CalMHSA Board of Directors Meeting

Board Packet

Wednesday, June 22, 2022
12:00 p.m. – 1:00 p.m.
AGENDA

1. Call to Order
2. Roll Call and Instructions
3. Instructions for public comment and stakeholder input
   The Board welcomes and encourages public participation in its meetings. For agenda items, public comment will be invited at the time those items are addressed. Because the meeting will be held by Zoom Meeting, each interested party is invited to inform CalMHSA staff prior to discussion of the item by sending an email to laura.li@calmhsa.org indicating the item to be addressed. At the end of the meeting, the Committee will also provide the public with an opportunity to speak on issues not on the agenda. All public comments will be limited to 3 minutes per person.

4. Closed Session: Closed Session: (Gov. Code § 54957.7(a)) The CalMHSA Board of Directors will meet in closed session as permitted by Government Code Section 54957(b). Anticipated Litigation: Significant exposure to litigation pursuant to Gov. Code § 54956.9(d)(2) (one case); Initiation of litigation pursuant to Gov. Code § 54956.9(d)(4) (one case)

5. Consent Calendar:
   a. Resolution 22-08 Authorizing Remote Teleconferencing Meetings Pursuant to Assembly Bill 361 (3-4)
   b. May 25, 2022 Board of Directors Meeting Minutes (5-10)
   c. FY 2021-22 Audit Findings – Status Update (11-14)
   d. Approve FY 2022-23 Final CalMHSA Annual Budget (15-16)

   **Recommendation:** Approval of Consent Calendar.

6. Approval to Enter into Agreement for Audit Services (17)

   **Recommendation:** Authorize the Executive Director to negotiate and execute a two-year Agreement with Crowe for auditing services as recommended by the CalMHSA Audit Committee.

7. Approval of Proposed Slate for Committee Vacancies (18-19)

   **Recommendation:** Approval of Proposed Slate for Committee Vacancies as recommended by the CalMHSA Nominating Committee.
8. President's Report

9. Executive Director’s Report

10. Public Comments on Non-Agenda Items

Adjournment

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, contact Laura Li at (279) 234-0700. Requests should be made as early as possible, and at least one full business day prior to the start of the meeting.

Materials relating to an item on this agenda submitted to this Board after distribution of the agenda packet are available for public inspection during normal business hours, upon request to Laura Li at laura.li@calmhsa.org.

This meeting will be recorded. By joining the meeting, you give consent to being recorded.
RESOLUTION AUTHORIZING REMOTE TELECONFERENCING MEETINGS OF THE BOARD OF DIRECTORS AND BOARD COMMITTEES PURSUANT TO ASSEMBLY BILL 361

WHEREAS, the California Mental Health Services Authority ("CalMHSA") is a local government agency subject to the Ralph M. Brown Act; and

WHEREAS, pursuant to Government Code section 54953(e) as amended by Assembly Bill 361, CalMHSA’s Board of Directors and its committees may use teleconferencing and videoconferencing to conduct Board and committee meetings, and may do so without complying with the requirements of Government Code section 54953(b)(3), subject to certain conditions; and

WHEREAS, one condition that would allow CalMHSA to use teleconferencing and videoconferencing to conduct Board and committee meetings, without complying with the requirements of Government Code section 54953(b)(3), occurs when a meeting is held during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing; and

WHEREAS, pursuant to Executive Order N-03-21, the Governor of California proclaimed a state of emergency on March 4, 2021, and has subsequently extended the state of emergency through Executive Orders, including but not limited to, N-21-21, N-12-21 and N-17-21, and N-04-22 through June 30, 2022; and

WHEREAS, state agencies such as Cal/OSHA and the California Department of Public Health and local agencies such as the Departments of Public Health in the City and County of San Francisco, the County of Los Angeles, Orange County, San Diego County, Sacramento County and Santa Clara County have recommended measures to promote social distancing; and

WHEREAS, it would be safe, beneficial and efficient for the public and for CalMHSA to use teleconferencing and videoconferencing to conduct Board and committee meetings without complying with the requirements of Government Code section 54953(b)(3).

NOW, THEREFORE, BE IT RESOLVED that the Recitals set forth above are true and correct and are incorporated into this Resolution by reference; and

BE IT FURTHER RESOLVED that the CalMHSA Board of Directors and its committees are hereby authorized and directed to take all actions necessary to conduct Board and committee meetings, without complying with the requirements of Government Code section 54953(b)(3) in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act; and

BE IT FURTHER RESOLVED that the CalMHSA Executive Director is hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution; and
BE IT FURTHER RESOLVED that this Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of: (i) 30 days from the date of the adoption of this Resolution, or (ii) such time as the Board of Directors adopts a subsequent resolution to continue to teleconference without complying with the requirements of Government Code section 54953(b)(3) in accordance with Government Code section 54953(e)(3); and

BE IT FURTHER RESOLVED that the Board of Directors of CalMHSA hereby ratifies and approves any and all actions taken by the Executive Director, or her designee, prior to the adoption of this resolution, to effectuate the purposes of this Resolution.

