



**Financial Oversight Committee Meeting
Minutes**

**January 16, 2015
11:00 AM – 1:00 PM**

**Mental Health Services Oversight and Accountability Commission
1325 J Street, 17th Floor, Suite 1700
Darrell Steinberg Conference Room
Sacramento, CA 95814**

Committee Members:

Staff:

Other Attendees:

John Boyd, Chair John Buck, Vice-Chair* Stacie Hiramoto Paul Stansbury* Lindsay Walter* Brian Hill* Rusty Selix*	Peter Best Kevin Hoffman Filomena Yeroshek	Carol Hood Hector Ramirez
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*Participation by phone

Committee members absent: Jane Adcock, Gwen Wilson and Gordon Richardson.

Welcome:

Chair Boyd opened the meeting and welcomed those present. Extended introductions were provided by the committee members since this was the first meeting of the new Committee term.

Review and approve the January 2015 MHSOAC Financial Report to be presented at the January 22, 2015 Commission Meeting for adoption

Staff provided an overview of the charts contained in the January 2015 MHSOAC Financial Report. This report is provided to the Commission in January and May of each year. Comments and/or suggested changes to this report were provided by the membership. The following is a synopsis of the presentation including public comments:

Chart 1 Mental Health Funding Level and Policy Implications

This chart was recently modified to provide more clarity and may look different from previous reports.

- This chart captures MHSOAC funding received into the MHSOAC fund account and allocated out to counties and other entities from Fiscal Year (FY) 2003/04 to 2015/16.
- This chart indicates an upward trend in revenues but does not include the 5% dedicated for MHSOAC Administrative purposes.
- The Substance Abuse and Mental Health Services Administration (SAMHSA) Federal Mental Health Block Grant has been included on this chart. The \$57

million dollar grant is managed by the Department of Health Care Services (DHCS).

Chart 2 Total MHSA Revenue Received – Cash Basis

- This chart details MHSA revenues received by the state, which include the 5% MHSA Administrative funds.
- MHSA funding is susceptible to economic fluctuations.

Chart 3 Mental Health Services Distribution

- This is a new chart and details changes to distribution.
- January through June of 2015 are projections and it is likely that the final funding amount may increase.
- Funds are no longer distributed by MHSA component.
- Total revenues received are indicated on this chart which includes the 5% Administrative Funds.

Chart 4 MHSA Housing Program

- This chart has not been updated. Staff is waiting for a revision from the Department of Health Care Services (DHCS) and the numbers will be updated before being presented to the Commission.

Chart 5 State Administered Funds by Department

- This chart details the distribution of the 5% MHSA administrative set aside that is used for state department administrative purposes.
- This committee has received presentations from some of the state entities regarding their use of the Administrative Funds and plans to continue this practice this year.
- There was a comment that footnotes should be added to this chart to indicate projects and programs funded with these dollars within the various state entities.
- For example, the MHSOAC receives \$41,244,000, but \$32 million dollars is earmarked for the Triage Grants. The public should know this detail.

Chart 6 Totals for the Major Community Mental Health Funding Sources

- This is the source document that provides additional detail for Chart 1 Mental Health Funding Level and Policy Implications.

Chart 7 MHSA Revenues Received at the State Level

- This is the source document that provides additional detail for Chart 2 Total MHSA Revenue Received – Cash Basis as provided by the Department of Finance.

Questions/ Comments:

- Can MHSA Funds be used for any purpose other than mental health?

- Staff responded that MHSA funds must be used for MHSA programs and state level administrative purposes. There is a provision in the law that prohibits counties from supplanting MHSA funds. There is a possibility of loans from MHSA funds, but the interest on these loans are very high. The Act details the provision regarding loans from the MHSA Fund. A legislative vote must be taken for this to occur. The law is very strict regarding these loans.
- Question: Was the Vehicle License Fee included as a funding source in Realignment I and was it transferred to Realignment II?
- Staff will research this question.
- The Chair commented that the MHSA funding process is difficult to understand, especially by the new committee members. The Commission will be looking to this committee to advise them on the MHSA financial matters. He suggested that staff research someone to provide the membership with a 101 presentation on MHSA funding basics of 101 presentation.
- Staff commented that Mike Geiss, Geiss Consulting, could provide the training. Mike has a wealth of knowledge and has worked with the former Department of Mental Health and currently works for both the county and MHSOAC. Staff will contact Mike to see if he is willing to develop and tailor a MHSA funding training that will meet the committee's needs.
- The Vice-Chair requested that the MHSA training include information that explains the MHSA Prudent Reserve.
- A comment was made that on slide 7 and 8, there is a 30% difference in total MHSA revenues. Why is the difference so large?
- Staff will research this question.

FY 2015/16 Governor's Proposed Budget

- Adrienne Shilton, California Behavioral Health Directors Association (CBHDA), provided an update on the Governor's 2015-16 State Budget. The following is a synopsis of her presentation:
- The budget indicates there are higher than anticipated revenue projections of approximately \$2 billion dollars.
- The Governor's three tax initiatives are estimated to bring in about \$5.6 billion.
- Despite the projected additional revenues, the Governor appears reluctant to commit to funding new programs not required by Proposition 98 funding.
- Proposition 47 has no additional dedicated funding, but projected cost savings will occur due to prison population reduction.
- MHSA annual revenues of \$1.8 billion for 2014-15 are projected.
- The budget indicates that there will be a continuation of the Medi-Cal 115 and Drug Medi-Cal Waivers. More detailed county by county information on these waivers can be found on the California State Association of Counties.
- Remember that this is the proposed budget, more detail will be negotiated throughout the next few months.

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- The May revise will provide a more accurate picture of what the final budget will contain.
- Question: Who will administer the Proposition 47 Grants?
- Committee member Rusty Selix stated that the Board of State Community Corrections will administer this grant. Also, the authors of this bill do not agree with how the funding is being administered and there could be a lawsuit filed.

General Public Comment:

- The Chair asked for a status update from the MHSA audit and what initiated the audit.
- The Vice Chair asked does the MHSOAC have oversight of if the other entities named in the audit have completed their recommendation?
- Staff commented that the MHSOAC has completed all recommendations outlined in the audit, except for the completion of the 5 Year Plan (in-progress) and completion of regulations (in process).
- The Chair commented that the Commission would be interested in this information regarding the audit and asked that this committee review the finding at a later meeting.
- A member of the public commented that the Draft Little Hoover Report will be released next Thursday.
- A committee member asked if he could provide information from this meeting to stakeholders in his community.
- Staff stated yes, but it should be clear he is speaking for himself as an advocate and not for this Committee.

Adjournment

Meeting adjourned at 1:12 PM.