

## AB 100 Implementation Plan

**Purpose:** CMHDA is providing this simple list of recommendations to ensure that the policy changes in AB 100 are consistent with the law and result in efficient and manageable policies and procedures for counties to follow who are responsible for implementation of MHS funded services.

### Current Year (FY 2010-11)

- 1. Ensure that counties receive MHS funds being requested for years prior to FY 2011-12.**
  - a. Confirm that DMH is submitting claims schedules to the State Controller's Office (SCO) to release funds based on the county's approved plan submission.
  - b. Confirm that counties will receive notification that their submission has been received and is in process.
  
- 2. Identify current administrative practices or regulations that are in conflict with AB 100, and ensure that they are not being used to withhold funding to counties.**
  - a. Seek resolution on current practice by DMH to require a "submitted and approved" revenue and expenditure report (RER) from FY 2009-10 as a condition for releasing any MHS funds. This is inconsistent with the intent of AB 100, which is to create a reliable flow of funds to counties based on a locally-approved 3-year plan. Requiring that the RER be "approved" to release funds is a new requirement on counties with no authority to do so in AB 100. "Approval" has not been defined for counties, and its application even extends beyond the requirements outlined in CA Code of Regulations (CCR) Section 3510(c).
  - b. Review and rescind all DMH information notices and letters that are in conflict with AB 100. CMHDA has documented much of this information, and suggestions are included in our *MHSA Programmatic and Administrative Efficiencies* document dated April 19, 2011.
  
- 3. Develop distribution formulas for the MHSA funds redirection for FY 2011-12, in consultation with counties.**
  - a. CMHDA has begun this process with counties. In consultation with a fiscal consultant and with approval from the Governing Board and All Directors, we should be able to provide this information to the Department of Finance in May.

### Fiscal Year 2011-12

- 1. Ensure county expenditure and performance compliance through signed county performance contracts.** *(For more details see CMHDA's MHSA Programmatic and Administrative Efficiencies document.)*
  - a. CMHDA supports using the Performance Contract, rather than the MHSA agreement, as the vehicle for the state to monitor county MHS funds and measure compliance with both statute and performance outcomes. Implement WIC 5897(a) through (f), and retain/implement CCR Section 3350 with edits to comply with AB 100.

- b. As currently written, the MHSA agreement is inconsistent with AB 100 and should no longer continue as the mechanism that defines the contractual relationship between DMH and counties for use of MHS funds.
- 2. Align MHSA funding distribution for FY 2011-12 with existing statute and as amended by AB 100.**
- a. Work with the Department of Finance/SCO to develop a claims schedule for FY 2011-12 MHSA payments. Determine how revenues (deposits) that are in excess of the \$862M required for the redirection obligation, if “unrequested” or “unreserved,” will be made available for FY 2011-12.
  - b. Ensure that payments to counties from the MHS Fund are made consistent with WIC Section 5892(a)(6) that specifies that 5% of the funding for System of Care Services and 5% of funding for Prevention and Early Intervention (PEI) Funds be used for Innovative (INN) programs. WIC Section 5847(f) (or the Prudent Reserve) should include the allowance of INN funds as part of System of Care funding (80%). It is the counties’ responsibility to ensure that they expend funds according to an approved plan and consistent with the statute’s requirements.
  - c. Apply WIC Section 5892(h) as written so that the state can fulfill its role in redistributing reverted funds. If allocated funds to a county have not been spent for their authorized purpose within the allowable timeframe, these funds shall be made available for other counties for future use.

### **Issues for Future Resolution**

1. Monthly claims schedules and distribution for MHS Fund payments to counties for fiscal years 2012-13 and ongoing, as described in AB 100.
2. Implement an MHSA plan approval process at the local level that is consistent with statute, including public vetting and stakeholder input. Recognize that counties meet considerable accountability standards for federal, state and local government entities.
3. Support state efforts to adequately and appropriately evaluate the impact and effectiveness of MHS Fund investments statewide.
4. A county’s three-year expenditure and integrated plan should be consistent with statute, demonstrating accountability and program performance in a way that is accessible to the public and eases administrative burden. Achieving this will require the repeal or revision of current regulations, and rescinding several DMH information notices. CMHDA has identified many of these items in our document *MHSA Programmatic and Administrative Efficiencies*. Efforts should begin as soon as possible to develop a single and simple set of MHSA regulations, consistent with statute. Regulations should only be necessary when there is a need to further interpret statute.
5. To address any concerns with the policy changes inherent in AB 100, build on previous efforts to develop a state-level process to resolve issues of compliance and performance that includes first exhausting available local processes that provide more immediate, appropriate, and confidential resolution.