County, Deborah Lent – Orange County, Maria Coronado – San Bernardino County, Doug Hawker – Napa County, Roderick Verbeck – Riverside County, Maureen Bauman – Placer County, John Chaquica – CalMHSA, Laura Li – CalMHSA, and Tami Cowgill – CalMHSA.

Entities Interviewed:

Crestwood

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

Correct Care (Based Out of Florida)

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

Telecare

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

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

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

Next Steps: Staff will complete reference checks on all three (3) entities and develop a due diligence plan for Correct Care, which will include the following:

- Business documentation
- Review of all major agreements
- Insurance policies
- Licenses and permits
- Financials, including audit reports
- Site visit of a Correct Care facility

It is expected that within the next 30--60 days, CalMHSA will be entering into an MOU with Correct Care as they commence investing their time and resources into research and development.

Commitment: Given there is a demand for state hospital type services, it will be necessary to have critical conversations with counties as to the level of financial commitment required in order to secure alternatives to state hospital beds. It is necessary to clarify the commitment required to be successful; the process will require a long term commitment. After staff and the Committee have performed the due diligence plan and gathered sufficient information, we will report this to participating counties. Counties are encouraged to initiate internal/local discussions related to the need and demand, followed by the level of commitment. In the next 45--60 days, the committee will commence reaching out to counties to initial these discussions.

FISCAL IMPACT:

None.

RECOMMENDATION:

None, information only.

TYPE OF VOTE REQUIRED:

None, information only.

REFERENCE MATERIAL(S) ATTACHED:

- State Hospital Bed Program – Payments Received

CalMHSA State Hospital Bed Program - Participation and Payments Received

STATUS OF DOCUMENTS				PAYMENTS RECEIVED TO DATE								
Counties	FY 13/14 MOU	PA	Contracting Directly w/DSH	Planning and Development FY 12/13	PAID	Planning and Development FY 13/14	PAID	Prorated Operation Cost FY 13/14	PAID	Estimated annual Operation Costs FY 14-15 and Beyond	PAID	TOTAL
				94,088.88		50,000.00		225,000.00		450,000.00		819,088.88
COUNTIES PROCURING BEDS												
Alameda												
Contra Costa	✓											
El Dorado			✓									
Fresno	✓	✓		284.26	✓	155.00	✓	701.00	✓	1,402.00		1,140.26
Imperial												
Kern		✓		2,274.08	✓	1,238.00	✓	5,608.00	✓	11,216.00	✓	20,336.08
Los Angeles	✓	✓		56,000.00	✓	30,496.00	✓	138,097.00	✓	269,000.00	✓	359,093.00
Madera	✓	✓		284.26	✓	155.00	✓	701.00	✓	1,402.00	✓	2,542.26
Marin	✓			1,137.04	✓	619.00	✓	2,804.00	✓	5,608.00	✓	10,168.04
Monterey				1,137.04	✓	619.00	✓	2,804.00	✓	5,608.00	✓	10,168.04
Napa	✓	✓		852.78	✓	619.00	✓	2,103.00	✓	4,206.00	✓	7,780.78
Orange	✓	✓		4,832.42	✓	2,632.00	✓	11,917.00	✓	23,834.00	✓	43,215.42
Placer	✓	✓		852.78	✓	464.00	✓	2,103.00	✓	4,206.00	✓	7,625.78
Riverside	✓	✓		5,400.94	✓	2,941.00	✓	13,319.00	✓	26,638.00	✓	48,298.94
Sacramento	✓	✓		5,116.68	✓	2,786.00	✓	12,618.00	✓	25,236.00	✓	45,756.68
San Bernardino			✓	3,409.92	✓	1,858.00	✓	8,412.00	✓	16,824.00		30,503.92
San Diego				4,548.16	✓	2,477.00	✓	11,216.00	✓	22,432.00	✓	40,673.16
San Francisco												
San Joaquin	✓			852.78	✓	464.00	✓	2,103.00	✓	4,206.00	✓	7,625.78
San Mateo												
Santa Barbara	✓	✓										
Santa Clara												
Santa Cruz	✓			284.26	✓	155.00	✓	935.00	✓	1,402.00	✓	2,776.26
Solano	✓			852.78	✓	464.00	✓	2,103.00	✓	4,206.00		3,419.78
Sonoma												
Stanislaus	✓			852.78	✓	464.00	✓	2,103.00	✓	4,206.00	✓	7,625.78
Tulare	✓			1,705.50	✓	929.00	✓	4,206.00	✓	4,206.00	✓	11,046.50
Ventura	✓											
Yolo	✓											
COUNTIES NOT CURRENTLY PROCURING BEDS												
Colusa												
San Luis Obispo												
Sutter/Yuba												
Butte												
Glenn												
Trinity												
Modoc												
Lake				568.52		310.00						
Siskiyou												
Mendocino				284.26	✓	155.00	✓					439.26
Humboldt												
Lassen												
Mariposa												
Tuolumne	✓											
San Benito												
Tri-City												
Del Norte												
Shasta	✓											
Kings				284.26	✓	155.00	✓	701.00	✓	1,402.00	✓	2,542.26
Berkeley												
Inyo		✓										
Mono												
Nevada												
Amador	✓											
Calaveras												
Merced												
Alpine	✓											
Plumas												
Sierra												
Tehama												
Total				91,246.98		49,845.00		223,853.00		280,308.00		662,777.98

CONSENT CALENDAR
Agenda Item 4.B.13.

SUBJECT: Plumas County Project Agreement

ACTION FOR CONSIDERATION:

Approval of this item will authorize staff to negotiate a contract with Plumas County to manage their CSS Program “Wellness Centers” consistent with the Plumas County Mental Health Services Act FY 2014-2017 Three Year Program and Expenditure Plan, dated January 21, 2015, for a maximum amount of \$1,000,000 through 6/30/2017. Authorize Executive Director to execute contact on behalf of CalMHSA.

BACKGROUND AND STATUS:

Plumas County Behavioral Health requested the services of CalMHSA for the management of a 2 year program to build the capacity of four family resource centers to serve as regional wellness centers to provide mental health services to diverse communities of Plumas county. This program, entitled “Wellness Centers” was approved in the Plumas County Mental Health Services Act FY 2014-2017 Three Year Program and Expenditure Plan, dated January 21, 2015. CalMHSA will subcontract for services and manage the contract on behalf of Plumas County. Specific, measurable, attainable, relevant and time-specific (SMART) deliverables will be executed in all subcontracts in compliance with the approved program objectives identified in the approved plan. CalMHSA will be paid an administrative fee of \$15% of the total contract award.

FISCAL IMPACT:

\$ 1,000,000

RECOMMENDATION:

Authorize staff to negotiate a contract with Plumas County to manage their CSS Program “Wellness Centers” consistent with the Plumas County Mental Health Services Act FY 2014-2017 Three Year Program and Expenditure Plan, dated January 21, 2015, for a maximum amount of \$1,000,000 through 6/30/2017. Authorize Executive Director to execute contact on behalf of CalMHSA.

TYPE OF VOTE REQUIRED:

Majority of Board

REFERENCE MATERIAL(S) ATTACHED:

- None.

Overview of the Central Valley Regional Project to Support the Central Valley Suicide Prevention Hotline

Background:

The Central Valley Suicide Prevention Hotline (CVSPH) was developed by Kings View Behavioral Health Systems (Kings View) as part of the CalMHSA implementation of statewide PEI programs funded by the MHS. CalMHSA provided nearly \$1.6 million over the course of 4 fiscal years (FY 2011-2012 through FY 2014-15) to develop, accredit and market CVSPH to its surrounding counties – Fresno, Kings, Mariposa, Madera, Merced, Stanislaus and Tulare. Currently, CVSPH has an annual call volume of over 12,000 from these surrounding counties, and also participates in the National Suicide Prevention Lifeline network.

Sustainability funding & allocation by county:

In order to maintain hotline operation and adequate staffing for outreach and training, CVSPH requires an annual budget of \$533,496.00. Fresno County agreed to pay their share of direct costs and the 15% CalMHSA indirect fee (\$94,146.00) to administer the contract with KingsView on behalf of the seven counties. The total annual amount required to sustain CVSPH, using CalMHSA as an administrative arm is \$627,642.23. In order to determine allocation of funding by county, call volume by county was used to determine county use of the hotline. Counties that used the service more were asked to pay a proportional amount of total required funding.

County	Committed funding by county for FY 15-16 only
Fresno	\$438,901.41
Kings	\$28,868.10
Mariposa	\$1,917.02
Madera	\$21,200.01
Merced	\$55,000.00
Stanislaus	\$5,863.83
Tulare	\$75,891.53
TOTAL	\$627,642.23

All counties have agreed to commit 1 year of funding (FY 15-16) to support CVSPH using CalMHSA as an administrative arm.

Through this participation agreement, CalMHSA & KingsView agrees to the following Scope of Work:

- Operating the Central Valley Suicide Prevention Hotline 24 hours per day, 7 days per week, in line with best practices for suicide crisis response
- Maintaining American Association of Suicidology accreditation
- Participating in the network of crisis hotlines through the National Suicide Prevention Lifeline
- Providing outreach and education to communities (as requested, or as funds are available)
- Participating in the Common Metrics data reporting program, administered through Didi Hirsch Suicide Prevention Center (dependent on program requirements and availability)
- Planning with Participant and CalMHSA to determine future direction and activities for the Central Valley Suicide Prevention Hotline
- Sharing data with Participant and CalMHSA, including call volume, on a regular basis
- Leveraging and utilizing materials from the Statewide Prevention and Early Intervention Programs administered through CalMHSA, particularly the social marketing materials

CalMHSA will be responsible for attending to all administrative and fiscal aspects required to oversee the contract with Kings View and communicating with participating counties.