PASSED AND ADOPTED by the Board of Directors of the California Mental Health Services Authority on June 22, 2022:

_____________________________________
Luke Bergmann
PRESIDENT

ATTEST:

_____________________________________
Laura Li, CalMHSA Chief Administrative Officer
**BOARD MEMBERS PRESENT**

- Luke Bergmann – President, San Diego County
- Emi Botzler-Rodgers, Vice President, Humboldt County
- Alameda County, Alternate, Imo Momoh
- Alpine County, Member, Richard Kuhns, Psy.D
- Butte County, Member, Scott Kennelly
- Calaveras County, Member, Wendy Alt
- City of Berkeley, Member, Karen Klatt, MEd
- Contra Costa County, Member, Suzanne Tavano, PHN, PhD
- El Dorado County, Alternate, Nicole Ebrahimi-Nuyken
- Fresno County, Alternate, Ahmadreza Bahrami
- Fresno County, Member, Susan Holt
- Glenn County, Member, Joe Hallett
- Inyo County, Member, Kimball Pier
- Kern County, Alternate, Robin Taylor
- Kings County, Alternate, Unchong Parry
- Kings County, Member, Lisa Lewis, PhD
- Lassen County, Member, Tiffany Armstrong
- Los Angeles County, Alternate, Yvette Willock
- Los Angeles County, Member, Dr. Jon Sherin
- Madera County, Member, Connie Moreno-Peraza
- Marin County, Member, Jei Africa
- Mariposa County, Member, Baljit Hundal
- Mendocino County, Alternate, Karen Lovato
- Merced County, Alternate, Sharon Mendonca, MPA
- Mono County, Member, Robin Roberts
- Monterey County, Alternate, Jon Drake
- Monterey County, Member, Kathryn Eckert
- Nevada County, Member, Phebe Bell
- Orange County, Member, Veronica Kelley, LCSW
- Placer County, Alternate, Amy Haynes
- Placer County, Member, Amy Ellis, MFT
- Plumas County, Member, Sharon Sousa
- Riverside County, Alternate, Brandon Jacobs
- Riverside County, Member, Amy McCann
- Sacramento County, Alternate, Jane Ann Zakhary
- Sacramento County, Member, Ryan Quist
- San Bernardino County, Alternate, Michael Knight
San Joaquin County, Alternate, Cara Dunn  
Santa Barbara County, Member, Antonette “Toni” Navarro, LMFT  
Shasta County, Alternate, Paige Greene  
Siskiyou County, Member, Sarah Collard  
Solano County, Member, Emery Cowan  
Tri City MHS, Alternate, Rimmi Hundal  
Trinity County, Alternate, Debbie Klein  
Tuolumne County, Alternate, Brock Kolby  
Ventura County, Alternate, Loretta L. Denering

MEMBERS OF THE PUBLIC

Susan Gallagher, Cal Voices

CALMHSA STAFF PRESENT

Amie Miller, Executive Director  
Alaina Jones, Executive Assistant  
Amy Leino, Quality Improvement Specialist  
Andrew Wagner, Director of IT Revenue Cycle Management  
Anna Allard, Senior Business Analyst  
Armando Bastida, Sr. Systems Analyst  
Brandon Connors, Contracts Specialist  
Brooke Ramirez, Executive Assistant to Director Amie Miller  
Candice Medina, Program Coordinator  
Caprice Scott, Project Manager  
Courtney Vallejo, Utilization Manager  
David Erlichman, Chief Operations Officer  
Dawn Kaiser, Director of Managed Care Operations  
Holly Petrosyan, Executive Assistant  
Jacqueline Martin, Accounting Manager  
Jeremy Wilson, Program Director & PIO  
Laura Li, Chief Administrative Officer  
Lucero Robles, Director of Quality Assurance & Compliance  
Margaret Aranda, Executive Assistant  
Mary Scheid, Interim CFO/Controller  
Michael Helmick, Senior Program Manager  
Milan Fisher, Program Specialist, Peer Certification  
Rebeccah Abney, Senior Executive Assistant / Board Liaison  
Roksana Dahl, Project Manager  
Tatiana Ortiz, Executive Assistant  
Will Taylor, Peer Support Specialist

OTHERS PRESENT

Randall Keen, Legal Counsel, Manatt, Phelps, & Phillips, LLP
A. Open Session

1. Call to Order

President, Luke Bergmann called the Board of Directors meeting to order at 12:03 P.M. on Wednesday, May 25, 2022. Luke Bergmann directed Laura Li, Chief Administrative Officer of CalMHSA, to take the roll call.

