



**Financial Oversight Committee Meeting  
Minutes**

**Friday, March 27, 2015  
12:00 AM – 3:00 PM**

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

**Committee Members:**

**Staff:**

**Other Attendees:**

|   |  |                          |
|---|--|--------------------------|
| John Boyd, Chair<br>John Buck, Vice Chair*<br>Paul Stansbury*<br>Lindsay Walter*<br>Debbie Innes-Gomberg*<br>Stacie Hiramoto<br>Brian Hill<br>Jane Adcock | Peter Best<br>Kevin Hoffman<br>Filomena Yeroshek<br>Norma Pate<br>Carly Holloway | Raja Mitri<br>Donna Ures |
|---|--|--------------------------|

\*Participation by phone

Committee members absent: Gwen Slattery, Gordon Richardson, Rusty Selix, Gordon Richardson, Carol Hood

**Welcome:**

Chair Boyd opened the meeting and welcomed those present.

**Vote: Adoption of March 27, 2015 Meeting Minutes**

Meeting minutes were adopted from March 27, 2015 meeting.

| Name                  | Yes                                 | No                       | Abstain                             |
|-----------------------|-------------------------------------|--------------------------|-------------------------------------|
| John Boyd, Chair      | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            |
| John Buck, Vice Chair | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            |
| Paul Stansbury        | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            |
| Lindsay Walter        | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            |
| Debbie Innes-Gomberg  | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            |
| Stacie Hiramoto       | <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Brian Hill            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            |
| Jane Adcock           | <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

**Discussion: Develop questions for State Departments to answer regarding their use of the Mental Health Services Act (MHSA) Administrative Fund to ensure these funds are spent to promote the principles and practices of MHSA**

- The Chair stated that this topic came up in the Commission meeting when discussing the Little Hoover Commission report. The Department of Health Care Services' (DHCS) has developed a new audit tool and a list of questions and criteria in order to monitor MHSA county funds. The Chair would have liked the committee to review the audit tool prior to finalization. He asked staff to let the committee know when the audit tool was available so it can be reviewed by committee.
  - The Co-Chair believed the audit tool was still in the pilot stage. He understood that bugs were still being worked out as the tool was being tested on two large counties.
  - The Chair agreed and stated that the sooner the committee could get a copy of the audit tool and participate in its development, the better.
  - Staff stated that the audit tool was believed to be on DHCS website and staff would research to see if it could be found.
- Staff summarized Agenda Item 2 handouts.
  - The first page is a list of state entities that receive MHSA administrative funds and shows actual and estimated funds for Fiscal Years (FY) 2012-13, 2013-14, and 2014-15.
    - For instance, State Controller's Office (SCO) received money in FY 2012-13 and 2013-14 but did not receive money in FY 2014-15. We may want to ask why.
  - The next page shows total estimated revenue and administrative cap.
  - The following page is a list of state departments who have presented information on the use of their MHSA funds.
- The Chair asked how state agencies get approved for the MHSA administrative funds.
  - Staff replied that the funds were set up through the MHSA with each department very early on. Departments can request an increase or decrease in funds through the Budget Change Proposal (BCP) process that is approved by the Department of Finance (DOF).
- Staff stated that we want to look at the mechanism of the funding and who is being funded. We can invite these state entities to present to us on the use of these funds. We should decide on the following:
  - What questions do we want to have answered?
  - Will these entities present to the Commission?