ADMINISTRATIVE MATTERS
Agenda Item 5.A.

SUBJECT: CalMHSA New Membership Application

BACKGROUND AND STATUS:

Plumas County has received membership approval from their Board of Supervisors, submitted their membership application to CalMHSA staff and now request approval as a JPA member.

- The Plumas County board representative will be Plumas County Behavioral Health Care Services Interim Director, Mimi Khin Hall, MPH.

FISCAL IMPACT:

None.

RECOMMENDATION:

Approve CalMHSA membership for Plumas County.

TYPE OF VOTE REQUIRED:

Majority of the Board of Directors.

REFERENCE MATERIAL(S) ATTACHED:

- Plumas County Resolution

RESOLUTION OF THE COUNTY OF PLUMAS, STATE OF CALIFORNIA, APPROVING PLUMAS COUNTY TO PARTICIPATE IN THE CALIFORNIA, MENTAL HEALTH SERVICES AUTHORITY, A JOINT POWERS AUTHORITY, WITH OTHER CALIFORNIA COUNTIES TO DEVELOP AND FUND MENTAL HEALTH SERVICES AND EDUCATION PROGRAMS.

WHEREAS, In November 2004, California voters passed Proposition 63, which was enacted into law in 2005 as the Mental Health Services Act (MHSA) and which imposed a 1% tax on adjusted annual income over \$1,000,000 for the purpose of reducing the long-term adverse impact in individuals, families and state and local budgets resulting from untreated serious mental illness; and

WHEREAS, California Mental Health Services Authority (CalMHSA) is a Joint Powers Authority formed to be a single agency acting for its member counties to develop mental health services and education programs, obtain funding, contract for services, collect data, make reports, and act as repository of information and expertise for such programs; and

WHEREAS, CalMHSA has entered into a contract with the California Department of Mental Health (DMH) to administer Statewide Programs for Prevention and Early Intervention (PEI), and has worked with the Mental Health Services Oversight and Accountability Commission (OAC) to facilitate compliance with OAC Guidelines; and

WHEREAS, Fifty Counties are currently members of CalMHSA; and

WHEREAS, Plumas County desires to become a member of the CalMHSA.

NOW, THEREFORE, BE IT RESOLVED by the Plumas County Board of Supervisors, County of Plumas, State of California, as follows:

1. The Plumas County Board of Supervisors approves Plumas County's participation as a member in the CalMHSA, a Joint Powers Authority, with other California counties in order to jointly develop and fund mental health services and education programs on a regional or state-wide basis; and
2. The Board hereby designates the Director or Interim Director of the Department of Mental Health to sign the Join Exercise Powers Agreement, and to act as the representative of Plumas County in the CalMHSA; and
3. The Board hereby authorizes the County's Director or Interim Director to expend \$250 as the application fee to participate in CalMHSA.

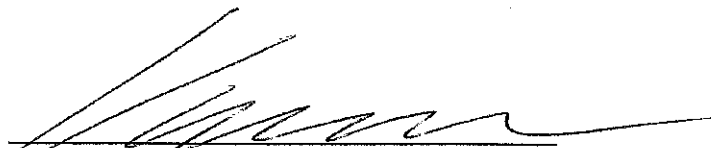
The forgoing Resolution was duly passed and adopted by the Board of Supervisors, County of Plumas, State of California, at a regular meeting of said Board held on the 12th day of May 2015, by the following vote:

Ayes: SUPERVISORS THRALL, ENGEL, SIMPSON, SWOFFORD, GOSS

Noes: NONE

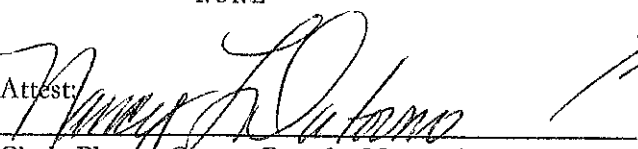
Absent: NONE

Abstain: NONE



Chair, Plumas County Board of Supervisors

Attest:



Clerk, Plumas County Board of Supervisors

ADMINISTRATIVE MATTERS
Agenda Item 5.B.

SUBJECT: Executive Committee / Finance Committee Election

ACTION FOR CONSIDERATION

Approve recommended slate of officers, Executive Committee members representing the five CMHDA regions, and Finance Committee Members.

EXECUTIVE COMMITTEE BACKGROUND AND STATUS

On June 30, 2015, there are four (4) vacancies and six (6) member terms for the regional representatives on the Executive Committee will end. The CalMHSAs Bylaws state that the Board will elect, by majority vote, a new slate of officers and executive committee members at the last board meeting of the fiscal year.

The nominated slate of Officers and Executive Committee members is as follows:

Role	Member	Term Length	Term Start Date	Term End Date
President	Maureen Bauman, Placer County	2 years	6/30/2014	6/30/2016
Vice President	Terrence Rooney, Colusa County	2 years	6/30/2015	6/30/2017
Secretary	Michael Kennedy	2 years	6/30/2015	6/30/2017
Treasurer	Dawan Utecht, Fresno County	annual ¹	6/30/2015	6/30/2017
Past President	VACANT	2 years	6/30/2015	6/30/2017
CMHDA At-Large Member ²	VACANT	1 year	6/30/2015	6/30/2016
Bay Area Regional Representatives	#1 Manuel Jimenez, Alameda County	2 years	6/30/2015	6/30/2017
	#2 Jo Robinson, San Francisco City & County	2 years	12/31/2015	6/30/2016
Central Regional Representatives	#1 Rita Austin, Tuolumne County	2 years	6/30/2015	6/30/2017
	#2 Vic Singh, San Joaquin County	2 years	6/30/2015	6/30/2016
Los Angeles Regional Representatives	#1 Marvin Southard, Los Angeles County	2 years	12/31/2015	6/30/2017
	#2 William Arroyo, Los Angeles County	2 years	6/30/2014	6/30/2016

¹ Treasurer - To serve a two year term but be re-approved each year to represent the JPA on Investment decisions.

² CMHDA At-Large-Member per the December 12, 2013 Board approved Bylaw changes.

Southern Regional Representatives	#1	Mary Hale, Orange County	2 years	6/30/2014	6/30/2016
	#2	Alfredo Aguirre, San Diego County	2 years	6/30/2015	6/30/2017
Superior Regional Representatives	#1	Tom Pinizzotto, Mendocino County	2 years	6/30/2015	6/30/2017
	#2	Donnell Ewert, Shasta County	2 years	6/30/2014	6/30/2016

FINANCE COMMITTEE BACKGROUND AND STATUS

On June 30, 2015, the Finance Committee had three (3) vacancies and terms for three (3) of the Finance Committee members will end. The CalMHSA Bylaws state that committee members to be appointed by the Board President and approved by the Board of Directors.

The appointment of committee members is as follows:

Position/Region	Nominee	Term
Chair	Dawan Utecht, Fresno County	May 1, 2015 – June 30, 2016**
Bay Area	CFO, Sonoma County (TBD)	TBD
Central	Dennis Koch, Madera County	July 1, 2015 – June 30, 2017
Los Angeles	William Arroyo, Los Angeles County	July 1, 2015 – June 30, 2017
Superior	Terrence Rooney, Colusa County	July 1, 2015 – June 30, 2017
Southern	Jerry Wengerd, Riverside County	July 1, 2015 – June 30, 2017
Ex Officio	Maureen Bauman, Placer County	NA

RECOMMENDATION:

Approve recommended slate of officers, Executive Committee members representing the five CMHDA regions, and Finance Committee Members.

TYPE OF VOTE REQUIRED

Majority of the Board of Directors.

REFERENCE MATERIAL(S) ATTACHED:

- None

FINANCIAL MATTERS
Agenda Item 6.A.

SUBJECT: Report from the CalMHSA Finance Committee – Dawan Utecht, Chairperson

ACTION FOR CONSIDERATION:

None, information only.

BACKGROUND AND STATUS:

The Finance Committee members are:

Position/Region	Nominee	Term
Chair	Dawan Utecht, Fresno County	May 1, 2015 – June 30, 2016**
Bay Area	VACANT	NA
Central	Tom Sherry, Sutter-Yuba Counties	February 29, 2012 – June 30, 2015
Los Angeles	William Arroyo, Los Angeles County	February 29, 2012 – June 30, 2015
Superior	VACANT	NA
Southern	Tanya Bratton, San Bernardino County	February 29, 2012 – June 30, 2015
Ex Officio	Maureen Bauman, Placer County	NA

The Finance Committee met by teleconference on May 11, 2015. The following items were included on the agenda:

1. CalMHSA Treasurer’s Report as of December 31, 2014 and March 31, 2015
2. CalMHSA Financial Statements for quarters ended September 30 and December 31, 2014
3. CalMHSA Financial Statements for quarter ended March 31, 2015
4. CalMHSA Investment Update
5. Proposed Member Dues – Core Structure and Operations
6. CalMHSA Annual Proposed Revenue and Expenditure Report – June 30, 2016
7. Financial Audit Engagement Letter
8. Finance Committee Membership
9. Finance Committee Teleconference Meetings for Fiscal Year 2015-2016

FISCAL IMPACT:

None.

RECOMMENDATION:

None, information only.