2. Roll Call and Instructions

Ms. Li recorded Board Members and Alternates in attendance and confirmed a quorum of the full Board of Directors was established.

3. Instructions for public comment and stakeholder input

Ms. Li reviewed the instructions for public comment and noted that items not on the agenda would be reserved for public comment at the end of the agenda. Public comment is called for after each agenda item. Laura Li instructed individuals to raise their hand via the raise hand feature on the zoom call to indicate their desire to make a public comment.

4. Closed Session: The Board did not move into Closed Session.

5. Consent Calendar

President, Luke Bergmann acknowledged the Consent Calendar as follows:

- Resolution 22-06 of the Board of Directors of CalMHSA authorizing the opening and closing of bank accounts which replaces Resolution 2020-01
- Resolution 22-07 Authorizing Remote Teleconferencing Meetings Pursuant to Assembly Bill 361
- April 27, 2022 Board of Directors Meeting Minutes
- Proposed CalMHSA Board of Directors Meeting Calendar FY 2022-2023

Mr. Bergmann asked for comments from Board Members. Mr. Bergmann asked for comments from the public. Hearing no comments or questions, he asked for a motion to approve the Consent Calendar. Upon hearing the motion and second, the President directed Members to vote.

**Action:** Approval of Consent Calendar

**Motion:** Connie Moreno-Peraza, Madera County  
**Second:** Kathryn Eckert, Monterey County

**Public Comments:**

*None*

**Vote:**

*Yes – 32 Votes*
Alpine County, Member, Richard Kuhns, Psy.D  
Inyo County, Member, Kimball Pier  
Mono County, Member, Robin Roberts  
San Bernardino County, Alternate, Michael Knight

Butte County, Member, Scott Kennelly  
Kern County, Alternate, Robin Taylor  
Monterey County, Member, Kathryn Eckert  
San Diego County, Member, Luke Bergmann

Calaveras County, Member, Wendy Alt  
Kings County, Member, Lisa Lewis, PhD  
Nevada County, Member, Phebe Bell  
San Joaquin County, Alternate, Cara Dunn

City of Berkeley, Member, Karen Klatt, MEd  
Los Angeles County, Member, Dr. Jon Sherin  
Orange County, Member, Veronica Kelley, LCSW  
Siskiyou County, Member, Sarah Collard

El Dorado County, Alternate, Nicole Ebrahimi-Nuyken  
Madera County, Member, Connie Moreno-Peraza  
Placer County, Alternate, Amy Haynes  
Solano County, Member, Emery Cowan

Fresno County, Member, Susan Holt  
Marin County, Member, Jei Africa  
Plumas County, Member, Sharon Sousa  
Tri City County, Alternate, Rimmi Hundal

Glenn County, Member, Joe Hallett  
Mariposa County, Member, Baljit Hundal  
Riverside County, Member, Amy McCann  
Trinity County, Alternate, Debbie Klein

Humboldt, County, Member, Emi Botzler-Rodgers  
Merced County, Alternate, Sharon Mendonca, MPA  
Sacramento County, Alternate, Jane Ann Zakhary  
Ventura County, Alternate, Loretta L. Denering

No – None
Abstentions – None

Motion Passed

6. Other County Program Fund Administration

Executive Director, Amie Miller explained that there has been a request for the Board to allow CalMHSA to expand programmatic services and administer some diverse funding sources. Michael Helmick, Senior Program Manager was introduced as the lead and expressed that CalMHSA is seeking clarity on our contracting ability to administer these programs with funding from other areas. President, Luke Bergmann asked for comments from Board Members. Mr. Bergmann asked for comments from the public. After hearing comments or questions, he asked for a motion to approve the action. Upon hearing the motion and second, the President directed Members to vote.

Action: Authorize CalMHSA to administer programs for county Public Health Departments and other departments, including programs funded by the American Rescue Plan Act; Authorize the Executive Director to enter into and execute contracts with various entities or individuals in order to carry out the unique goals for each participating county.

Motion: Kathryn Eckert, Monterey County
Second: Ryan Quist, Sacramento County

Public Comment:
Susan Gallagher, CalVoices

Vote:
Yes – 29 Votes
No – None

Abstentions –
Imo Momoh, Alameda County
Suzanne Tavano, PHN, PhD, Contra Costa County
Nicole Ebrahimi-Nuyken, El Dorado County
Sharon Sousa, Plumas County

Motion Passed

7. President’s Report

President, Luke Bergmann yielded time to Dr. Sherin, Los Angeles County to acknowledge his service on the Board. Dr. Sherin announced that he was stepping down from the County after 5 years. He announced that the Board of Supervisors appointed Dr. Lisa Wong to the Director role for Los Angeles County. Dr. Lisa Wong thanked Dr. Sherin for his encouragement and his years of service to the County. Luke Bergman extended his thanks and gratitude to Dr. Sherin.

