

**Financial Oversight Committee Meeting
Minutes**

**October 23, 2013
10:00 AM – 12:00 PM
1300 17TH Street, Suite 1000
Sacramento, CA 95811**

Committee Members:

Staff:

Other Attendees:

Larry Poaster, Chair Stacie Hiramoto* Paul Stansbury* Rusty Selix* Jack Joiner* John Buck John Boyd	Kevin Hoffman Filomena Yeroshek Cynthia Burt Peter Best Sherri Gauger Aaron Carruthers Wendy Desormeaux	JoEllen Fletcher* Carla Castaneda Donna Ures The Honorable Richard J. Loftus, Jr., Judge Karen Moen Nancy Taylor
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*Participation by phone

Committee members absent: James Loftus, Thomas Loats, Rigel Flaherty, David Schroeder, Maureen Mina, Patricia Ryan, Wayne Clark, Jane Adcock

Welcome:

Chair Poaster opened the meeting and welcomed those present. Chair Poaster introduced the new co-chairs to the committee: Commissioners Boyd and Buck. He indicated that they have also been appointed by the Governor to sit on the Commission and indicated they bring a wealth of experience and skills that will not only enrich the Commission but also lend valuable expertise to the Financial Oversight Committee.

Presentations on Use of MHSO Administrative Funds:

A presentation was made by the Administrative Office of the Courts. Meeting materials were distributed to the committee members.

Presentation on the Use of MHSO Administrative Funds by the Administrative Office of the Courts were given by:

- The Honorable Richard J. Loftus, Jr., Judge, Santa Clara Superior Court and Chair of the Judicial Council’s Mental Health Issues Implementation Task Force
- Ms. Karen Moen, Sr. Court Services Analyst, Judicial Council of California
- Ms. Nancy Taylor, Manager, Judicial Council of California

Review and Approve August 1, 2013 Financial Oversight Committee Meeting Minutes

Since a quorum was not possible, the meeting minutes were not approved. There was, however, a “theoretical” review of the Minutes and there were no changes, corrections or comments to the Minutes.

Discussion regarding next steps (if any) the Financial Oversight Committee should take based on presentations made August 1 and October 23 by the Department of Developmental Services, the Military Department and the Administrative Office of the Courts regarding the use of the MHSA Administrative Funds.

Staff has put together reports after each of the presentations documenting the various programs and activities of the presenting departments. Furthermore, in Tabs preparatory to the respective meetings, staff has included a presentation of the last three years of MHSA funds that have been allocated to the departments, as well as the last know information regarding the use of those funds programmatically or in terms of personnel. The question then to the Committee is twofold:

1. Is there an action required by this Committee based on the presentation in terms of appropriate use of the funds by the departments?
2. The Chair would like to the Committee to inform the Commission of the presentations. How should that occur? As a recommendation? Whether the Committee feels the Commission should take some action?

Discussion regarding how the Committee could help the Department of Finance regarding what was approved and what is currently going on. The Committee indicated to DOF that they would be happy to serve in an evaluation capacity, based on the presentations.

Discussion that the original funds were approved by DOF based on budget change proposals developed and submitted to the DOF by the various state departments citing some intersection with delivering mental health services.

Discussion regarding what happened to other departments, specifically the Department of Aging, who is no longer receiving any MHSA administrative dollars. Discussed that when the MHSA Administrative percentage was reduced from 5% to 3.5% (by AB 100), numerous Departments received reductions in their Administrative funds.

There was a suggestion that perhaps the Department of Aging, if not others, could come and give a presentation to the Financial Oversight Committee to tell what was lost as the result of the funding reduction. It was noted that in the State funding process, it is incumbent up state departments to do a BCP and submit it to the DOF if they want to receive funding consideration.

Staff will go back and see if they can find originating documents for the Committee to use in its understanding of what is currently being done with the MHSA Administrative dollars, as well as devise some kind of review protocol for the Committee.

Discussion of UCLA MHSA Cost and Activities Summary Report

Chair Poaster advised the Committee that the Chair of the Commission has asked the FOC to take a look at the UCLA report because it is an issue that needs some thought. He asked for the Committee to ultimately have a discussion, at its next meeting, of how best to handle

the report. In the interim, he indicated that Renay Bradley, Chief of Evaluation, would discuss an interpretation paper that has been developed by staff regarding disparities identified by the UCLA evaluation. This interpretation paper outlines the variables associated with the identified \$1B the UCLA report indicates appears to be at the county level. She indicated that the papers tried to determine if this was an accurate representation of what was actually going on at the counties, what parts were reliable or valid, and what can we do to strengthen out data and reporting systems to avoid these kinds of discrepancies in future evaluations. She reports that the MHSOAC went to DHCS and asked them to tell us their interpretation of the data. Initially, they came up with the same numbers, using the Annual Revenue and Expenditure Reports (RER). But that there were limitations, due to the RER's ending in FY2009-10. DHCS went to each county and ultimately could rectify a lot of the numbers and was able to lower the amount of unidentified funds to about \$500M and felt that it was generally in line, given specific component variation as to time frames to spend down funds.

Chair Poster requested that Committee members review the documents included in their packets under Tab 5 for a discussion at the December meeting.

General Public Comment:

None.

Adjournment

Chair Poaster reminded the Committee that the Commission was meeting the next day (October 24), for the first read of the Innovation and Prevention and Early Intervention regulations.

Meeting adjourned at Noon.