TYPE OF VOTE REQUIRED:

Majority of the Board of Directors.

REFERENCE MATERIAL(S) ATTACHED:

- None.

FINANCIAL MATTERS
Agenda Item 6.B.

**SUBJECT: CalMHSA Annual Revenue and Expenditure Report – Proposed Budget
June 30, 2016**

ACTION FOR CONSIDERATION:

Adopt the CalMHSA Annual Revenue and Expenditure Report – Proposed Budget, June 30, 2016.

BACKGROUND AND STATUS:

The CalMHSA Bylaws provide for a fiscal year of July 1 to June 30, and require the Board of Directors to adopt the annual budget by July 1 of the new fiscal year. The draft budget is to be presented to the Board at least 45 days prior. (Bylaws, §§ 4.1.3, 8.1, and 9.1.) The proposed budget was distributed May 15, 2015.

Ms. Kim Santin, CalMHSA Finance Director, will provide an overview of the Annual Revenue and Expenditure Report – Proposed Budget, June 30, 2016.

The proposed budget is CalMHSA first year reflecting that most of the original Statewide, one-time funds, have been spent. This year’s budget represents a significant reduction in funding. Funding is almost exclusively from CalMHSA members contributing local PEI dollars to CalMHSA to continue statewide efforts. The budget reflects the use of unspent carryover funds to support additional programing and operational expense. All resources have been reduced to reflect the current fiscal realities of CalMHSA.

Staff anticipates the need to hopefully increase program funding as updates from counties contributing and actual funding coming in. Another fiscal reality is managing CalMHSA cash flow. In early years, CalMHSA had the luxury of receiving a significant sum of funding up front. CalMHSA benefitted from this strong cash flow and added to our funding with investment income. With today’s funding based on annual contributions, the timeliness of receiving funds will be critical to CalMHSA and its programs.

This budget does not include any provision for potential revenue sources, which are being discussed and is based on projects available funding.

RECOMMENDATION:

Adopt the CalMHSA Annual Revenue and Expenditure Report – Proposed Budget, June 30, 2016.

TYPE OF VOTE REQUIRED:

Majority vote of the Board of Directors.

REFERENCE MATERIALS ATTACHED:

- CalMHSA Annual Revenue and Expenditure Report – Proposed Budget, June 30, 2016
- Accounts Receivable Budget Preparation

Annual Revenue and Expenditure Report – Proposed Budget June 30, 2016



- Proposed Budget – June 30, 2016
- Budget Narrative & Notes

**California Mental Health Services Authority
Annual Revenue and Expenditure Report - Proposed Budget
June 30, 2016**

	Approved Budget 2014/15	Current Year 2014/15 Projected Actuals	Proposed Budget 2015/16
A. Revenue to CalMHSA 2015/2016			
Phase 1 - Sustainability Contributions FY 15-16	12,895,000	6,133,998	-
Phase 2 - Sustainability Contributions FY 15-16	-		4,820,775
Statewide Hospital Beds	450,000	438,642	438,642
Total Revenue to CalMHSA 2015/16	13,345,000	6,572,640	5,259,417
B. Transfer of Funds to Programs	2,939,997	-	-
Total Funds Available 2015/16	16,284,997	6,572,640	5,259,417
C. Expenditures			
Program Services Expenditures	-		
PEI Program Services	42,676,123	29,486,266	8,099,737
WET Program Expenditures	-	148,470	-
TTACB Contract	-	89,597	120,000
State Hospital Beds	450,080	143,551	438,422
Short Doyle Fiscal Pilot	248,703	21,134	210,527
Total Program Services Expenditures	43,374,906	29,889,018	8,868,686
General And Administrative Expenses	-		
General & Administrative Staffing	-	773,578	322,407
Legal	-	60,000	21,500
Travel & Meetings	-	40,000	17,000
Other Contracts	-	40,000	20,000
Insurance	-	31,431	35,000
Financial Audit	-	15,000	25,000
Total General And Administrative Expenditures	3,155,583	960,009	440,907
Total Expenditures	46,530,489	30,849,027	9,309,593
D. Net Increase/(Decrease) Unexpended funds (1)-(2)	(30,245,492)	(24,276,388)	(4,050,176)
E. Total Unexpended Funds Available from Prior Fiscal Years	34,016,422	30,754,949	6,478,561
F. Total Unexpended Funds/Reserves - June 30, 2016	3,770,930	6,478,561	2,428,385
Funds Restrictd for Run out of JPA Operations	-	790,000	650,000
Restricted Program Obligations	-	4,191,696	681,369
Contingency for Phase 1 Funds not collected (Committed vs. Collected)	-	1,243,865	1,097,016
Prudent Reserve	3,770,930	253,000	-
Total Unexpended Funds/Reserves	3,770,930	6,478,561	2,428,385

Proposed Budget Notes

A. Revenue – During Fiscal year 15/16 is Estimated as:

	Total
Statewide Hospital Beds (1)	438,642
Phase 2 - Sustainability Contributions FY 15-16 (2)	4,820,775
Total estimated deposits as of June 30, 2016	<u>\$5,259,417</u>

1. State Hospital Bed program is currently in the second of a three year Participation Agreement
2. Phase 2 - Sustainability Contributions FY 15-16 – Member Counties have sent Letters of Acknowledgement of \$3,820,775 and an estimate of an additional \$1 million for other County commitments pending to be reported to CalMHSA. Final amounts are to be determined and no obligations will be made until funding sources are known.

B. Transfer of Funds to Programs

Over the history of implementation of PEI programs, CalMHSA has maintained a contingent reserve. In 2015, \$2,939,997 was moved from contingent reserve to support programs.

C. Expenditures

1. Program Service Expenditures

- Sustainability Expenditures Phase I and II have been budgeted as follows:

Program Partners (up to six contracts) 80% of current year county contributions projected of \$4,820,775 and \$1,100,000 carry over from Phase I is \$5,920,775. \$5,920,775 x 80%	\$4,736,620
Direct Management and Oversight	1,979,529
Other Contracts	40,000
Legal	28,500
Evaluation	1,277,588
Travel and Meetings	<u>37,500</u>
PEI Program Services	<u>\$8,099,737</u>

* \$1,493,357 PEI Ph. I & II and \$486,172 other programs.

- TTACB, State Hospital Beds, and Feasibility Study Program Expenses have been estimated by participation agreements.

2. General and Administrative Expenses

- General and Administrative Staffing – Staffing services to manage the general and fiscal operations of the JPA.
- Legal Expenses – CalMHSA has retained legal services to provide counsel to the board and support of the governing documents and contracts. Legal services will decrease for fiscal year ended 2016 due to number of contracts related to execution of the Phase 2 Plan.
- Travel and Meeting Expenses – CalMHSA is governed by a Board of Directors and has established standing committees and must conduct public meetings to carry out the regular business of the JPA. Conference attendance is also integral to the members maintaining and updating knowledge in Mental Health Services. The JPA currently has 55 counties participants.
- Other Contracts – CalMHSA has entered into contracts for general information dissemination and information technology.
- Insurance – CalMHSA procures its general liability insurance from CSAC-EIA on a policy term of July 1 to June 30.

- Financial Audit – As required by the government code, CalMHSA is audited annually by an independent Certified Public Accountant.

D. Net Increase / Decrease Unexpended Funds

Column (A) Current PEI & Current Programs – Net decrease of unexpended funds of \$4,050,176

E. Unexpended Funds Available from Prior Years

CalMHSA has projected the unexpended funds to be carried over to the Budget of Annual Revenue and Expenditure to be \$6,478,561. The actual amounts will be determined upon close out of year-end accounting records and contracts.

PEI & Current Programs	6,341,535
Fund Development/New Projects	137,026
Total Funds Projected to be Carried to Budget Year Ended June 30, 2016	<u>\$6,478,561</u>

*Carryover of individual funds from prior year are:

Operations	\$950,000
TTACB	150,000
Short Doyle Fiscal Pilot	250,000
State Hospital	489,401
PEI & Phase I	<u>4,502,134</u> *
	\$6,341,535

* \$1,100,000 has been carried over for use for Phase II Program Funds

F. Total unexpended funds as of June 30, 2016 are Estimated as:

Funds Restricted for Run Out of JPA Operations	650,000
Restricted Program Obligations	681,369
Contingency for Phase 1 Funds not collected (Committed vs. Collected)	1,097,016
Prudent Reserve	0
Total	<u>\$2,428,385</u>

G. Addition Budget Notes

1. Staff has not included estimates for the following prospective activities of the Executive Director:

- Grants
- County Contracts
- Foundations
- State Funding
- Federal Funding

2. The Budget Variables included in this document are:

Variables

- Available Cash - County commitments versus county collections
- Prospective activities
- Funds available to contract with Program Partners
- No contract obligations will be made until funding known

County payments to CalMHSA outstanding:

	Accounts Receivable at Budget Preparation				
	Operations (App Fees)	Short Doyle	State Hospital Beds	Sustainability Phase I	Total
Alameda		10,733		380,240	390,973
Alpine		273			273
Fresno			1,402	95,110	96,510
Humboldt		1,082			1,082
Imperial	500			48,915	49,415
Kern	500			120,020	120,520
LA County		35,700	134,500		170,200
Mendocino		755			755
Nevada	250				250
Plumas		429			429
Riverside				11,742	11,742
San Bernardino			16,824		16,824
San Mateo				85,139	85,139
Santa Clara				502,699	502,699
Sierra		279			279
Solano			4,206		4,206
Tri-City		1,672			1,672
Total	1,250	50,927	156,932	1,243,865	1,452,974

PROGRAM MATTERS
Agenda Item 7.A.