Public Comment: None

8. Executive Director’s Report

Dr. Miller requested that participants take a moment to reflect on Mental Health Awareness Month and in recognition of the recent tragedies in the world. Robin Roberts, Mono County shared her appreciation for this moment to reflect. Yvette Willock, Los Angeles County expressed her appreciation to Robin Roberts for her comments and the acknowledgment of the trying times we are living in.

Amie Miller provided an overview of the current initiatives that CalMHSA is working on. She introduced several CalMHSA staff to provide additional overview, including:

Lucero Robles, Director of Quality Assurance & Compliance provided an update on the Medi-Cal Peer Support Specialist Certification program. She provided information on the new website that went live on May 2, 2022. She provided additional information on Scholarships that are available. Lucero explained the process for obtaining the scholarships for Peer Support Specialists. Executive Director, Amie Miller
encouraged counties to have their Peers certified.

Dawn Kaiser, Director of Managed Care provided an update on Inpatient Psychiatric Concurrent Review & Authorization and announced that the program went live on May 16, 2022, with a small cohort of counties. She indicated that a Participation Agreement and Business Associate Agreement is required to participate. She also provided an update of the Behavioral Health Quality Improvement Program (BHQIP). She requested that executed Participation Agreements be submitted by June 30, 2022.

Executive Director, Amie Miller announced that CalMHSA will be launching a Request for Statement of Qualifications to evaluate the feasibility of an outsourced credentialing option.

Jeremy Wilson, Program Director provided a presentation recognizing May as Mental Health Matters Month. He provided some highlights related to County participation in various programs related to Take Action 4 Mental Health and Directing Change. He announced that DHCS informed CalMHSA that CalHOPE is included in the May Revise to provide support to Californians year-round.

Executive Director, Amie Miller provided a reminder that Transformation Webinars are being held weekly for CalAIM.

Public Comments:
None

9. Public Comments on Non-Agenda Items

Ms. Li invited members of the public to make comments on non-agenda items.

Public comments from the following individual(s):
None.

Adjournment: The meeting was adjourned at 12:48 p.m.

Respectfully submitted,

_____________________________  _________________
President, CalMHSA    DATE
AGENDA ITEM 5.0c

SUBJECT

RECOMMENDATION: NONE

CURRENT STATUS AND BACKGROUND:

Upon her appointment as Executive Director of CalMHSA in July 2020, Dr. Miller performed a thorough assessment of the services provided by George Hills Company, CalMHSA’s then-third-party administrator. Following this assessment, the Board of Directors acted on October 2, 2020, to separate from the third-party administrator and become a standalone entity.

Since the transition, Dr. Miller, in collaboration with staff, has been working diligently to implement sound financial controls and systems that were either previously not implemented, not documented, or not provided to CalMHSA upon separation from the third-party administrator. As part of this process, CalMHSA retained a new auditing firm, and also retained a consultant to review and investigate the organization’s previous financial activities, and to assist with the development of controls and systems.

The FY 2020-21 audit identified seven deficiencies. CalMHSA has addressed each one of these. The specific actions taken are identified below.

2021-001: Segregation of Duties over Cash Receipts and Disbursements

Audit Finding: “During our audit, we observed one employee unilaterally performing cash disbursements, cash receipts, and bank reconciliations. For example, for cash disbursements, we noted one employee received vendor invoices, recorded the transaction in the general ledger, then also prepared and printed the vendor checks. With respect to cash receipts, this same employee prepared billing invoices for services rendered, recorded the transactions in the general ledger, as well as initiated monthly cash receipt and bank reconciliations.”

Auditor’s Recommendation: “We recommend that management establish a thorough system of internal controls, which are formally documented through policies and standard operating procedures. We recommend that Management segregate the cash disbursements, cash receipts, and bank reconciliations functions. Creating and establishing such policies and internal controls will help management mitigate the risk of materially misstating the financial statements.”

CalMHSA Actions to Address Recommendation: Management has established a thorough system of internal controls, which are formally documented through policies and standard operating procedures that include a matrix of incompatible duties to enforce adequate segregation of duties. Management has segregated the cash disbursements, cash receipts, and bank reconciliations functions. System controlled segregation of duties is currently being evaluated to ensure that system access is compatible with appropriate segregation of duties.
**2021-002: Internal Controls Over Journal Entries**

**Audit Finding:** “During our audit we noted several individuals unilaterally have the ability to prepare and post journal entries into the general ledger. Also, we observed that journal entries are not subject to review for completeness and accuracy by an individual separate from the preparer.”

**Auditor’s Recommendation:** “We recommend that management establish a thorough system of internal controls over journal entries, which are formally documented through policies and standard operating procedures. The policies should clearly outline procedures for preparing, reviewing, approving, and posting journal entries and segregate each of those functions. Furthermore, management should maintain documentation identifying the individual involved with each step of the journal entry internal control process. Creating and establishing such policies and internal controls will help management significantly mitigate the risk of materially misstating the financial statements.”

