

**MENTAL HEALTH SERVICES
OVERSIGHT AND ACCOUNTABILITY COMMISSION (MHSOAC)
Mental Health Funding and Policy Committee
February 15, 2012
1300 17th Street, Suite 1000
Sacramento, CA 95814
3:00 p.m. to 4:30 p.m.**

DRAFT

Committee Members Present:

Andrew Poat, Chair *
Patricia Ryan
Kathleen Derby
Jane Adcock *
Rusty Selix *
Stacie Hiramoto *
Gwen Wilson *

Staff:

Carol Hood
Kevin Hoffman
Jose Oseguera
Peter Best

Others Attendees:

Celia Bager
Molly Brassil

Note: * Participated via phone

Meeting called to order at 3:05PM

Welcome/General Introductions

Chair Poat welcomed everyone in attendance and introductions were made.

Tab 1 Adoption of the January 20, 2012 Meeting Minutes

Pat Ryan submitted changes to the minutes and those changes will be incorporated. Jane Adcock moved and Pat Ryan seconded the motion to approve the minutes as amended.

Tab 2 Revise Financial Framework

The following are the discussion highlights of the Financial Framework:

- MHSOAC staff provided an overview of the Financial Framework reports.
- A comment was made indicating that the category for realignment was included in the charts. However, there is no distinction made between 1991 and the 2012/13 realignment years. Could these years be separated?
- A committee member commented that the 2011 realignment includes funding for 1991, but the 1991 realignment pot is kept separate from the 2011, which are EPSDT and Managed Care money. The Committee needs to decide whether realignment funds will be reported going forward to ensure consistency.
- Don Kingdon, CMHDA, Deputy Director, will be consulted regarding realignment funding issues.

- Chair stated that we need to migrate to a common set of data. This needs to be confirmed with the County Directors.
- A comment was made that on Table 2A, between Fiscal Years (FY) 11/12 and 12/13, there is a jump in the numbers and there needs to be an explanation.
- A comment was made suggesting that the narration should be included to clarify the Table 2A.
- MHSOAC staff informed committee members on the phone that the second report "Revision of the Financial Framework", has been distributed to the committee members that are present.

The Committee decided to review each table and provide suggested changes as needed. The following are the discussion comments:

Table 1 and Visual 1: MHSA Revenues Received

- MHSOAC staff stated that this chart is still relevant. This table shows money coming in and projections for at least two years out. No changes were requested.

Table 2A: Community Mental Health Funding Amounts

- MHSOAC staff stated that this chart is still pertinent in order to show the funding sources.
- A request was made to add an additional line for the one-time, MHSA funding of Early Periodic Screening, Diagnosis, and Treatment (EPSDT) and Managed Care.

Visual 2A:

- There will be two separate lines that will include one for funding and the other for realignment amounts. Also, there should be no change to the state general fund line even though it is expected to remain a \$0 for the foreseeable future.
- Committee felt that this chart is a nice visual to keep.
- There were questions regarding what the "other" category means?
- Staff stated that a description of the items contained in the "other" category is provided on the back sheet.
- Staff will add an asterisk to the bottom of the chart to define what "other" means.

Visual 2B:

- Staff stated that this chart describes funding sources in a bar format and the information remains relevant.
- Staff will clarify the title and include "constant dollars" to display the funding totals by fiscal years. The bar chart will be deleted.
- The funding amounts for Prop 63 Funds in FY 2010/11 and 11/12 might be misleading. Some of these funds were diverted to counties for non-MHSA

purposes, such as EPSDT. The public might not understand what these numbers mean and more explanation is required.

- Visual 2B needs to have better footnoting and narrative which explains the fixed anomalies.
- MHSOAC staff will consult with Mike Geiss and Pat Ryan to clarify the narrative.
- Chair commented that future charts need to include better footnoting and big picture observations.
- MHSOAC staff stated that Charts 2A and 2B attempt to capture how much MHSOAC money is available to counties.
- MHSOAC staff stated that a separate column may need to be added to display the \$862 million.