SUBJECT: Statewide Prevention and Early Intervention (PEI) Programs Phase II, Program Funding Recommendations

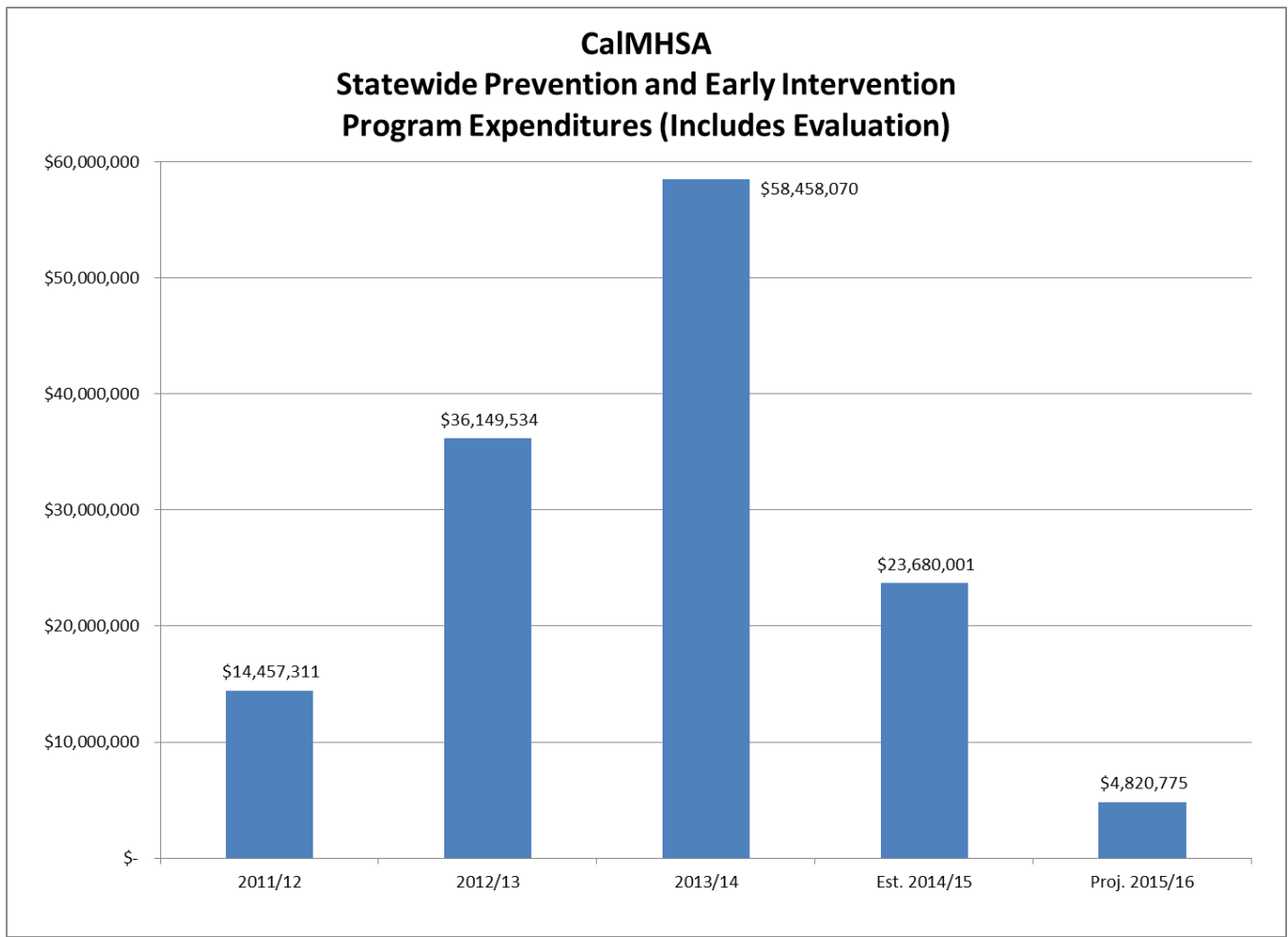
ACTION FOR CONSIDERATION:

1. a. Approve the contract awards recommended by the Sustainability Taskforce for Program One: Reaching California's Diverse Communities to Achieve Mental Health and Wellness for a maximum of \$4.2 million per year for FY 15/16 and 16/17 as follows:
 - Runyon, Saltzman and Einhorn (RSE) – \$3 million
 - Foundation for California Community Colleges – \$700,000
 - Active Minds – \$300,000
 - NAMI-CA – \$200,000
- b. Delegate authority to the Taskforce to direct staff on allocating up to \$2 million in additional funds to Program One contractors if funds become available.
2. Approve the recommendation by the Sustainability Taskforce to have staff negotiate extensions of 4 existing contracts for up to \$400,000 for 2 years to accomplish the objectives set forth in Program Two: Creating Healthier Organizations and Communities through Policy Change.
3. Authorize the Executive Director to execute contract with selected contractors consistent with the foregoing approvals.

BACKGROUND AND STATUS:

CalMHSA PEI Statewide Projects (SWP) were originally implemented in 2010 with Mental Health Services Act (MHSA) funding totaling \$147 million provided by counties. The SWP implementation period was set to expire on June 30, 2014 but the CalMHSA Board extended the implementation period to 6/30/2015 and counties provided additional funding to support continuing many activities at a reduced level for a one year period. The original implementation and the one year extension have been referred to as Phase I. In August of 2014, the CalMHSA Board approved Phase II of the SWP. Phase II builds on the original SWP investment and activities yet unifies all the activities in one common umbrella initiative known as Each Mind Matters (EMM). Significant redesign in Phase II focuses on four wellness areas; Diverse Communities, Schools, Healthcare and Workplace. Annual funding to implement the Phase II Plan was conservatively estimated to be \$20 million, roughly 50% less the previous annual funding levels, and was intended to be funded by diverse funding, both public and private.

To date the funding for Phase II SWP is much less than anticipated and as a result the Phase II SWP activities recommended here are limited in scope and represent a significant reduction from current and prior activities (See reference materials for list of discontinued activities). The plan was dependent upon raising \$10 million in non-county funds and receiving \$10 million in county MHSA contributions. At this time no non-county funds have been secured and less than \$5 million in annual funding has been identified by county Letters of Acknowledgment (LOA) s received.



1) OVERVIEW OF REVIEW AND SELECTION PROCESS FOR PROGRAM ONE:

On March 16, 2015, CalMHSA Staff released the Statewide Phase II PEI Programs, Program One: Reaching California’s Diverse Communities to Achieve Mental Health and Wellness RFP. A total of 13 eligible proposals were received by the proposal due date of 5:00 PM PDT on April 27, 2015. These proposals were further reviewed and scored by a Review Committee comprised of Subject Matter Experts. Due to the large size of each proposal package and the number of proposals received, the

Review Committee was divided into two groups – Group A and Group B – that each reviewed and scored a separate set of proposals (see attached reference materials).

On May 26, 2015, CalMHSA Staff analyzed the top ranked recommendations from the Review Committee taking into account the Wellness Areas that would be covered by the proposals as a whole. CalMHSA Staff’s recommendations were vetted by the CalMHSA Sustainability Task Force on May 28, 2015, prior to being presented as final recommendations to the CalMHSA Board of Directors on June 11, 2015, for contract awards.

ANALYSIS AND RECOMMENDATIONS FROM THE SUSTAINABILITY TASKFORCE

The Taskforce’s recommendation is based on a combination of applying the guiding principles and priorities that have been set forth by CalMHSA Board of Directors, as well as, a recognition that there is significantly less available funding to award in contracts than what was anticipated.

Guiding Principles to Determine Funding Priorities:

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

Priority Activities:

- Statewide dissemination to support the local adoption/use in diverse communities for statewide impact
- Leveraging and expanding upon existing tools and resources
- Collaboration and partnership with counties and their community partners
- Leveraging existing networks and collaborations (including new partners)
- Addressing important gaps among diverse communities, those hardest to reach, and those at highest risk of suicide
- Using culturally relevant strategies

Funding Limitations:

Program One was to intended to award **up to \$7.5 million** in program dollars for both fiscal year 2015-16 and 2016-17. Based on the Annual Revenue and Expenditure Report – Proposed Budget June 30, 2016 (action on this budget will be taken at the CalMHSA June Board Meeting), and previous Board action which provided \$500,000 to fund the Stigma and Discrimination Reduction Consortium, there

is **\$4.2 million available for contract awards**. This funding will be dependent upon actual funds available from the county commitments to date.

Responses to the Program One RFP totaled a request of **\$49.5M** for 2 years of operations. in annual funds. At this date there is no other funding (e.g. State, Federal, Foundations, etc.) to add to the funds being provided by counties. In addition to the review panel scores, the significantly reduced amount of available funding required the Taskforce to also consider the following:

- How well did the proposal meet the needs of the guiding principles and prioritized program activities, as stated above?
- How well did the proposal/proposers support peer to peer and family to family programs?
- Could proposers leverage each other's efforts to amplify impact and avoid duplication?
- Is there flexibility and capacity to expand reach and impact if additional funds become available?