**CalMHSA Actions to Address Recommendation:** Management has established a detailed system of internal controls over journal entries, that is formally documented through policies and standard operating procedures. The policies clearly outline procedures for preparing, reviewing, approving, and posting journal entries and segregate each of those functions. These policies also outline the oversight responsibilities and management procedures to monitor these controls and procedures. Management maintains documentation identifying the preparer and reviewer of each journal entry along with the related support. System controls over Journal Entries are currently being evaluated to ensure that system access is compatible with appropriate segregation of duties.

**2021-003: Information System Controls**

**Audit Finding:** “During our audit, we observed that management did not periodically monitor employees’ access credentials and levels of access within the financial applications. In addition, we identified two individuals who maintained the ability to assign user rights who also had operational roles in finance.”

**Auditor’s Recommendation:** “We recommend adopting a formal policy in which both the IT department and management perform periodic and documented reviews of the general ledger access rights of each employee commensurate with their appropriate level of responsibilities and job function. Standard practice for such review is annual, however, more frequent reviews can be performed if desired. Further, management should ensure that those provisioning user access are separate from those who are processing transactions in the general ledger. The responsibility for provisioning user access is typically performed by a business or system analyst within the IT department. This individual should work with the manager/director of each department, to ensure user access credentials are appropriate for each employee, in accordance with their typical responsibilities.”

**CalMHSA Actions to Address Recommendation:** Management has adopted a formal policy in which both the IT department and management perform periodic and documented reviews of the general ledger access rights of each employee commensurate with their appropriate level of responsibilities and job function. Those provisioning user access are separate from those who are processing transactions in the general ledger. Management has implemented the use of an outside administrator to provide user access monitoring. The outside system administrator has the responsibility of creating users and assigning access based on the needs of the position, removing CalMHSA staff from this function. System controlled segregation of duties is currently being evaluated to ensure that system access is compatible with appropriate segregation of duties.
2021-004: Management Review Over Service Organization Controls (SOC) Reports

Audit Finding: “[W]e noted that CalMHSA did not review the SOC report(s) made available by, the entity’s third-party Human Resources and Payroll administrator. Additionally, we did not observe controls and processes, formal or informal, that document how Management is to perform the review of SOC reports.

Auditor’s Recommendation: “We recommend that Management obtain SOC reports for service organizations in a timely manner relative to their fiscal year audits, implement formal procedures to review the SOC reports, and document Management’s assessment of relevant internal control findings, their potential impact and complementary user entity controls. Standard practice for performing such review is typically once per year, however should the SOC report period only cover a portion of entity’s fiscal year, we recommend obtaining a Gap Letter from the service organization(s) so that Management can further evaluate their service providers internal controls relevant to the entity’s reporting period.”

CalMHSA Actions to Address Recommendation: Management has evaluated the current status of the availability of SOC reports for service organizations. Policies and procedures have been documented for those systems where SOC reports are available outlining the procedures to be performed, the timing of those procedures and additional controls to evaluate such reports and the related user controls. However, many of the current service organizations utilized have not issued SOC reports or other acceptable forms of control assurance. Management is in the process of evaluating the controls over these systems to identify manual controls or other mitigating factors to provide the appropriate level of controls assurance. The manual controls will be included in updated policies and procedures. For those systems where adequate control cannot be achieved, alternative systems and/or providers will be utilized.

2021-005: Governmental Fund Period of Availability Criterion

Audit Finding: “[W]e noted that management did not have a policy in place to define the period of availability for recognizing governmental fund revenues. Revenue not collected during the period of availability is reported as unavailable revenue. We noted management had inadvertently recorded both unavailable revenue and unearned revenue as deferred revenue.

Auditor’s Recommendation: “We recommend that management strengthen their review process to ensure that unearned revenue and unavailable revenue is recorded in accordance to generally accepted accounting principles.”

CalMHSA Actions to Address Recommendation: Management has updated policies and procedures and strengthened the review process to ensure that unearned revenue and unavailable revenue is recorded in accordance with accounting principles generally accepted in the United States of America.

2021-006: Review and Approval of Employee Timecards

Audit Finding: “[T]here was no formal review of employee timecards between November 1, 2020 and January 1, 2021. During this period, the authority’s policy for submitting timecards was for each employee to email an excel spreadsheet of their time for period, to CalMHSA’s Human Resources Consultant for processing, but no formal review and approval of that time was noted.
Auditor’s Recommendation: “We recommend management ensure all employee timecards are reviewed on a timely basis. Since contracting with the 3rd party payroll administrator, timecards are noted to be formally reviewed.”

CalMHSA Actions to Address Recommendation: As previously noted in the Audit Report, controls have been implemented and all employee timecards are reviewed and approved in a timely manner through a third-party payroll administrator.