- Do we have them present to the Financial Oversight Committee (FOC) first, and then the FOC compiles a summary for the Commission.
- The Chair asked if the FOC has any authority or oversight on the use of these funds.
  - Chief Counsel stated that MHSAs provide authority to the Commission to ask for information from state entities that receive MHSAs funding. This information can be used for oversight, technical assistance, evaluation, etc. This is why we have asked Departments to give presentation on MHSAs funds at a high level, to help determine if funds are being used effectively.
- The Chair asked how staff decided which state entities were to present. Does staff have the historical power point presentations available?
  - Staff replied that all power points presentations were included in the handouts for this meeting and they selected departments to present based on their availability.
  - The Committee can develop a more structured way on how they would like the various state entities to present.
- The Chair asked how state entities were engaged prior to these presentations.
  - Staff responded that previously the Department of Mental Health (DMH) had some engagement with those state entities receiving MHSAs administrative funding through a Memorandum of Understanding (MOU).
  - Chief Counsel stated that the Commission did not start looking at state administrative funds until after DMH was eliminated.
  - Chief Counsel stated that the authority to fund these state agencies is currently held within the DOF. The Commission's opinions are not included.
- The Chair asked staff to help develop standardized questions regarding the use of MHSAs administrative funds within 60 days. Also, the Chair would like to begin prioritizing the presentations the Committee would like to see.
  - Staff agreed that we would need to talk about what questions to ask these state entities and what might be appropriate.
  - The Chair specified the need to move away from presentations, and focus more on policies and procedures established so all state entities are providing the same information.
  - The Chair suggested developing a summary tool geared toward oversight, support, and engagement. The Committee would then ask state agencies to submit a written report addressing the questions. Finally, the Committee would ask three to four state agencies to present per meeting to address any clarifying questions regarding their written report. This approach would address the Little Hoover Commission's recommendation and would allow the FOC to review all state agencies receiving MHSAs Administration Funds in about 4 months.

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- A Committee member asked what the Committee does with the information it receives from these reports and presentations. What is the Committee's role?
- The Chair believes developing the same protocol for everyone receiving MHSA Administrative Funds helps to fulfill the Committee's responsibility of oversight. The Committee can review the reports and help to develop best practices.
- The Chair points to Department of Veteran Affairs as an example. They provide local mental health services for veterans and their families. The Chair questions how they are doing that, in terms of full-time employees (FTEs), resources, or printed material as compared to other state agencies.
- The FOC can connect those dots for state agencies in developing best practices. The FOC then has an obligation to produce a summary to the Commission on the theme and practices.
- Staff did ask a set of questions prior to the presentations. One question asked state entities to provide current FTEs. The following questions were also asked: How are they using those funds? How are those funds leveraged? Also, describe any issues/problems faced. Does the department plan to ask for additional administrative funding from DOF?
- A committee member liked the idea of having more structure around the information received. The previous presentations were good and it appeared the Departments receiving MHSA administrative funds were doing good work, but the committee member expressed some concern that they were not looking beyond the surface.
- Another Committee Member agreed that the presentations were very convincing, but this member has other questions based on personal knowledge and history. For example, she questioned why the community colleges were asking for less funding. Community colleges serve a large percentage of Californians so it doesn't make sense they would be asking for less funding.
- Staff stated that they do not believe the community colleges asked for less but rather were allocated that by DOF.
- The Chair asked if there are any other questions that committee members want answered in relation to the standardized form as well as a template for presentations. The Chair recognized that the presentations are all different, there are gaps in information, and it does not provide the full picture.
  - A Committee member asked who makes decisions on money spent. Who makes the decision on if changes need to be made? Who asks the question "did you spend what you said you were going to spend?" And if not, why not? Can the FOC ask those types of questions when funds are given to an agency?
    - Staff responded that once the state agency receives its allocation, management at each department makes decisions

regarding how the money is spent. The FOC can ask how the funds are spent.

- A Committee member asked that if the FOC felt that the agencies receiving these funds misspent these funds, can the FOC address that? Can the FOC tell the agency that they need to spend the funds in a different way?
  - Chief Counsel responded that this is an advisory committee only. If the FOC has certain recommendations to the Commission regarding further action, requests, or process then it would go through the Commission. The FOC can ask the questions, do the research, and then make the recommendations. The role of the committee is to do the leg work for the Commission and send it up to the Commission as recommendations for certain actions.
- The Chair wanted to clarify the question of the Committee member and asked if the Commission has any authority or responsibility to correct the misuse of funds if that is determined by the Commission.
  - The Committee member agreed with the Chair that this is, in fact, what he was asking.
  - For example, if one group gets a large sum of money and another group receives a small amount, but the Commission determines that taking some of the funds from one group to give to another would be a better use of funds, does the Commission have the authority to do that?
  - Chief Counsel responded that the state entities have a process to request additional funds. DOF works with that agency, and the agency must provide certain information to DOF. Then it goes to the legislature and becomes part of the budget process. At this point, the FOC can recommend to the Commission a process for identifying effective or efficient use of funds. The Commission does not have the ability to sanction.
- The Chair stated that the Commission is an oversight and accountability Commission. It is great to understand the MHSAs but if we don't have any oversight or accountability authority, then why wouldn't staff just provide quarterly reports with updated information.
  - Chief Counsel stated that there are many ways to provide oversight and accountability outside of sanctions. Transparency is one way. Oversight and accountability can be done in various ways. The FOC can recommend to the Commission how to do it. For example, the FOC can provide a yearly report on funds spent and what they did. The authority is there to obtain the information and provide oversight, however the Commission defines that.