Out of the 13 proposals submitted, 8 were considered because they had scores above 70%. Unfortunately, due to limited funding only 4 proposals are recommended for funding. The recommendation for contract awards represents **below 50%** of what these 4 contractors were requesting in their proposals. As a result staff was directed to contact each potential awardee and discuss whether or not their proposal, or elements of it, are viable with significantly reduced funding. The following is a brief description of what activities will be cut from these proposals due to the reduced funding:

- No funding available for any activities in the Health or Workplace Wellness Areas (support for the Wellness Works Program, Partnering with Kaiser and the California Highway Patrol),
- Reduced ability to reach and address gaps in resources for the large number of diverse ethnic, racial, and cultural communities in California (less ability to conduct multiple thorough cultural adaption processes),
- Significant reduction in ability to fund family and consumer operated programs to conduct local activities and trainings (smaller local mini-grants and stipends),
- Less resources for substantial material dissemination and technical assistance to counties and their partners in using tools and resources (fewer personnel available to support efforts),
- Concerns about keeping up efforts to integrate suicide prevention efforts under the "Know the Signs" campaign with Each Mind Matters (reduced resources to support campaign), and
- Reduced ability to support collaboration and programs with both K-12 and UC and CSU system partners (lack of contracts with system partners).

Recommendation Part A: The table below identifies the contractor, program focus, outcomes, wellness areas, and funding level being recommended by the Taskforce.

Contractor	Program Focus	Outcomes	Wellness Areas	Awarded Annual Funding Level
Runyon Saltzman and Einhorn (RSE)	Support Cause Marketing of Existing EMM Programs Address Gaps for Diverse Cultural Communities Training and Technical Assistance for Counties, CBOs and Local Partners	Increase organizational capacity among CA diverse communities/ organizations to dissemination/ adapt EMM tools and resources Increase Knowledge/ Attitude and Help-Seeking Behavior Decrease incidents of stigma and discrimination Increase early identification by faculty and staff Increase recognition of suicide risk factors	Diverse Communities and Schools	\$3 million
California Community Colleges	Dissemination and Local Use of EMM Programs through all Community Colleges – Reaching Diverse Cultural Communities Strengthen Student Mental Health PEI efforts and coordination with counties	Increase Knowledge/ Attitude and Help-Seeking Behavior Decrease incidents of stigma and discrimination Increase early identification by faculty and staff Increase recognition of suicide risk factors	Diverse Communities and Schools	\$700,000
Active Minds	Actively engage student peers to disseminate tools and resources to California Higher Education campuses Support peer-led programs to support PEI efforts on campus Support peers in reaching out to diverse students on campus including Veterans and LGBTQ	Increased access to peer-based support and education Increase Knowledge/ Attitude and Help-Seeking Behavior Decrease incidents of stigma and discrimination Increase recognition of suicide risk factors	Diverse Communities and Schools	\$300,000
NAMI-CA	Continue further support the local implementation of the Mental Health 101 stigma reduction program for diverse communities developed as part of their contract in Phase I Support affiliate capacity building for on-going dissemination of EMM programs/resources	Increase Knowledge/ Attitude and Help-Seeking Behavior Decrease incidents of stigma and discrimination Increase recognition of suicide risk factors Support Health Equity	Diverse Communities	\$200,000

Recommendation Part B: If additional funds do become available through county commitments, the Taskforce recommends that up to \$2 million in additional funds be allocated to Program One and that the Taskforce be delegated authority to direct staff on allocations including directing funding first to those with the fewest awards funds.

2) RECOMMENDATION TO EXTEND EXISTING CONTRACTS TO FULFILL PROGRAM TWO OUTCOMES

In light of the current financial situation the Taskforce has deliberated on the most efficient and reasonable solution for achieving outcomes identified in Program Two: Creating Healthier Organizations and Communities through Policy Change. Program Two is intended to identify and support policy changes that will result in the greater adoption of mental health and substance use awareness and suicide prevention practices within organizations, in local communities, and at the state-level.

Currently CalMHSA contracts with organizations that are working on policy change strategies intended to meet the same objectives identified in Program Two. Due to limited funding and time, the Taskforce contends that it is not an earnest use of limited resources to conduct a procurement process for up to \$400,000.00 in funds for 4 organizations for 2 years, subject to fund availability. Below provides a rationale to alternatively extend existing contracts to continue work that has been done under Phase I contracts to meet Phase II Program Two outcomes.

- a. **Timeliness** - The contractors already have policy work as part of their existing deliverables under Phase I and an extension of just these specific deliverables would support continued policy change achievements in a timely way. Renewing contracts would ensure work could continue as of July 1, 2015.
- b. **Cost-Effective and Relevant to Current Funding Environment** – Each of the four contractors has demonstrated an ability to provide substantial in-kind contributions and their work - *integrated care, mental health and substance use parity, and strategies to support student mental health*- will have timely and significant impact in our current funding environment.
- c. **Unique Capabilities** - Each of the four contractors recommended have unique capabilities to best meet deliverables based on their work to date as funded by CalMHSA.
- d. **Recorded Performance** - Each of the four contractors recommended have demonstrated successful completion of phase I deliverables and are in good performance standing with CalMHSA.

Recommendation: Extend existing contracts for up to \$400,000 for 2 years, subject to fund availability, based upon existing deliverables in Phase I which are aligned with the objectives in Program Two. Similar to Program One these contractors would be subject to the 30% in-kind and cash-match requirements if they are to be considered for an extension.

The table below outlines the deliverables, wellness areas, and funding level recommended for each of the four contractors.

Contractor	Proposed Continuing or Amended Deliverables for Phase II	Wellness Area	Funding Level
California Department of Education (CDE)	<p>The CDE will convene and staff the Student Mental Health Policy Workgroup (SMHPW) quarterly, produce and disseminate at least one policy recommendation/report, and support collaboration and partnership with counties and their community partners to promote policy change and implementation.</p> <p>The SMHPW may incorporate enhanced Phase II objectives into their work: substance use prevention awareness, primary prevention strategies, and strategies for those at the highest risk of suicide.</p>	Diverse Communities and Schools	60,000
California County Superintendents Educational Services Association (CCSESA)	<p>CCSESA will aid in sustaining the collaboration that has developed between counties and county school superintendents during the 4 year Phase I CalMHSA Statewide Prevention and Early Intervention Programs.</p> <p>The primary purpose of this collaboration in Phase II is to support policy changes that will result in greater adoption of mental health and substance use awareness and suicide prevention practices among local schools and districts.</p>	Diverse Communities and Schools	100,000
Community Clinics Initiative/ Integrated Behavioral Health Project (CCI / IBHP)	<p>CCI/IBHP will support partnerships between MH, SU, and PC to develop and promote policy recommendations that reduce stigma and discrimination in integrated care settings.</p> <p>Policy recommendations developed should aim to result in greater adoption of mental health and substance use awareness and suicide prevention practices within organizations, in local communities and at a state-level.</p>	Diverse Communities and Health	120,000
Disability Rights California (DRC)	<p>DRC will continue to ensure the enforcement of California and Federal mental health parity requirements, including under the Mental Health and Substance Use Disorder benefit of the Affordable Care Act through Medi-Cal expansion and Covered California.</p> <p>In addition, DRC, in consultation with CalMHSA, will conduct work based on the findings from phase I regarding gaps and activities needed to further achieve the objectives of mental health and substance use parity to support equity for individuals and families challenged by these conditions.</p>	Diverse Communities and Health	120,000

FISCAL IMPACT:

CalMHSA will award up to \$4.2 million annually for contracts for FY15/16 and FY 16/17 for Program One: Reaching California’s Diverse Communities to Achieve Mental Health and Wellness.

CalMHSA will extend 4 current contracts for a total amount not to exceed \$400,000 annually for FY 15/16 and FY 16/16 for Program Two: Creating Healthier Organizations and Communities through Policy Change.

RECOMMENDATION:

1. a. Approve the contract awards recommended by the Sustainability Taskforce for Program One: Reaching California’s Diverse Communities to Achieve Mental Health and Wellness for a maximum of \$4.2 million per year for FY 15/16 and 16/17 as follows:
 - Runyon, Saltzman and Einhorn (RSE) – \$3 million
 - Foundation for California Community Colleges – \$700,000
 - Active Minds – \$300,000
 - NAMI-CA – \$200,000
- b. Delegate authority to the Taskforce to direct staff on allocating up to \$2 million in additional funds to Program One contractors if funds become available.
2. Approve the recommendation by the Sustainability Taskforce have staff negotiate extensions of 4 existing contracts for up to \$400,000 for 2 years to accomplish the objectives set forth in Program Two: Creating Healthier Organizations and Communities through Policy Change.
3. Authorize the Executive Director to execute contract with selected contractors consistent with the foregoing approvals.

TYPE OF VOTE REQUIRED:

Majority vote of the Board of Directors

REFERENCE MATERIAL(S) ATTACHED:

- Summary of Proposals Recommended for Program One
- Overview of Review and Selection Process for Statewide Phase II PEI Programs, Program One: Reaching California’s Diverse Communities to Achieve Mental Health Wellness RFP
- Program Two Creating Healthier Organization and Communities Through Policy Change – Recommendations for Contract Extensions
- Summary Table of Discontinued Activities from CalMHSA PEI SWP Phase I

Summary of Proposals Recommended for Program One

Runyon Saltzman Einhorn, Inc.

