



**Financial Oversight Committee Meeting
Minutes
May 15, 2013
10:00 AM – 12:00 PM
1300 17th Street, Suite 1000
Sacramento, CA 95811**

Committee Members:

Staff:

Other Attendees:

Larry Poaster, Chair Jane Adcock Rusty Selix Wayne Clark* Pat Ryan* Stacie Hiramoto Paul Stansbury Joseph Robinson Maureen Mina Dave Schroeder	Sherri Gauger Kevin Hoffman Filomina Yeroshek Jose Oseguera Pete Best Cynthia Burt	Raul Sanchez* John Ryan* Adrian Shultan Karen Mc Guinness* Delphine Brody* Lupe Alonso-Diaz* Kimberly Knifong
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*Participation by phone

Welcome/Introductions

All meeting participants introduced themselves. The next meeting will be in May to discuss the May Revise.

Adoption of the January 17, 2013 and April 4, 2013 Meeting Minutes

Minor revisions were requested to the January 17, 2013 minutes and were approved with the agreement that staff would modify the verbiage - on Page 2. Approval of the April 4, 2013 minutes was moved to the August 1, 2013 meeting.

Workforce, Education and Training (WET) Funding Update

The Chair stated that there has been recent discussions regarding WET funding and what has happened to the money. The committee invited representatives from the Office of Statewide Health Planning and Development (OSHPD) to help committee members understand the WET funding and how distributions occur.

Carla Castaneda, Department of Finance and Lupe Alonzo-Diaz, OSHPD provided the committee with an update regarding the WET program funding. OSHPD provided two documents for review:

- Revised Workforce, Education and Training (WET) Funding document
- Senate Budget Subcommittee # 3 Agenda Regarding WET May 2013 Spring Finance Letter

Highlights:

- When the Department of Mental Health (DMH) was eliminated and replaced by the Department of State Hospitals, a reconciliation of unspent MHSAs funds dedicated to DMH occurred. Once the reconciliation was completed, a procedure was established to allow counties to request any funds that had not been allocated. By June of 2011, all of those funds had been distributed to the counties.
- OSHPD identified that DMH did not spend all funds. These funds will be identified in the May Revision.
- OSHPD will continue to monitor these funds.
- If there are any additional questions, please review the Frequently Asked Questions on the OSHPD website.
- OSHPD is working collaboratively with California Mental Health Council (MHPC). The MHPC previously received an update from OSHPD and is in agreement with the accounting.
- 14 Community forums will be held to inform stakeholders on this issue. 5 forums have already been held to date.

Public Comment

Explain what reverted funds means.

Discuss State Budget Update (Governor's Budget May Revision) and Potential Policy Implications

Staff provided an overview of the FY 2013/14 Governor's Budget Summary.

- Stable fiscal footing well over a decade.
- MHSOAC Master Plan given \$1,000,000 and six positions.
- Information about "health care reform."
- Downward revision in economic downturn -- 2 percent continues.
- Pace of economic growth.
- Rising health care cost.
- Healthcare for retired employees.

Members had concerns regarding:

- Health Care Reform and Expansion.
- Impact on behavioral health sub-account costs.
- Realignment of "CalWorks." Any restructuring of the realignment, should restore mental health.
- Expected growth for Behavioral Sub-Account will be lower.

Action:

A committee member will send staff a copy of the California State Association of Counties (CSAC) budget summary document with tables which displays FY2013/14 expected growth of the Behavioral Sub-Account.

Local Budgeting Process Discussion

Rusty Selix presented a paper on the Mental Health Services Act (MHSA) local stakeholder process and the fiscal implications.

The county level stakeholder Community Program Planning (CPP) process has been the bedrock of the transformed mental health delivery system in California since the passage of Prop 63. Stakeholders have been involved with the development and review of the County Annual Updates to the MHSA mental health programs and expenditures plans.

Changes to the CPP, brought on by the amendments to Welfare and Institutions Code Section 5848(a), (AB 1467, June 2012) include, "Counties shall demonstrate a partnership with constituents and stakeholders throughout the process that includes meaningful stakeholder involvement on mental health policy, program planning, and implementation, monitoring, quality improvement, evaluation, and budget allocations."

There was a discussion regarding the desire for more information made available to stakeholders about the local county budgeting for mental health and whether there is a need for a county level equivalent of the state budget accounting process.

The Chair agreed there is a need for a meaningful stakeholder process at the local level and that it is good that this discussion is taking place.

Public Comment

- Document looks scary for diverse communities and families/clients.
- This information should be available to Mental Health Boards.
- Paper should be presented at the other MHSOAC committees.
- Appreciate the document and the need for more protocols for meaningful stakeholder engagement.

May 2013 Financial Report to be Presented to the Commission on May 23, 2013

At the April 4, 2013 Financial Oversight Committee meeting, the membership reviewed the draft Financial Report and the majority of the suggested changes that have been incorporated into the enclosed document. Staff provided an overview of the changes to the Financial Report which included the following:

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- MHPA Major Funding Sources.
- MHPA Funding (Cash Basis).
- Mental Health Services Fund Distributions.
- MHPA State Administration Funds will be updated on this chart with input from OSHPD.
- State agencies who receive MHPA funds will provide updates on their use of these funds to this committee at future meetings.
- MHPA Housing Funds.

Public Comment

Question: Is there an economic explanation of MHPA revenues being down?
A committee member responded that tax revenues for the MHPA are volatile. In FY 2012/13, a one-time increase in capital gains revenue occurred. This temporary increase was disproportionate to the economic downturn. In 2013/14 and 2014/15 this increase in revenue is not projected to occur.

General Public Comment

None

Adjournment

Meeting adjourned at 11:55 AM