- The Chair asked whether counties are required to provide outcome data, costs and trends when applying for Innovative funds. It would be ideal if staff could blend the questions the FOC has with some of the requirements in the funding. This would allow us to create a solid tool.
  - Here are some of the items the Chair would like to have addressed:
    - List of FTEs.
    - How those FTEs differ.
    - Are there significant changes year after year?
    - Costs year by year.
    - Are costs/funds shared with anyone else?
    - Outcome data.
    - How does each department measure success?
    - Do departments plan on a programmatic shift with those funds for the next year?
    - Has there been a change in the funds allocated?
  - A Committee member wanted to understand from the county perspective, how do the investments in all of these departments contribute to the OAC and DHCS in terms of implementing the MHSA? For example, how does the military department and its use of funds impact what the counties are doing around serving veterans.
    - Staff responded that the Department of Veteran Affairs used their MHSA administrative funds to increase their Veteran Service Officers (VSO) from three (3) to seven (7). The VSOs are a point of contact to provide various services to veterans and their families. They provide connections to other services for veterans, similar to triage personnel.
    - The Chair agreed with the Committee member that having the state department explain how its use of MHSA funds impacts or intersects with the county MHSA programs/funds.
  - A Committee member stated that state departments needed to request Department of Mental Health (DMH) approval for the MHSA administrative funds. Currently, state departments apply directly to DOF for the funds. It appeared that some departments were just going to fund a position rather than follow the spirit of the MHSA. The FOC can ask how many positions are being funded with the administrative funds, but that will not tell us much. The kind of annual report that I would like to see will tell us what state departments are doing with their administrative funds, who they are serving, and what are the outcomes. It is important to address how the administrative funds tie to things happening at the local level. It is important to see how the clients are being served and the funds are being utilized.

- Another Committee member was appreciative of how the previous comment was articulated. Can the FOC be involved in the decision making process with DOF, as far as where the money goes? I'd like the FOC to create the right tool so we can really see how state departments are doing.
  - A Committee member responded that the FOC will not be able to tell DOF who to give the funds to. But there is power in issuing a report that highlights questions you might have. The Oversight and Accountability Commission (OAC) can work with other departments in a technical assistance capacity.
- A Committee member asked how DOF makes the determination on if a state department funding is reduced or eliminated. Could DOF come and hear the community priorities prior to making final allocation decisions?
- The Chair stated that he was pleased with the progress of the discussion today. The Little Hoover Report states that we should develop annual recommendations for the DOF.
  - Chief Counsel responded that the Commission is still discussing if they are in support of The Little Hoover recommendations. It may be that this Committee is stepping outside of the role the Commission has set for it.
- The Chair responded that, as a Committee, we want to decide on and recommend a tool to the Commission that will provide oversight and accountability. If DOF is making recommendations on administering administrative funds it is important that we understand their process and criteria so we can share in that oversight and share the Commission's perspective. The Chair believes that is within the Committee's authority to make that recommendation to the Commission.
  - Example of data to gather:
    - What are the strengths?
    - What are the barriers?
    - Where do they plan on spending the money?
    - If departments have greater needs, what are they?
  - The Chair stated it is important to follow the language on the agenda, to develop questions for state departments to answer regarding use of the MHSAs administrative funds to ensure these funds are spent according to the MHSAs principles and practices.
- A Committee member stated her understanding as follows: The Committee would develop a process to gather the necessary information to then be informed and ultimately be able to make recommendations to DOF on funding.