Proposal Summary

Runyon Saltzman Einhorn, Inc. (RSE) submitted a proposal for *Each Mind Matters/SanaMente (EMM/SM)* which focuses on the Diverse Communities, Schools and Workplace Wellness Areas and targets elementary to higher education students, transition-age youth (16-25) outside of the school setting, and working adults. The purpose of EMM/SM is to unify stigma reduction, suicide prevention, and student mental health messaging in all 58 counties. Some of the proposed activities include: supporting Walk in Our Shoes and Directing Change in elementary to higher education schools; identifying and filling gaps in tools and resources for diverse racial, ethnic and cultural communities; providing technical assistance and supports to counties and their partners for EMM dissemination; executing a communications strategy that uses public relations, social media platforms, advertising and marketing to achieve broad dissemination; enhancing EachMindMatters.org with guest blogs and other website tools; media relations to respond to current news and events; and celebrity engagement.

Proposer's Strengths

RSE is a large, for-profit advertising and public relations corporation that was founded in the mid-1960s, and operates in California. RSE has demonstrated experience in addressing other complex communications challenges with efforts primarily directed at behavior change.

Highlights (Based on Review Committee's Comments)

In general, the review and analysis sessions noted the following proposal strengths:

- Reviewers felt this was a very strong proposal overall.
- The organization's demonstrated experience is a good fit with the goals and intent of this RFP.
- Reviewers were impressed with the involvement of a broad and deep assortment of networks and collaborations for statewide reach, and how proposed activities clearly expand upon existing CalMHSA tools, resources and initiatives in a meaningful and impactful way toward further energizing a statewide movement.
- Reviewers felt that the proposal communicated a real commitment to working with underserved populations directly and through its partners.

Staff Recommendations

Staff recommends funding RSE in the maximum amount of \$3,000,000 per year for two years. This amount is significantly less than the amount of funding requested in the original proposal due to limited available funds from county contributions.

Summary of Proposals Recommended for Program One

Foundation for California Community Colleges

Proposal Summary

The Foundation for California Community Colleges (FCCC) submitted a proposal for *Each Student Succeeds (ESS)*, which focuses on the Diverse Communities and Schools Wellness Areas and targets students, faculty and staff on all 112 California Community College (CCC) campuses including LGBTQ, first-generation or immigrant, veteran, African American, Native American, Asian, Hispanic and multi-ethnicity students. ESS aims to increase recognition of early signs of mental illness and suicide risk, combat stigma and increase help-seeking among 2.2 million CCC students statewide, and increase sharing of promising or innovative practices between counties and the CCC campuses. Proposed strategies include a collaboration with CalMHSA Each Mind Matters statewide social marketing campaign, product/resource development and customization for specific audiences, trainings for gatekeepers, identification of student and faculty champions at all 122 CCC campuses, and coordination with counties around the development and distribution of tools and resources.

Proposer's Strengths

FCCC is a non-profit organization with an annual operating budget of \$30M. Its mission is to benefit, support, and enhance the missions of the California Community Colleges.

Highlights (Based on Review Committee's Comments)

In general, the review and analysis sessions noted the following proposal strengths:

- Reviewers were very impressed with this proposal overall.
- This proposal builds the case well for how the community college system is a natural portal for reaching into California's diverse communities, and how program activities are designed to capitalize on that asset to address important gaps.
- The proposal describes a statewide dissemination plan using strategies that have great promise to be effective in accomplishing its goals for the proposed target audiences.
- The proposal addresses plans to coordinate with counties to enhance local PEI efforts.

Staff Recommendations

Staff recommends funding FCCC for a maximum amount of \$700,000 per year for two years. This amount represents about a 20% reduction in the funding requested in the original proposal due to limited available funds from county contributions.

Summary of Proposals Recommended for Program One

Active Minds

Proposal Summary

Active Minds submitted a proposal for the *Transformational Change Campaign (TCC)*, which focuses on the Diverse Communities and Schools Wellness Areas and targets transition-age youth (16-25) with an emphasis on reaching LGBTQ, Veteran, Asian American and Pacific Islander, Latino, Native American and African American young adults. The purpose of TCC is to increase engagement of students on 145 California college, university and community college campuses as champions and change agents in the statewide promotion of mental health awareness and suicide prevention. Proposed strategies include an array of dissemination activities, collaboration on adaptation of social media content and existing tools and resources, training and technical assistance, and engagement of Active Minds chapters and other student-led mental health organizations.

Proposer's Strengths

Active Minds is a non-profit organization based in Washington D.C. that was established in 2003, and has an annual operating budget of \$1.4M. Its mission is to empower students to speak openly about mental health in order to educate others and encourage help-seeking. Active Minds touts a growing presence in California and representation by Californians on its Board of Directors and Student Advisory Committee.

Highlights (Based on Review Committee's Comments)

In general, the review and analysis sessions noted the following proposal strengths:

- Reviewers were impressed with this proposal overall.
- The organization's mission and demonstrated experience appear to line up directly with the goals and intent of this RFP.
- The proposal definitely hits the mark on being statewide with its network of student chapters and does a good job of building on CalMHSA's original investment with its strategies for further disseminating and adapting existing Each Mind Matters materials.
- Reviewers overall liked the peer-led education model and indicated confidence in the proposal's discussion of culturally relevant approaches.

Recommendations

Staff recommends funding Active Minds for a maximum amount of \$300,000 per year for two years. This amount is significantly less than the amount of funding requested in the original proposal due to limited available funds from county contributions. At this funding level the focus of efforts will be on engaging students peers to support dissemination and peer-led programs to support PEI efforts on campus.

Summary of Proposals Recommended for Program One

National Alliance on Mental Illness California

Proposal Summary

The National Alliance on Mental Illness California (NAMI CA) submitted a proposal for a program that focuses on all four Wellness Areas and targets young adults, older adults, cultural communities, California Highway Patrol officers, health providers and support staff, and parents and teachers. The purpose of the proposed program is to: improve knowledge and confidence in serving individuals with mental illness and their families among employers in especially the public sector; increase awareness of mental health challenges among providers in the healthcare setting; improve knowledge about mental illness and increase comfort discussing topics related to mental illness among students, parents and teachers; reduce stigma and enhance access to mental health resources including to local support networks for members of diverse communities. Proposed key strategies include: implementing their Mental Health 101 (MH101) curriculum for diverse communities and adapting it for young and older adults; presenting the MH101 curriculum to 10,000 CHP officers and Kaiser Permanente healthcare providers and support staff; expanding NAMI California's Ending the Silence trainings and Parents and Teachers program to diverse schools; providing training and education related to legal rights across a range of workplace venues; assuming leadership for the student film competition, Directing Change, and advancing this initiative by creating public service announcements for winning videos on television stations across California.

Proposer's Strengths

NAMI CA is a non-profit organization that is statewide, and has an annual operating budget of \$3M. It provides leadership in mental health advocacy, legislation, policy development, education and support. Its activities are built on the expertise of individuals with lived experience.

Highlights (Based on Review Committee's Comments)

In general, the review and analysis sessions noted the following proposal strengths:

- Reviewers reviewed this proposal very favorably overall.
- The organization's mission and demonstrated experience in stigma reduction efforts are highly aligned with the RFP's purpose and goals.
- The proposer's statewide reach with 62 Affiliates and 19,000 members, and its capacity to hit the ground running were noted as real strengths.
- The proposal's leveraging of networks and collaborative, including with a diverse range of groups, was viewed as another important strength.

Recommendations

Staff recommends funding NAMI CA for a maximum amount of \$200,000 per year for two years. This amount is significantly less than the amount of funding requested in the original proposal due to limited available funds from county contributions. At this funding level the focus of efforts will be on further implementation of Mental Health 101 for diverse communities and support to affiliates for capacity building.

Overview of the Review and Selection Process for Statewide Phase Two PEI Programs, Program One: Reaching California's Diverse Communities to Achieve Mental Health and Wellness RFP

On March 16, 2015, CalMHSA Staff released the Statewide Phase Two PEI Programs, Program One: Reaching California's Diverse Communities to Achieve Mental Health and Wellness RFP followed by a Proposer's Webinar held on March 23, 2015. The proposal review and selection process as detailed in this document was conducted jointly by CalMHSA Staff and consultants from the California Institute for Behavioral Health Solutions (CIBHS). CalMHSA Staff provided oversight and leadership, and CIBHS consultants provided technical assistance.

A total of 13 eligible proposals were received by the proposal due date of 5:00 PM PDT on April 27, 2015, and underwent an administrative review by CalMHSA staff and consultants on the following business day to check for completeness of the proposal packages. Proposals were further reviewed and scored by a Review Committee comprised of Subject Matter Experts (SME) as described in the following sections.

Review Committee Recruitment and Selection

The following list of desired reviewer qualities was developed by CalMHSA Staff, vetted by the CalMHSA Sustainability Task Force, and used to guide the recruitment of Review Committee members:

- Demonstrated understanding of strategies for statewide promotion of mental health awareness, suicide prevention and substance use prevention among California's diverse communities
- Demonstrated understanding of social marketing and dissemination approaches for health promotion
- Understanding of prevention and early intervention principles and approaches
- Understanding of best practices in peer-based support and education
- Understanding of public health and population-based strategies for effective societal norm change
- Understanding of the complexities of implementing culturally appropriate approaches for effectively reaching California's diverse communities, including across all age groups and geographic regions
- Understanding of evaluation methodology for accountability and for the measurement of public health outcomes
- Understanding of current leverage opportunities to maximize impact within health care, public health, education, and the work place.

Recruitment letters were emailed to candidates in March 2015, after the release of the RFP, so that candidates had a chance to view the RFP and ensure non-conflict. All Review Committee members signed statements of confidentiality and non-conflict of interest.

