

# Mental Health Services Oversight and Accountability Commission

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## Mental Health Funding & Policy Committee Report:

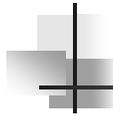
### Revised Prudent Reserve Policy

July 6, 2011

MHSOAC

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## Background

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- MHSOAC requires local Prudent Reserve – amount not defined
- Purpose: Smooth funding given expected volatility of MHSOAC funding source

MHSOAC

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## Background

- Mechanism—Funds deposited and accessed through county plan/update
  - Economic conditions must be met for access.
- Source—
  - CSS funds up to statutory limit, and
  - FY 07/08 PEI funding.

## Background

- Policy (established by DMH with input from CMHDA and MHSOAC)
  - Required amount--50% of CSS & PEI funding
  - Timeline— June 30, 2011

## AB 100 Statutory Change

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- **State plan approval ended**

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## Policy Change

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- **Prudent Reserve**
  - **Counties determine funding level.**
    - **Limit/requirement of 50% no longer applies**

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## Status

### Local Prudent Reserve

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- How many counties accessed their Prudent Reserve by Annual Update?
  1. FY 10-11 : Imperial County
  2. FY 11-12 : Glenn County, Orange County, Solano County and Tuolumne County

## Policy Key Questions and Implications

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1. **What are the goals of the reserves requirement?**
2. **Is the new policy adequate to meeting the goal?**
3. **What is the role of the OAC in this revised environment?**
4. **When should this revised policy be evaluated for effectiveness?**