

**MENTAL HEALTH SERVICES
OVERSIGHT AND ACCOUNTABILITY COMMISSION (MHSOAC)
Mental Health Funding & Policy Committee
DRAFT
May 23, 2011
MHSOAC Conference Room
1300 17th Street, Suite 1000
Sacramento, CA 95811
3:00 PM to 4:30 PM**

Committee Members Present:	Staff:	Other Attendees:
Andrew Poat*, Chair Tina Wooton*, Vice-Chair Kathleen Derby Stacie Hiramoto Bentley Paul Stansbury* Rusty Selix Patricia Ryan* Crystal Crawford* Camille Schraeder Wayne Clark* Jack Joiner*	Kevin Hoffman Carol Hood Vivian Lee	Delphine Brody* Don Kingdon* Stephanie Welch Sherri Gauger Aaron Carruthers Filomena Yeroshek Jose Oseguera Lauren Quintero

* Participated via telephone

Welcome/Introductions

- Andrew Poat, Committee Chair, convened the meeting at 3:05 PM. All meeting participants introduced themselves. Chair Poat reviewed the meeting objectives.

Adoption of the March 9, 2011 Amended Meeting Minutes and the April 6, 2011 Meeting Minutes

- The March 9, 2011 amended meeting minutes and the April 6, 2011 meeting minutes were adopted with one abstention.

Adopt May 2011 Financial Report

The Committee members reviewed the May 2011 Financial Report PowerPoint.

MHSOAC staff went through the draft May 2011 Financial Report and the draft 2011/12 Budget May Revision Powerpoint slides show. The Report compared the differences between January 2011 Governor's Budget and May Revision Budget.

- Slide #4 "MHSA Revenues Received or Projected:" the projected revenues for Fiscal Year 2012/13 are from the Department of Finance. The Legislative Analyst's Office projections are lower.

- Clarification was provided that Component Allocations were not revised by AB 100.
- The UCLA deliverable that is due June 30, 2011 will have information on all expenditures and this information can be used to update the Commission in September.
- Slide #8 “MHSA State Administration”: effective FY 2011/12, the original 5% statutory maximum for state administration was revised to 3.5% by Assembly Bill 100 of 2011. The amount of State Administration budgeted for FY 10/11 was available from DMH MHSA Expenditure Report. The source of FY 11/12 amount of State Administration budgeted is from the Proposed Conference compromise Summary.

Committee discussion/recommendations included:

- It was noted that the spending levels for WET funds are less than for CSS and PEI because this funding source has 10 years to be spent.
- The Committee recommends that an analysis be done on the actual expenditures. This should show information year by year, county by county, and component allocations, funds distributed/approved and actual expenditures.
- Slide #9, “MHSA Housing”: the reference to “State Approved Plan Amount” should be changed to “County Assigned Funds”.
- More details are needed regarding MHSA Housing. A loan commitment does not mean that ground has broken on a project. This housing component has 10 years to be fully defined.
- Further analysis on the MHSA Housing Program is needed. Senate staffer Nancy Bogle is currently doing an analysis for Senator Steinberg and the Committee may choose to request her report instead of creating one of its own.
- A narrative immediately following each graph to explain what the graph means is suggested to be included in the report to the Commission.

The May 2011 Financial Report with the suggested changes was adopted unanimously as the report and Power Point (PPT) to be presented at the May 23, 2011 MHSOAC meeting.

Discuss State Budget Update

MHSOAC staff provided an update on several State budget issues related to the MHSA. Committee members added their perspective.

- The Governor’s proposed realignment appears to be moving forward. We should know by June 2011 what our financial picture will look like for Fiscal Year 2011/12.
- If realignment is not included in the final approved budget, additional impact on mental health funding including the MHSA can be expected in Fiscal Year 2012/13.

- It appears that a ballot initiative to maintain the temporary taxes must be in place by September 2011.

Chairman's Update on the MHSOAC Principles Paper

Committee Chair Poat spoke to Commission Chair Poaster and this item will not be re-visited.

Framing Issues on Prudent Reserve for the July Committee Meeting

The Committee discussed the recent change in the prudent reserve requirements and the policy implications.

- DMH Information Notice No.:11-5 rescinded the requirement/limitation of 50% for Prudent Reserve.
- The capacity of individual counties should be looked at to determine the appropriate level of prudent reserve. Revenue goes through waves and some counties may not have enough reserve to maintain programs through these cycles.
- CMHDA developed some principles regarding Prudent Reserve and what it should look like that would be useful for the Committee.
- It was suggested that the State should provide additional guidance to the counties. The counties need to know when the Prudent Reserve funds can be used and the mechanism for accessing them.
- Staff will follow up with CMHDA and the Chair to identify key issues and proposals.

General Public Comment

- No general public comment

Adjournment

- Meeting adjourned at 4:24 PM.
- Next Meeting will be held on July 6, 2011.