Ultimately, the Review Committee was comprised of a total of 12 members. The Review Committee was comprised of SMEs with combined expertise in the following key areas (in alphabetical order): county

operations, cultural competency (with a statewide lens), education, evaluation, health and mental health provider, lived experience, local (non-county) operations, prevention (with a statewide and national lens), project management, social marketing, suicide prevention, transition-age youth, transitional aging and older adult services, and workforce. A matrix was used to assist in evaluating that coverage was met in all of the desired areas of expertise (see matrix attached).

Members were offered compensation at a rate of \$150.00 per proposal reviewed and scored in addition to travel costs related to attending one, in-person Review Committee Meeting. Members who received compensation submitted W9 forms and invoices for their services and expenses.

Assignment of Reviewers to Groups A and B

In consideration of the large size of each proposal package, the number of proposals received and the desire to uphold the highest quality of the proposal reviews, the decision was made to distribute the work across two groups of reviewers. Thus, the Review Committee was divided into two groups – Group A and Group B. Group A consisted of six members, including one who served as an alternate in case someone was unable to complete their service for any reason. Group B also consisted of six members, including one alternate. Using the matrix referenced earlier, members were assigned to either Group A or B such that the representation of SMEs in Group A mirrored Group B. The two groups were assigned to review and score a different set of proposals.

Reviewer Training

All reviewers attended a mandatory training that was conducted via webinar on May 4, 2015. The content of the training covered the following areas: background of CalMHSA's original initiatives and the Phase Two Plan, overview of RFP 1, review process and timeline, review committee structure, confidentiality and non-conflict requirements, scoring tool and selection process, reviewer compensation and travel expense reimbursement, and a question and answer period. A recording of the training was provided via a link for reviewers who were not able to attend live or found it helpful to go back afterward and review the training.

Scoring Tool

The scoring tool was formatted as an electronic form and covered eight areas that were consistent with the components of the RFP, as follows: description of needs and aims, program design, leveraging and sustainability, evaluation, quality management, applicant's qualifications, staffing plan, and budget and financials. The scoring tool was comprised of 20 items that were distributed across the eight areas such that a natural weighting was achieved, as follows:

- Section A. Description of Needs and Aims: 1 item, worth 5% of the overall score
- Section B. Program Design: 8 items, worth 40% of the overall score
- Section C. Leveraging and Sustainability: 2 items, worth 10% of the overall score
- Section D. Evaluation: 3 items, worth 15% of the overall score
- Section E. Quality Management: 1 item, worth 5% of the overall score
- Section F. Applicant's Qualifications: 2 items, worth 10% of the overall score

- Section G. Staffing Plan: 1 item, worth 5% of the overall score
- Section H. Budget and Financials: 2 items, worth 10% of the overall score

The scoring system that was applied to each item was a five-point Likert Scale from 1 (poor) to 5 (exceptional). Reviewers were instructed to provide a quality rating and brief comments for every item.

Proposal Reviews

Hard copies of the proposals were delivered to the reviewers. Reviewers first independently reviewed and scored the proposals. Reviewers then submitted their scores and comments using the electronic scoring tool at least one day in advance of the Review Committee Meeting.

Two, in-person, Review Committee Meetings were held. Group A met on May 20th and Group B met on May 22nd. Reviewers were asked to bring with them to the meeting hard copies of all the proposals they received. Folders with hard copies of their own scoring sheets were provided at the meeting. At these in-person meetings, reviewers went through the scoring tool for each proposal item-by-item, and through a facilitated discussion led by CIBHS consultants, reviewers discussed items with variances in scoring of two points or greater. Reviewers were asked to share their scores and rationale for their ratings, and then engage in a discussion. Reviewers were not required to adjust their scores. However, at the end of a discussion if a reviewer chose to adjust a score, that reviewer was asked to enter in their final score along with a brief, written justification for the changed score.

Reviewers were reminded that all information related to the proposal review, including the discussion that occurred at the Review Committee Meeting was considered confidential. All hard copies of proposals, scoring sheets and any notes were collected at the end of each meeting.

Selection and Timeline for Contract Awards

At the conclusion of the second Review Committee Meeting, reviewers' final scores were inputted into a spreadsheet that was used to rank order all of the proposals by their final scores and display the selected Wellness Areas for each proposal. On May 26, 2015, CalMHSA Staff analyzed the top ranked recommendations from the Review Committee taking into account the Wellness Areas that would be covered by the proposals as a whole and the total available funding. CalMHSA Staff will use its discretion in determining the number of proposals to be recommended to the Board for contract award, as well as the maximum amount to be awarded. CalMHSA Staff's recommendations will be vetted by the CalMHSA Sustainability Task Force on May 28, 2015, prior to being presented as final recommendations for contract awards to the CalMHSA Board of Directors on June 10, 2015. Upon Board approval, Staff will notify all proposers by email and/or registered letter. Proposers will have five (5) business days to file a written appeal with CalMHSA, starting from the date that CalMHSA's email and/or registered letter containing CalMHSA's Notice of Non-Selection is delivered to the proposer's email/address of record (per the RFP Section C, 4.1.b on page 27). Once the appeal period has passed, Staff will move forward with contract negotiations as directed by the Board. Contracts are expected to be fully executed within 30 days of Board approval.

Program Two: Creating Healthier Organizations and Communities through Policy Change – Recommendations for Contract Extensions

Purpose: Program Two is intended to identify and support policy changes that will result in greater adoption of mental health and substance use awareness and suicide prevention practices within organizations, in local communities, and at a state-level.

Funding: Up to \$400,000 per year for 2 years subject to fund availability

Staff Recommendation: Due to limited funding, scope, and time, CalMHSA staff is recommending that the objectives set forth in Program Two be accomplished through extending existing contracts. Contracts can be amended for fiscal years 2015-16 and 16-17 based upon existing deliverables through June 2015 which are aligned with the objectives in Program Two. Similar to Program One these contractors would be subject to the 30% in-kind and cash-match requirements if they are to be considered for an extension.

The table below outlines how this could be accomplished for your consideration.

Contractor	Relevant Existing Deliverables in Phase I	Proposed Continuing or Amended Deliverables for Phase II	Expected Outcomes	Wellness Area	Funding Level
California Department of Education (CDE)	<p>The CDE will convene and staff the Student Mental Health Policy Workgroup (SMHPW) to:</p> <p>1) Make recommendations to the State Superintendent of Public Instruction (SSPI) and the California State Legislature that will favorably impact student mental health, build capacity among K–12 schools, mental health providers, mental health organizations, youth agencies, and other stakeholders to appropriately identify, refer, and treat students with mental health needs.</p> <p>2) Generate and disseminate any</p>	<p>The CDE will convene and staff the Student Mental Health Policy Workgroup (SMHPW) quarterly, produce and disseminate at least one policy recommendation/report, and support collaboration and partnership with counties and their community partners to promote policy change and implementation.</p> <p>The SMHPW may incorporate enhanced phase II objectives into their work: substance use prevention awareness, primary prevention strategies, and strategies for those at the highest risk of suicide.</p>	<p>Increased knowledge and skills for recognizing signs and facilitating help-seeking</p> <p>Decreased stigma against persons with mental health challenges</p> <p>Increased adoption/use of materials and protocols</p>	Diverse Communities and Schools	60,000

	reports and/or policy recommendations on mental health program capacity, integration, funding, best practices, design, administration, collaboration, communication strategies, or other pertinent topics that the SMHPW may generate.		Increased early identification and intervention Increased access to peer-based support and education Increased access /use of PEI, treatment and support services		
California County Superintendents Educational Services Association (CCSESA)	CCSESA will aid in sustaining CalMHSA's investment in promoting mental health and wellness in California's K-12 system by: 1) Sustain statewide coordination of the regional K-12 student mental health initiative including the online clearinghouse of best practices and coordination with CalMHSA program partners and districts and schools 2) Continue coordination between California's education system and other stakeholders addressing student mental health	CCSESA will aid in sustaining the collaboration that has developed between counties and districts/school during the 4 year Phase I CalMHSA Statewide Prevention and Early Intervention Programs. The primary purpose of this collaboration in Phase II is to support policy changes that will result in greater adoption of mental health and substance use awareness and suicide prevention practices among local schools and districts.	Increased knowledge and skills for recognizing signs and facilitating help-seeking Increased adoption/use of materials and protocols Increased access /use of PEI, treatment and support services	Diverse Communities and Schools	100,000
Community Clinics Initiative/ Integrated	The CCI/IBHP program will target stigma and discrimination reduction efforts in the integration of mental health (MH), substance use (SU), and	CCI/IBHP will support partnerships between MH, SU, and PC to develop and promote policy recommendations that reduce	Increased knowledge and skills for recognizing signs	Diverse Communities and Health	120,000