- Another Committee member responded that we need to know the staffing and if there are programs associated with the MHSAs administration funds then we need to know the number of people served.
- Chief Counsel wanted to clarify a previous statement. There is a difference between authority to ask the different entities who are using MHSAs funds and the discussion on advising the DOJ on how to allocate those funds.
- Staff stated that we want to make sure we maintain the MHSAs values of working collaboratively and approaching it from a strength based perspective. While we do want to ask these questions, we want to make sure we are collaborating. The presentations answered some of the questions brought up today. I want to make sure that everybody takes the time to read what has been presented.
- The Chair expressed concern about overseeing a financial committee that has no factual, standardized tool that every agency completes. We are not suggesting an audit, but rather to create a standardized tool that educates the Committee and the Commission on key elements that we currently don't have and don't understand.
- Staff agreed that there was a need for a standardized tool.
- A Committee member believed that staff and committee members will ask questions of agencies in the most collaborative manner.
- The Chair asked for any other thoughts from anyone. He also asked if staff had been provided enough information to come back in a month with a draft of the tool discussed. Here are some of the specific recommendations we captured that we can present to the Commission: 1) Create a standardized tool. 2) Make it consistent. 3) Make it executable within a specified time frame, ideally within the next four months.
- The Co-Chair added a few points. 1) This tool may need to be a 2 level tool. One level that deals with measurable deliverables, and one level that addresses the administration expenses. 2) The Military Department did a good job explaining the care Veterans received. Whereas, another department, explained that they have meetings and forums, but it didn't appear they really accomplished anything. 3) The format that we establish should ask for more concrete information that moves people to services and support. 4) I like the fact that we can report to the larger Commission. And we should put on ourselves to report in a succinct, clear format. I know that you would have this as an end accomplishment for us: that we should be able to issue a report to the Commission.
- A Committee member responded that sometimes things such as meetings can be helpful in moving things forward, but am unsure of how that can be measured. Committee member is unsure if we are able to look into departments that closely.
- Co-Chair responded that meetings are good if they lead to system change or something meaningful. It's incumbent upon any department that gets the

funding, that if they have meetings to be able to discuss the results of those meetings. Can they provide evidence that the meetings contributed toward something? Possibly just asking participants to fill out a survey describing what they gained from the meeting. We do not want to reinforce and support things because that is what has been done and we just keep doing the same thing. Pete, as the liaison, probably has asked many of the kinds of questions we are thinking should be a part of this tool. Let's commit some of it to paper and see if we can make it better, or see if we can make it more meaningful. I think it is a worthy process.

### **Discussion: Department of Health Care Services (DHCS) Implementation of MHSA Reversion Policies and Procedures**

Donna Ures is presenting.

Thanks for inviting me to discuss reversion. So just starting out, rules governing the reversion of MHSA funds was provided for in Welfare Institutions Code (WIC) 5892h, which reads as follows: Other than funds placed in a reserve in accordance with an approved plan, any funds allocated to a county which have not been spent for their authorized purpose within three years shall revert to the state to be deposited into the fund and available for other counties in future years, provided however, that funds for capital facilities, technological needs, or education and training may be retained for up to 10 years before reverting to the fund.

The former Department of Mental Health (DMH) developed the reversion policy and issued policy guidance to counties in 2008. Additional policy guidance was relayed to innovation funds in 2011. According to the current policy, reversion occurs when a county's total expenditures over the entire reversion period in a specific category are less than the amount of funds distributed for a specific fiscal year. Funds should be spent on a first in first out basis. Expenditures from 3 years should be applied to a single year of funds. This is for the Community Services and Support (CSS) and Prevention and Early Intervention (PEI) Innovation. For example, Year 1 expenditures are applied to Year 1 component allocations. If there are remaining funds in the Year 1 component allocation, then Year 2 expenditures are applied to the Year 1 component allocation. If there are remaining funds in Year 1, then Year 3 expenditures would be applied to that Year 1 component allocation.

DHCS intends to use the MHSA expenditure information in revenue and expenditure reports to calculate reversion. The annual revenue and expenditure reports are certified by the county auditor/controller.

In the past, DMH reverted unrequested component allocations totaling \$2.5 Million for 11 counties and these reverted funds were from Fiscal Year (FY) 2004/05 through 2007/08.