2021-007: Financial Reporting Deficiency in Internal Control

Audit Finding: “[W]e identified several adjustments or errors in financial statement disclosures relating to accounts payable, and compensated absences. . . . In addition, we noted that CALMHSA did not timely compile quarterly financial reporting as required by California Government Code 6505.

Auditor’s Recommendation: “We recommend management create and adopt a policy to ensure all transactions and activities are properly documented, accounted for, and maintained in the accounting records. Furthermore, periodic reviews should be performed to ensure the policy is operating effectively.”

CalMHSA Actions to Address Recommendation: Management has created and adopted a policy to ensure all transactions and activities are properly documented, accounted for, and maintained in the accounting records. Periodic reviews are performed to ensure the policy is operating effectively. Management has compiled all quarterly financial reporting as required by California Government Code 6505, and has implemented a policy to ensure all such reports are prepared and reviewed timely.
AGENDA ITEM 5.0d

**SUBJECT: APPROVE FINAL FY 2022-23 CALMHSA PROPOSED OPERATING BUDGET**

**RECOMMENDATION:**
Approval of the FY 2022-2023 Final CalMHSA Proposed Operating Budget

**CURRENT STATUS AND BACKGROUND:**
Per Article 9, Section 9.1 of the CalMHSA Bylaws, the Board is required to adopt an annual budget by July 1, of each year. As such, on April 27, 2022, the Finance Committee presented the draft FY2022-2023 Annual Budget to the Board of Directors, which was accepted.

At this time, the CalMHSA FY2022-23 Annual Budget is being presented in final form with no changes from what was presented in April.

**FISCAL IMPACT**
Fiscal impact is based on individual member participation in the given programs at their discretion.
<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues:</td>
<td></td>
<td>Variance (B to C)</td>
</tr>
<tr>
<td>PEI Programs</td>
<td>24,056,526</td>
<td>21,052,619</td>
</tr>
<tr>
<td>Innovation Projects</td>
<td>13,243,757</td>
<td>9,131,464</td>
</tr>
<tr>
<td>State Hospital Bed Program</td>
<td>611,080</td>
<td>308,440</td>
</tr>
<tr>
<td>Suicide Prevention Program</td>
<td>1,012,537</td>
<td>996,425</td>
</tr>
<tr>
<td>ERH</td>
<td>2,000,000</td>
<td>1,740,000</td>
</tr>
<tr>
<td>WET / Loan Forgiveness</td>
<td>11,842,502</td>
<td>19,770,962</td>
</tr>
<tr>
<td>FEMAS</td>
<td>30,572,224</td>
<td>31,126,250</td>
</tr>
<tr>
<td>CMS/Utilization Management Functions</td>
<td>7,000,000</td>
<td>6,662</td>
</tr>
<tr>
<td>Transfers In - AB 1299</td>
<td>3,174,989</td>
<td>1,035,525</td>
</tr>
<tr>
<td>AB 1299 - Admin Fee</td>
<td>187,758</td>
<td>152,637</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>5,000,000</td>
<td>6,095,260</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>98,701,384</td>
<td>91,436,244</td>
</tr>
<tr>
<td>Program Expenses:</td>
<td></td>
<td>94,760,288</td>
</tr>
<tr>
<td>Program Contracts</td>
<td>79,971,299</td>
<td>51,279,828</td>
</tr>
<tr>
<td>Program Management</td>
<td>1,575,751</td>
<td>984,431</td>
</tr>
<tr>
<td>Other Contracts</td>
<td>138,253</td>
<td>899,020</td>
</tr>
<tr>
<td>Legal</td>
<td>15,000</td>
<td>301,498</td>
</tr>
<tr>
<td>Travel &amp; Meetings</td>
<td>100,000</td>
<td>20,780</td>
</tr>
<tr>
<td>Other Program Expenses</td>
<td>50,000</td>
<td>1,729,411</td>
</tr>
<tr>
<td>Contingencies</td>
<td>5,000,000</td>
<td>733,287</td>
</tr>
<tr>
<td>Transfers Out - AB 1299</td>
<td>3,174,989</td>
<td>733,287</td>
</tr>
<tr>
<td>Total Program Expenses</td>
<td>90,025,291</td>
<td>55,948,255</td>
</tr>
<tr>
<td>Total General &amp; Administrative Expenses</td>
<td>3,846,359</td>
<td>6,293,631</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>93,871,650</td>
<td>62,241,866</td>
</tr>
<tr>
<td>Net Income / (loss) From Operations</td>
<td>4,829,733</td>
<td>29,194,358</td>
</tr>
<tr>
<td>Investment Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Income After Investment</td>
<td>4,829,733</td>
<td>29,194,358</td>
</tr>
<tr>
<td>Net Income After Investment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prior Year Fund Balance</td>
<td>59,849,443</td>
<td>59,849,443</td>
</tr>
<tr>
<td>Projected Fund Balance as of June 30</td>
<td>64,679,176</td>
<td>89,043,901</td>
</tr>
<tr>
<td>Less: Restricted Program Balance</td>
<td>(58,211,259)</td>
<td>(80,139,421)</td>
</tr>
<tr>
<td>Total Operating Reserves at June 30</td>
<td>6,467,918</td>
<td>8,904,380</td>
</tr>
<tr>
<td>Footnotes to Column C</td>
<td>Explanation</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Multi-County Collaboration &amp; Innovation</td>
<td>Included programs: Statewide PEI, Los Angeles County PEI, HSP@Hand, Full Service Partnership, Sacramento Mini Grant, State Hospital Beds, Alternative to State Hospital Beds, Central Valley Suicide Prevention Hotline, North Valley Suicide Prevention Hotline, Fresno Innovation Project, Multi County Early Psychosis</td>
</tr>
<tr>
<td>2</td>
<td>Health IT</td>
<td>Electronic Health Record system and services to Counties to handle and store patient treatment data</td>
</tr>
<tr>
<td>3</td>
<td>FEMA</td>
<td>There is one Fire project for FEMA and it is anticipated additional Fire projects will be started as fire season progresses.</td>
</tr>
<tr>
<td>4</td>
<td>CalAIM</td>
<td>Contract with California Department of Health Care Services (DHCS) to develop screening tool, develop documentation and implementation templates, develop training, provide analysis and collection of cost surveys,</td>
</tr>
<tr>
<td>5</td>
<td>Workforce</td>
<td>This includes contracts with providers providing services to the FEMA programs</td>
</tr>
<tr>
<td>6</td>
<td>Other Contracts</td>
<td>Costs include final year of Sacramento Mini Grant payments, Peer Certification, WEf loan and scholarship disbursements (50% for all participating Counties, 100% for Los Angeles County)</td>
</tr>
<tr>
<td>7</td>
<td>Operational cost- staffing</td>
<td>PY2023 labor costs increased for 50 staff team</td>
</tr>
</tbody>
</table>
AGENDA ITEM 6.0