**Table 3 and Visual 3 MHSOAC Funding:
Committed/Distributed/Undistributed/Reverted**

- MHSOAC staff recommends to: 1) eliminate the component allocation column; 2) continue to capture information on Approved/Distributed funds by component and by year; 3) eliminate the reversion column; and 4) eliminate the column for remaining commitments since there are no allocations remaining.
- Component allocations will be identified as approved and distributed funds.
- Currently, counties receive a total allocation and are expected to distribute monies to PEI, CSS, Innovation, or WET. If counties use CSS money for Capital Facilities, Technological Needs or WET, the MHSOAC would not be able to tell where the distribution was made.
- Staff stated the a chart can be crafted to show the percentages of funding that are suppose to go to each allocation.
- Question: What kind of oversight is being done to insure compliance with state statute?
- Chair stated that this might be an area for the Evaluation Committee to partner with the Funding and Policy Committee. Both Committees need to work together to ensure consistency.

WET Chart

- Staff will add a narrative to this chart for clarification.

CFTN Chart

- Staff will add a narrative to this chart for clarification.

Table 6 and Visual: MHSOAC State Administration

- No changes were suggested for this chart.

Table 9: MHSOAC Housing

- Committee agreed that this is a valuable chart.

Financial Report Index

- The narrative needs to be augmented with more information.

- The Realignment narrative will need to be expanded with additional narrative on the ½ cent sales tax and will also need to explain realignment.
- The state approved the plan amounts and these were made available to the counties. Counties could assign additional funds to the plan if they wanted.
- A suggestion was made to change the Planning Estimate column on the Table 9 to \$400 million. Staff will confer with CalHFA to attain updated MHSA Housing amounts.
- A comment was made that Table 9 needs to have more detail.
- After AB 100, Planning Estimates were not valid any longer. We now need to know what is the amount assigned to show how much money has been designated to the MHSA Housing program.
- The titles and numbers on the chart will be revisited.

Chair provided a summary of what has been discussed during this meeting and suggested we get rid of those items identified for deletion and add more narrative to a number of the charts. The narratives should reflect: A) Background, B) Policy conclusions or issues, and C) areas to monitor. A schedule to complete the modifications to the charts with time-frames will be developed. MHSOAC staff will update and distribute the charts several days before the next meeting. Also, a meeting with the Evaluation Committee leadership will be scheduled to discuss integration efforts.

Future Agenda Items:

- How to work with Evaluation Committee so that the goals of each committee can be merged.
- Would like to have a meeting with the Chair of Evaluations to discuss next steps. MHSOAC staff will set up this meeting.
- Integration -- looking at the same data sources. Report back to the Funding Committee.
- Update report with narratives.

Chair asked if there were any additional comments. MHSOAC staff stated that there is another portion in the staff analysis that should be discussed and the following comments are as follows:

- a. AB 100 prescribes that all available funds are distributed to counties. Due to that change the Commission needs to more closely monitor unspent funds by component, prudent reserve, MHSA housing program assignments and reversion. Summaries from the annual revenue and expenditure report would be the source of information.

- A recommendation was made that unspent funds be monitored.

- There is concern that funds can't be monitored when plans are not in place.

- b. Since there is no longer plan approval, the Commission could determine whether it wants to monitor whether FSP expenditures by county and statewide total the required 80% of CSS. This information is available on the MHSA Revenue and Expenditure Reports. (Information to determine if the requirement that a majority of PEI funds be spent on individuals under age 25 years is not available.)

- c. A summary report by component could provide information about annual distributions, expenditures, leveraged funds and unspent funds available. Capital Facilities expenditures could be separated out from Technological Needs expenditures. Workforce, Education and Training (WET) expenditures should be shown by category, i.e., workforce staffing support, training and technical assistance, mental health career pathways programs, residency and internship programs, financial incentive programs.
 - We should look at the component information to see if we provide that level of analysis. We may need to consult with counties.

- d. Basic reports on available funding and expenditures for State-wide/administered programs, in addition to MHSA Housing Program, could be developed. This would include WET and statewide PEI programs.
 - Question: What do we do with the Statewide Projects? What do we do with the actual expenditures for: CalMHSA, OSHPED, WET and Reducing Disparities?
 - Fund reconciliation is needed. We need to know what the facts are.

Chair stated that on Page 2 of the Revision of the Financial Framework document, there are process improvements that staff could work out. Chair will discuss with the Evaluation Committee.

General Public Comment

It was requested that the Committee meeting schedule be placed as the last item on the agenda as a reminder of the upcoming meeting dates.

Mental Health Services Oversight and Accountability Commission
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The meeting was adjourned at 4:30 PM

Respectfully submitted by Peter W. Best, Staff Mental Health Specialist