Prior to FY 2012/13 and passage of AB100, DMH approved county program expenditure plans and annual updates. DMH also distributed the funds to the counties based on that plan because DMH managed the contribution of the fund and tracked and accounted for the unspent funds through the annual revenue and expenditure report process. DMH has a mechanism to revert funds that were unrequested.

After the passage of AB100, beginning in FY 2012/13, DHCS no longer maintained authority to review and approved county plans. The State Controller's Office (SCO) gained the responsibility for distributing county funds on a monthly basis including all of the unreserved county funds in the MHSAs fund. As such, the mechanism for collecting reversion was no longer traceable.

DHCS Mental Services Division along with the Office of Legal Services is currently working with DOF and SCO to develop a mechanism to collect and redistribute any reverted MHSAs funds. As soon as the mechanism is in place, DHCS plans to move information to counties informing them of the process and timelines for collecting reversion. DHCS is also drafting regulations to implement the reversion statute.

Items to consider in clarifying when funds are considered spent for example, are they considered spent when a county pays for a good or service versus encumbered to a contract? The reversion period for funds transferred, transferring from Community Services and Support (CSS) to Workforce Education and Training (WET) to Capital Facilities and Technology Needs (CFTN) and the reversion of interest, which by the way is not something we are proposing to do, just an issue. Do you have any feedback on this or any questions?

- The Chair has a comment and clarifying question. Back in 2004, 11 counties were subject to give back less than \$3 Million. I would have thought, theoretically, it would have been more than that.
  - Donna Ures responded that those were unrequested funds, meaning those were funds that in the beginning funds were distributed to counties as they were approved. So if a county did not request an entire planning instrument to support that need, it only received whatever it requested. So those unrequested funds remained at DMH until they were requested.
- The Chair asked the total amount of funds that had been reverted.
  - Staff responded \$2.5 Million.
  - The Chair was surprised that it was only \$2.5 Million
  - Donna confirmed. \$2.5 Million is the number she was able to obtain.
  - The Chair reiterated that he expected that amount to be higher.
- The Chair asked if there is an estimate of how much funding is out there that might be subject to reversion. That is, once the department gets an idea of how they are going to collect it.
  - Donna stated that she was unable to estimate on that right now.
- A Committee member asked what happens if it is encumbered at this point in time.
  - Donna clarified, asking what happens if the funds were encumbered into a contract?
  - Committee member confirmed.

- Donna responded that it is her belief that the county considers those funds expended. If the funds are encumbered then that is how the counties report the funds on their Revenue and Expenditure Reports (RER).
- The Chair asked about the timing of reversion.
  - Donna responded that it is a priority that they are working on. At this point, she does not have a timeline for collecting reversion, but once the kinks are worked out it is something we will be doing.
- The Chair asked if there were any other questions from the Committee.
- Committee member restated what Donna said, that SCO sends the money directly to the counties. Does the department get any reports on the amount sent out to the counties? If so, is it broken down by component or do you just rely on the revenue part of the RER for that information?
  - Donna replied that all of the monthly distributions are available online. SCO provides a nice report every month with copies of the.... Donna was unsure if it was the warrant they provided, but they did provide a lot of information. They do provide that monthly on their website and it is not broken down by component. Counties are responsible for allocating that.
- The Chair asked for any other questions from the Committee or the public.
- A Committee member asked how the components are broken out and reported.
  - Donna replied that they would break that down on their RER as funds distributed to the county and put that in the column for the particular component. And that is an item that is checked by the Department of Finance as an audit item.
- The Co-Chair asked who received the reverted money and what is the process for reallocation? Does it become part of a current year pool? Or is it a special pool that counties can apply for?
  - Donna replied that the original money that was reverted, the \$2.5 Million, that is the only reversion that has ever been done. So the way that the RER reflects, it reflects funds that remain in a particular fiscal year as unspent funds. The RER, the way that it is set up now is not being used to calculate reversion. With that said, when the funds do revert they are supposed to be returned back to the State Mental Health Service Fund. Under the current process, funds should be redistributed the following month.
- The Chair confirmed that there is no timeline available yet when policies and procedures will be finalized. He asked that the Committee receive updates on the status of that.
- Staff confirmed that DHCS was working on regulations
  - Donna specified that DHCS is currently working on fiscal regulations right now.