SUBJECT: APPROVAL TO ENTER INTO AGREEMENT FOR AUDIT SERVICES

RECOMMENDATION:

Authorize the Executive Director to negotiate and execute a two-year Agreement with Crowe for auditing services as recommended by the CalMHSA Audit Committee.

CURRENT STATUS AND BACKGROUND:

Per Article 6 - Committees, Section 6.4 – Audit Committee, Item - 6.4.2, of the CalMHSA Bylaws, it is the duty of the Audit Committee to make a recommendation to the CalMHSA Board of Directors for an independent auditor. As such, on May 19, 2022, the Audit Committee convened and are proposing Board approval for two-year contract with the existing auditor (Crowe), to be negotiated and executed by the CalMHSA Executive Director. In January of 2024 CalMHSA will commence a new competitive bid process for auditing services for subsequent years. This process would not preclude the existing auditor from submitting a proposal to a future RFP release.
AGENDA ITEM 7.0

SUBJECT: APPROVAL OF PROPOSED SLATE FOR COMMITTEE VACANCIES

RECOMMENDATION:
Approval of Proposed Slate for Committee Vacancies as recommended by the CalMHSA Nominating Committee.

CURRENT STATUS AND BACKGROUND:
The Nominating Committee is proposing the Slate for Committee Vacancies as presented below.

