

**Financial Oversight Committee Meeting
Minutes**

**Friday, July 17, 2015
12:00 PM – 2:00 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	Toby Ewing, Executive	Steve Leoni
John Buck, Vice Chair	Director	Michelle Violett
Paul Stansbury*	Peter Best	
Jane Adcock	Brian Sala	
Stacie Hiramoto	Cody Scott	
Rusty Selix*	Carly Holloway	
Lindsay Walter		
Gordon Richardson		
Brian Hill		
Gwen Slattery*		
Carol Hood		

*Participation by phone

Committee Members absent: Debbie Innes-Gomberg

Welcome:

Chair Boyd opened the meeting and welcomed those present.

Vote: Adoption of May 21, 2015 Meeting Minutes

Meeting minutes were adopted from May 21, 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"/>
Jane Adcock	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stacie Hiramoto	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Lindsay Walter	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gordon Richardson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Brian Hill	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gwen Slattery	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carol Hood	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Discussion: Review the Committee Charter and Discuss Committee Priorities for the Remainder of the Year

Staff identified the goal of today's discussion as developing more focused work and understanding Mental Health Services Act (MHSA) funding in order to better inform stakeholders. Staff read through the 2015 charter activities and identified what has already been accomplished.

The following is a list developed by staff of areas of focus for the Financial Oversight Committee moving forward:

1. Identify MHSA funds available each year.
2. Determine how to capture administrative fund savings by understanding the projection and reconciliation process.
3. Identify innovation fund balances.
4. Determine prudent reserve balances and funds subject to reversion.
5. Identify growth of Proposition 63 funds.
6. Understand and document the numbers associated with the 5% administrative fee.

Executive Director, Toby Ewing stated his priorities for the Financial Oversight Committee (FOC):

- Understand the formula for the MHSA funding.
- Determine a running innovation balance for counties.
- Understand the expenditures versus encumbered funds and the affect each has on the running balance of the different components.
- Understand reversion.
- Understand and determine growth in the MHSA fund.
- Capture administrative fee savings. The MHSOAC saved roughly \$1 million in Fiscal Year (FY) 2014-15. We would like to work with Department of Finance (DOF) to establish an incentive for savings for all departments receiving administrative funds.

Departments receiving administrative funds are as follows:

- Judicial Branch
- California Health Facilities Financing Authority
- Office of Statewide Health Planning and Development
- Department of Health Care Services
- Department of Public Health
- Department of Developmental Services
- Mental Health Services Oversight and Accountability Commission
- Department of Education
- Board of Governors of the California Community Colleges

- Financial Information System for California
 - Military Department
 - Department of Veterans Affairs
- Understand what happens to administrative fee savings. It is complicated because of the 5%/95% split of the fund. It is also complicated because we have authority to spend money “if it becomes available.” If we can understand what happens to the 5% that will frame the conversation for understanding the 95%.
 - Determine what information materials would be useful and helpful to stakeholders.

Committee Members stated their priorities for the FOC as follows:

- Committee Members expressed more of a concern for the 95% of the MHSAs funding rather than the 5% administrative fee.
- Committee Members were interested in the timely use of funds and account balances.
- A Committee Member stated that it is important to determine the Committee’s focus: influence policy or collect and display information?
- One Committee Member believes it is important to look at the micro in order to gain understanding of the bigger picture. The administrative fee and innovation funds are good places to start. Allocations, Annual Revenue and Expenditure Reports (ARER), and County Plans are all available.
- A Committee Member is concerned with Executive Director Ewing’s priorities, which appear to be more of a staff function than a Committee function.
- A Committee Member believes understanding what has been spent (and what is unspent) by the separate components is the core work of the Commission. This information has been submitted by counties and is available through ARERs and Annual Updates. We can double check to see if this information is consistent with state records at a later time.
- A Committee Member is requesting a single state website where all county plans can be accessed. County plans contain information on unspent funds, prudent reserves and allocations. This requires no analysis; it is simply gathering the information and making it available to stakeholders in one place. The hope is that the FOC could then add analysis to this information. This is the information that stakeholders are asking for.
- Committee Members are asking for a summary of a few key pieces of information and it does not appear to be a difficult task.
- A Committee Member stated that providing this information in one centrally located area would help counties assess their funds and services by comparing and contrasting what they have done to what other counties have done. It would begin a dialog and information sharing among counties.

Public Comment:

- Steve Leoni suggested the MHSOAC move forward on gathering county information, which is 95% of the MHSA funding, because it seems readily available and a short term project. He suggested that the MHSOAC determine if gathering the information about the 5% administrative fee is a sprint or a marathon. This will assist in setting priorities.
- Michelle Violet, MHSA coordinator for Nevada County, expressed concern over comparing county programs. The programs have been designed for individual communities to meet the needs of those communities. However, it would be beneficial to share information and learn from other counties.

Executive Director Ewing asked that Committee Members provide a concise list of the most relevant information that stakeholders want to know. The list is as follows:

1. Expenditures by year by component by county.
2. Revenue by year by component by county.
3. Unspent funds by year by component by county.
4. Prudent Reserves by year by component by county.
5. Forecasted revenue in county 3-year plans.
6. Overall MH funding – statewide and by county.
7. Encumbered funds.
8. Distribution of Administrative funds.
9. Description of MHSA components.

Public Comment:

- Michelle Violet, MHSA coordinator for Nevada County, asked that staff collect the data listed above on the 5% administrative fee and the 95% of the funding that goes to counties.

Possible Future Agenda Items

None.

General Public Comment

None.

Adjournment

The Chair asked staff to send out an email suggesting a new meeting day. Friday no longer works with everyone's schedules.

Meeting adjourned.