- The Chair asked if Donna could follow up with the Committee on the status of reversion and the associated regulations.
  - Donna agreed.
- A Committee member asked what Oversight and Accountability Commission (OAC) Committee will be looking at the stakeholder process?
  - Staff asked if she meant from DHCS.
  - Committee member confirmed from DHCS.
  - Chief Counsel responded that we do not have any notification of any amendments, so in looking at the charter, whenever there are proposed amendments we will look at it, but we do not have anything.
    - Committee member believed that the MHSa is still operating under emergency regulations.
    - Staff commented that they have CSS regulations.
    - Chief Counsel responded that the community program planning regulations have been in existence, non-emergency and permanent, since 2009.
  - Committee member was unclear as to which regulations she has previously commented on. She asked for clarification on which regulations she was commenting on.
    - Chief Counsel confirmed that the Committee member was commenting on existing regulations.
  - Staff stated that the OAC is working on PEI and Innovation regulations. Maybe there is some confusion because of those two sets of regulations. Like Chief Counsel mentioned, the CSS regulations have been in existence.
  - Donna stated that DHCS is looking at regulations right now, but there is no package ready for release at this time.

The Chair concluded by thanking Donna Ures for coming and asked for any public comment. There was no public comment.

**Discussion: Review Annual Revenue and Expenditure Reports Instructions and Draft Fiscal Report Worksheet comparing information in County Annual Revenue and Expenditure Reports with information in the County Three-Year Program and Expenditure Reports and Annual Updates**

The Chair announced that Staff will walk us through the draft fiscal report worksheets.

- Staff asked Committee members to open to Tab 4 to review a report that was done by OAC staff in August or December of 2014. The FOC had asked staff to review the annual update by county and compare it to the ARER that DHCS puts out.
- The Chair asked the reasoning for wanting to move in that direction.

- Staff responded with some history. The Annual Update or Three-Year Plan provides information to stakeholders and the state about what the county is planning to do with their CSS, PEI, and Innovation MHSA funds. It is a projection on what they plan to do. Then the ARER comes out and documents exactly how they expended on those projects.
- For example, the first page under Tab 4, we see under Full Service Partnership (FSP) Programs that in their Comprehensive Child and Family Support the county planned to spend \$3.8 Million, but the ARER shows what they actually spent, \$9.3M.
- The OAC compiled this information for San Bernardino and San Mateo. The problem was that we did not have complete information on the ARERs. We needed to refine this, but the Committee asked that in the future we would provide reports for every county. The OAC recommended providing updated information that is coming out March 31<sup>st</sup>, which is when FY 2012/13 ARERs are due to DHCS. We recommend that we take the FY 2012/13 Annual Update and compare it to the FY 2012/13 ARER. There would obviously need to be more detail about why a program receives a certain amount of money or requests that money, yet it spends a lot more. Hopefully this is a good thing, meaning they are serving more people. We would need to provide detail as to why the numbers are different. The previous Chair had asked us to do this, and we recommend doing it for FY 2012/13.
- A Committee member asked if the total expenditures are MHSA only expenditures or the total amount spent on the program.
  - Staff responded that, in looking back, the belief is that it is just MHSA expenditures. Other expenditures are usually separated out. In FY 2011/12 they were separated out.
  - The Committee member stated that she used to fill all of these out. Typically, the plan is an estimate of all revenues. Therefore, the actual MHSA expenditures can be somewhat different if the county received more realignment. Committee member wanted to understand if these are showing MHSA only pieces or is it showing a sum of all of the pieces.
  - Staff confirmed Committee member's understanding that the ARER is showing other funding, which is why it appears to show a much larger expense than the requested MHSA funding column. It is important that the OAC describe what all the funding is, describing the sources, and specifying what is MHSA and other.
  - Committee member stated that it would be helpful to explain the variance by identifying other funding used.
  - Staff replied that he believed on the FY 2012/13 instructions it is broken out to only show MHSA funding. Staff would need to double check that, but it is believed that different funding streams are broken out.
- Chief Counsel stated that it may be helpful for the Committee to know that staff will be working with Mike Geiss, the OAC financial advisor. He is the expert and

can help us figure out these details and can make the graphs in the reports more user friendly.