<table>
<thead>
<tr>
<th>Role</th>
<th>Member</th>
<th>Term Length</th>
<th>Term Start Date</th>
<th>Term End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>President</td>
<td>Luke Bergmann, San Diego County Ruben Imperial, Stanislaus County</td>
<td>2 years</td>
<td>02/23/2022</td>
<td>6/30/2024</td>
</tr>
<tr>
<td>Vice President</td>
<td>Emi Botzler-Rodgers, Humboldt County</td>
<td>2 years</td>
<td>02/23/2022</td>
<td>6/30/2024</td>
</tr>
<tr>
<td>Secretary</td>
<td>Todd Metcalf, Lake County</td>
<td>2 years</td>
<td>02/23/2022</td>
<td>6/30/2024</td>
</tr>
<tr>
<td>Treasurer</td>
<td>Anne Robin, San Luis Obispo County</td>
<td>2 years</td>
<td>02/23/2022</td>
<td>6/30/2024</td>
</tr>
<tr>
<td>Past President/2nd Member At-Large</td>
<td>VACANT</td>
<td>2 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bay Area Member</td>
<td>Suzanne Tavano, Contra Costa County</td>
<td>2 years</td>
<td>07/01/2022</td>
<td>06/30/2024</td>
</tr>
<tr>
<td>Bay Area Alternate</td>
<td>Jei Africa, Marin County</td>
<td>2 years</td>
<td>07/01/2019</td>
<td>06/30/2023</td>
</tr>
<tr>
<td>Central Member</td>
<td>Amy Ellis, Placer County</td>
<td>2 years</td>
<td>07/01/2019</td>
<td>06/30/2024</td>
</tr>
<tr>
<td>Central Alternate</td>
<td>Connie Moreno-Peraza, Madera County</td>
<td>2 years</td>
<td>07/01/2022</td>
<td>06/30/2024</td>
</tr>
<tr>
<td>Los Angeles Member</td>
<td>Lisa Wong, Los Angeles County</td>
<td>2 years</td>
<td>07/01/2022</td>
<td>06/30/2024</td>
</tr>
<tr>
<td>Los Angeles Alternate</td>
<td>Yvette Willock, Los Angeles County</td>
<td>2 years</td>
<td>07/01/2021</td>
<td>06/30/2023</td>
</tr>
<tr>
<td>Southern Member</td>
<td>Veronica Kelley, Orange County</td>
<td>2 years</td>
<td>07/01/2019</td>
<td>06/30/2024</td>
</tr>
<tr>
<td>Southern Alternate</td>
<td>Antonette “Toni” Navarro, Santa Barbara County</td>
<td>2 years</td>
<td>07/01/2022</td>
<td>06/30/2024</td>
</tr>
<tr>
<td>Superior Member</td>
<td>Phebe Bell, Nevada County</td>
<td>2 years</td>
<td>07/01/2019</td>
<td>06/30/2024</td>
</tr>
<tr>
<td>Superior Alternate</td>
<td>Sarah Collard, Siskiyou County</td>
<td>2 years</td>
<td>07/01/2019</td>
<td>06/30/2023</td>
</tr>
<tr>
<td>CBHDA At-Large Member</td>
<td>Ryan Quist, Sacramento County</td>
<td>1 year</td>
<td>07/01/2022</td>
<td>06/30/2024</td>
</tr>
</tbody>
</table>
## FINANCE COMMITTEE

<table>
<thead>
<tr>
<th>Role</th>
<th>Member</th>
<th>Term Length</th>
<th>Term Start Date</th>
<th>Term End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair</td>
<td>Anne Robin, Treasurer</td>
<td>2 years</td>
<td>02/23/2022</td>
<td>6/30/2024</td>
</tr>
<tr>
<td>Bay Area</td>
<td>Tracy Hazelton, Alameda County</td>
<td>2 years</td>
<td>07/01/2018</td>
<td>06/30/2024</td>
</tr>
<tr>
<td>Central</td>
<td>Tony Vartan, San Joaquin County</td>
<td>2 years</td>
<td>02/04/2021</td>
<td>06/30/2023</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>VACANT</td>
<td>2 years</td>
<td>07/01/2022</td>
<td>06/30/2023</td>
</tr>
<tr>
<td>Superior</td>
<td>Jenine Miller, Mendocino County</td>
<td>2 years</td>
<td>07/01/2019</td>
<td>06/30/2024</td>
</tr>
<tr>
<td>Southern</td>
<td>Georgina Yoshioka, DSW, MBA, LCSW, San Bernardino County</td>
<td>2 years</td>
<td>07/01/2022</td>
<td>06/30/2024</td>
</tr>
<tr>
<td>Ex Officio – President</td>
<td>VACANT</td>
<td>2 years</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## AUDIT COMMITTEE

<table>
<thead>
<tr>
<th>Role</th>
<th>Member</th>
<th>Term Length</th>
<th>Term Start Date</th>
<th>Term End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair</td>
<td>Phebe Bell, Nevada County</td>
<td>annual</td>
<td>06/30/2021</td>
<td>6/30/2023</td>
</tr>
<tr>
<td>Member</td>
<td>Tamara DeFehr, Fresno County</td>
<td>2 years</td>
<td>06/30/2021</td>
<td>06/30/2023</td>
</tr>
<tr>
<td>Member</td>
<td>Stacy Kuwahara, LMFT, Kern County</td>
<td>2 years</td>
<td>06/30/2022</td>
<td>06/30/2024</td>
</tr>
</tbody>
</table>

## NOMINATING COMMITTEE

<table>
<thead>
<tr>
<th>Role</th>
<th>Member</th>
<th>Term Length</th>
<th>Term Start Date</th>
<th>Term End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair</td>
<td>Ryan Quist, Sacramento County</td>
<td>annual</td>
<td>01/01/2022</td>
<td>06/30/2023</td>
</tr>
<tr>
<td>Member</td>
<td>Veronica Kelley, Orange County</td>
<td>2 years</td>
<td>01/01/2022</td>
<td>06/30/2024</td>
</tr>
<tr>
<td>Member</td>
<td>Phebe Bell, Nevada County</td>
<td>2 years</td>
<td>01/01/2022</td>
<td>06/30/2024</td>
</tr>
</tbody>
</table>