<p>Behavioral Health Project</p>	<p>primary care (PC) services. This is accomplished through:</p> <p>1) Identifying best practices, providing informational resources, and disseminating both through websites, toolkits, training and technical assistance,</p> <p>2) Fostering operational partnerships among MH, SU, and PC providers and systems to promote emotional well-being and reduce the negative impact of stigma on outcomes, and</p> <p>3) Supporting these partnerships between MH, SU, and PC to develop, promote, and implement policy recommendations that reduce stigma and discrimination in integrated care settings.</p>	<p>stigma and discrimination in integrated care settings.</p> <p>Policy recommendations developed should aim to result in greater adoption of mental health and substance use awareness and suicide prevention practices within organizations, in local communities and at a state-level.</p>	<p>and facilitating help-seeking</p> <p>Decreased stigma against persons with mental health challenges</p> <p>Increased adoption/use of materials and protocols</p> <p>Increased early identification and intervention</p> <p>Increased access to peer-based support and education</p> <p>Increased access /use of PEI, treatment and support services</p>		
<p>Disability Rights California (DRC)</p>	<p>DRC will ensure the enforcement of California and Federal mental health parity requirements, including under the Mental Health and Substance Use Disorder benefit of the Affordable Care Act through Medi-Cal expansion and Covered California.</p>	<p>DRC will continue to ensure the enforcement of California and Federal mental health parity requirements, including under the Mental Health and Substance Use Disorder benefit of the Affordable Care Act through Medi-Cal expansion and Covered California.</p>	<p>Decreased stigma against persons with mental health challenges</p> <p>Increased adoption/use of materials and</p>	<p>Diverse Communities and Health</p>	<p>120,000</p>

	<p>This is accomplished through:</p> <ol style="list-style-type: none"> 1) Analyzing existing laws, regulations, policy and procedures to ensure compliance, 2) Training and dissemination of information about California and Federal mental health and substance use parity so individuals and organizations understand their rights and how to advocacy for them, 3) Providing technical assistance and, in select cases that address systemic issues, legal representation after consultation with CalMHSA staff for individuals with mental health challenges who have been denied parity in their health care coverage, and 4) Provide to CalMHSA, based on experiences to date, a final set of recommendations for activities to sustain or to develop in the future in order to further achieve the objectives of mental health parity. 	<p>In addition, DRC, in consultation with CalMHSA, will conduct work based on the findings from phase I regarding gaps and activities needed to further achieve the objectives of mental health and substance use parity to support equity for individuals and families challenged by these conditions.</p>	<p>protocols</p> <p>Increased access /use of PEI, treatment and support services</p>		
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Summary Table of Discontinued Activities from CalMHSA PEI SWP Phase I

The CalMHSA Board saw value in continuing their investment in the Statewide PEI projects and in 2014 adopted the Phase II Plan with an estimated budget of \$20 million annually (about 50% less than previous levels) – 10 million from counties, 10 million from other sources of funding - to support *some* continued and new activities during Phase II. The current projected funding for Phase II (fiscal years 2015-16 and 2016-17) represent a significantly reduced level of activities and support available as part of the Statewide PEI projects. As a result, there must be further significant reductions in available activities and support to counties.

The chart below summarizes briefly the key programs and services that will be discontinued by CalMHSA and/or will be significantly reduced. This is not a comprehensive list of discontinued activities.

Activity Area	Activities no longer funded by CalMHSA	Statewide impact of the elimination of these programs & activities
Social Marketing	<p>All social marketing efforts will be folded into the Each Mind Matters Programs (e.g. Know the Signs, etc.).</p> <p>As a result there will be limited resources to support:</p> <ul style="list-style-type: none"> • Media buys/ marketing outreach • No cost educational materials and resources • County technical assistance • Safe messaging training and crisis response • Higher education mental health promotion and suicide prevention efforts 	Campaigns will have decreased statewide presence
Informational Resources and Dissemination	<p>Technical assistance support in:</p> <ul style="list-style-type: none"> • Suicide prevention, intervention and postvention • Stigma change best practices • Integrating behavioral health and primary care • Higher education suicide prevention & mental health • Utilizing all Campaign materials in a strategic manner 	Decreased statewide capacity to support: strategic planning of emerging local suicide prevention, intervention and postvention programs; implementing best practices in stigma reduction; integrating behavioral health & primary care; and higher education efforts to implement suicide prevention & mental health programs

	No or low-cost education materials & resources	Counties and organizations will be required to purchase marketing and resource toolkits
	Mini-grant & campus-based grant programs	Community-based organizations will have decreased access to support and low- or no-cost resources
	Maintaining resource clearinghouses including: <ul style="list-style-type: none"> Center for Dignity, Recovery & Empowerment Registry of Best Practices UC Student Mental Health Resources & Promising Practices Mental Health Advocacy & Promotion Clearinghouse 	Clearinghouses may not be maintained, and communities will have decreased access to best practices
	Creating & disseminating informational materials that address: <ul style="list-style-type: none"> Promising practices in addressing suicide prevention & stigma within diverse communities Mental health promotion & suicide prevention in K-12, higher education (ie: Red Folder Initiative) 	Coordination with k-12 statewide through the County School Superintendents regional network will be greatly reduced
	Policy analysis, recommendations & fact sheets on stigma and discrimination reduction resources for those with mental illness	Social justice organizations & communities will have decreased access to easily understandable interpretations of their rights.
Training	Suicide prevention and mental illness stigma reduction training for the following target populations: <ul style="list-style-type: none"> Media, Journalists and Journalists-in-Training Law enforcement Legal advisors/staff Providers Consumers Parents/Caregivers School staff 	Decreased ability to achieve goals such as: <ul style="list-style-type: none"> Increased knowledge and skills for recognizing signs and facilitating help-seeking Increased access/use of PEI, treatment

	<ul style="list-style-type: none"> • Faculty/ Staff/ Students • Workplaces (Examples: NAMI Programs, Higher Education Training programs, Entertainment Industries Council media outreach programs)	and support services <ul style="list-style-type: none"> • Increase access to peer-based support and education
	Providing continual support to the following newly-created gatekeeper trainers throughout California: <ul style="list-style-type: none"> • ASIST • Mental Health First Aid (Adult & Youth) • SafeTALK • PBIS 	Trainers may become inactive, losing opportunities to train community members in how to actively intervene and support individuals at risk for suicide or experiencing mental health crisis
	Providing gatekeeper trainings	Decreased capacity to reach gatekeepers in reducing their stigma and increasing their capacity to intervene with a person at risk
Networks & Collaboration	Statewide stigma reduction conferences including: <ul style="list-style-type: none"> • Tools for Change Best Practices in Stigma Reduction Conference • Innovations Summit for Integrated Care 	Reduced capacity to demonstrate California’s statewide leadership on issues pertaining to suicide prevention & stigma reduction on a national stage
	Regional suicide prevention & stigma reduction networks	Decreased capacity to engage new audiences in suicide prevention & stigma reduction and reduced ability to have centralized locations to disseminate resources and information
	Statewide involvement in national efforts highlighting stigma reduction, including: <ul style="list-style-type: none"> • Prism Awards 	Reduced capacity to demonstrate California’s statewide leadership on issues pertaining to stigma reduction on a national stage and create new national partners

Crisis Services	Common Metrics data for crisis hotlines	Decreased coordination capacity to collect uniform crisis call data
	Alternative crisis services (text & chat) through crisis centers & ReachOutHere peer moderated online forums	Californians will have reduced or eliminated access to innovative methods to receive crisis care and support.
	Expanded language capacity on crisis hotlines	Non-English speaking Californians will have to rely on translation services on phone-based crisis support
	Supporting 24/7 crisis hotline services	Crisis centers will have to determine their feasible hours of operation
	Crisis response support for counties	Counties will have limited access to suicide prevention experts to receive support during a local crisis
	Online depression screening	Campuses will have to provide screenings on their own
Evaluation	Comprehensive population surveillance performance and monitoring system through statewide surveys Targeted Effectiveness Studies to Identify Best Practices	Decreased ability to partner with RAND on innovative long-term evaluation strategies to monitor California's efforts to prevention suicide, improve student mental health and reduce stigma and discrimination.

The following current Program Partners will be funded in Phase II at a significantly reduced rate

- *From Stigma & Discrimination*
 - Runyon, Saltzman & Einhorn
 - NAMI California
- *From Student Mental Health*

- California Department of Education (CDE)
- California County Superintendents Educational Services Association (CCSESA)
- California Community Colleges

The following current Program Partners will not be funded in Phase II due to funding constraints:

- *From Stigma & Discrimination Reduction*
 - Mental Health Association of San Francisco
 - Mental Health America of California
 - United Advocates for Children & Families
 - Entertainment Industries Council
- *From Suicide Prevention*
 - Civilian (formerly AdEase)
 - Crisis Centers & Warmlines
 - Friendship Line
 - San Francisco Suicide Prevention
 - Central Valley Suicide Prevention Hotline
 - FSA Central Coast
 - FSA Marin
 - Transitions Mental Health
 - Didi Hirsch
 - LivingWorks
- *From Student Mental Health*
 - California State University
 - University of California Office of the President

GENERAL DISCUSSION
Agenda Item 8.A.

SUBJECT: Report from CalMHSA Executive Director – Wayne Clark

ACTION FOR CONSIDERATION:

Discussion and/or action as deemed appropriate.

BACKGROUND AND STATUS:

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

- General

FISCAL IMPACT:

None.

RECOMMENDATION:

Discussion and/or action as deemed appropriate.

TYPE OF VOTE REQUIRED:

Majority vote of the Board of Directors.

REFERENCE MATERIAL(S) ATTACHED:

- None.

GENERAL DISCUSSION
Agenda Item 8.B.

SUBJECT: Report from CalMHSA President – Maureen Bauman

ACTION FOR CONSIDERATION:

Discussion and/or action as deemed appropriate.

BACKGROUND AND STATUS:

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

- General

FISCAL IMPACT:

None.

RECOMMENDATION:

Discussion and/or action as deemed appropriate.

TYPE OF VOTE REQUIRED:

Majority vote of the Board of Directors.

REFERENCE MATERIAL(S) ATTACHED:

- None.