- The Chair asked for any other questions from the Committee.
- A Committee member pointed out the dramatic difference between counties unspent funds and prudent reserves located on the “Remaining Balance” pages.
  - Staff believed that we needed to change that. If you look at what the annual update shows they planned to spend versus what they actually spent; well, they actually spent more. For example, the remaining balance is inaccurate because they actually spent more. There needs to be explanations on all of these numbers.
- The Chair encouraged everyone to continue asking questions if there are things we do not understand.
- The Chair also asked the purpose of these reports. Does the Commission need to see these?
  - Staff responded that he could not recall what the former chair wanted us to do with this information. Maybe to sum it up and put it in a table.
- The Chair commented that breaking out the annual plan and ARER the way we discussed is interesting, but we need to be sure it is useful and valuable to the Commission.
- The Co-Chair just returned to the call and asked if we had reports for all counties.
  - Staff responded that we had a couple sample counties from FY 2011/12
- The Chair stated that he would like to hear from Director, Toby Ewing, and staff how this would be useful to the Commission. We need to work with intent and know how we plan to use this information.
- The Co-Chair asked why we had this information.
  - The Chair responded that the previous FOC Chair requested that staff put this together to compare the amount they are going to spend with what was actually spent. I think that may have been for learning and education. Are the counties sticking to what they said they were going to do? If there is variance, then why? I would like staff to connect with Toby to decide if we do use this, how do we do so meaningfully with the Commission?
    - The Co-Chair agreed and asked that the question be asked prior to asking anyone to work on the project.
- A Committee member commented that he believed having the MHSA administration tool along with this tool of comparing the annual plans to actual expenditures would justify how they would be used and why we would need the information.
- The Chair asked for public comments.
- A Committee member commented that if nothing else, it would be important to publicize it. It is difficult to see what is being spent through the county system. I

think it would be a service to the public and to have it broken down by program. Also, it could help with accountability.

- The Chair agreed and asked staff to connect with Director, Toby Ewing, to figure out how this will link in to some of the other priorities that are competing for time and attention. Is the Committee comfortable with that?
- A Committee member stated that she was on the Committee last year and it was her understanding that DHCS was not quite on top of the ARERs as was hoped. The report under Tab 4 was an attempt to get some of that information and have it available for committee use. The department would be issuing these reports on an annual basis and we would just review them but that's not happening right now. It is labor intensive and it is limited by having to submit RERs to the department, which is about two years behind right now. Therefore, we will not get much up-to-date information. But I do support looking at the value, use, and purpose of this labor intensive project.
- The Chair asked for public comment. There was no public comment.

### **Possible Future Agenda Items**

The Chair asked to discuss future agenda items. He plans to connect with Toby to hear what he would like to see the FOC focus on.

- Staff went through a list of what he heard as possible agenda items:
  - Work on the draft tool.
  - Get an update from Donna Ures at DHCS.
  - Provide draft annual update and review the Governor's May Revise.
- The Chair asked the Committee if there was anything to add.
- Committee member asked to see what the WET plans have done at the local level.
  - Chief Counsel asked if the FOC wanted to know the effect of the WET dollars or use of the WET dollars. One is evaluation; one is tracking.
  - The Chair stated that we can ask for the fiscal information on the WET plans. Based on what we find, we can present to the Commission for a broader discussion.
  - A Committee member commented that she believed we are making headway with our workforce needs and the effective strategies that have paid off. That may not be this Committee, but I don't think it is being looked at.
  - Another Committee member concurred. From my perspective, we have hired more peers and family members as a way of business after the WET funding. It would be interesting to know how many FTEs are in the local mental health system. Whether it is Community Based Organizations (CBO) or not. They are just part of doing business. It has actually changed the way we deliver mental health services. I think it is a good outcome, but I do not think we have looked at it from a fiscal perspective.

- The Chair asked if there was any immediate reaction from staff about what is being asked.
  - Staff responded that they were unsure of how we would do that.
  - The Chair mentioned that maybe it wasn't a task for the FOC.
  - Chief Counsel stated it should be discussed with Director, Toby Ewing. It is a need that has not yet been discussed.
  - A Committee member announced that Peer Certification on the state level is being introduced in the legislature this week.

### **General Public Comment**

The Chair asked for general public comment. There was none.

### **Adjournment**

Meeting adjourned.