MINUTES

California Health Facilities Financing Authority
(“CHFFA”)
915 Capitol Mall, Room 587
Sacramento, California 95814

Monday, October 7, 2013 – 1:30 P.M.

Deputy Treasurer Bettina Redway, serving as Chairperson, called the meeting to order at 1:37 P.M.

Roll Call

Members Present:	Bettina Redway for Bill Lockyer, State Treasurer, Chairperson Alan Gordon for John Chiang, State Controller, Vice-Chairperson Eraina Ortega for Michael Cohen, Director, Department of Finance Jay Hansen Ann Madden Rice Jack Buckhorn Samuel Qiu
Members Absent:	Judith Frank Dr. Oscar Sablan

Chairperson Redway declared a quorum present.

Item #2 — Resolution No. 2013-05

Resolution of the California Health Facilities Financing Authority approving the Adoption of Regulations and Authorizing Emergency Rulemaking Proceedings for the Investment in Mental Health Wellness Act of 2013 (“Act”).

Barbara Liebert, Executive Director, stated staff has delayed seeking approval of emergency regulations to allow additional time to properly structure the SB 82 Mental Health Wellness program. Ms. Liebert stated staff was currently seeking Authority members’ feedback and guidance on a number of issues needed to finalize the proposed regulatory package.

These issues include:

(1) Whether to keep the funding formula intact for the duration of the grant program;

(2) Whether to keep the maximum grant amounts at the same levels for the duration of the grant program;

(3) The timing and frequency of application submission and staffing review;

(4) The weighting of the scoring criteria;

(5) Whether to require applicants to achieve a minimum level of points before the applicant may be considered for funding.

(6) The requirements for grantee reporting.

Authority members provided their perspectives on each issue for staff consideration as the proposed regulations are being finalized for recommendation to the Authority.

Mrs. Rice stated that $500,000 isn’t very much for smaller counties who have a lot of unmet needs and distance and traveling is a challenge.

Ms. Ortega stated support for trying to keep the regional allocations for as long as possible across the state and appreciates staff's efforts in ensuring that the entire state benefits from this program.

Mr. Buckhorn stated that one of the impediments for the smaller counties is the ability to get grant writers and prepare a competitive application and suggested offering an option for the applicant to include additional program phases and allocation requests in their initial application in preparation should more funding become available after a certain deadline. In addition, Mr. Buckhorn suggested the possibility of applying a two year hard deadline and at that time the remaining allocation would become available to the entire state, as well as possibly lifting the allocation limits at that time.

Mr. Buckhorn stated that he does not want the smaller counties to have to reapply for additional funding should it become available but that the additional allocation request presented in their original application would need some follow-up.

Mr. Hansen asked staff to look at the ability to add flexibility into the disbursement schedule in order to cover start-up costs and help jump start the programs.

Mr. Qiu stated that he wants to make sure the six-month cutoff to establish feasibility and sustainability doesn't defund a project should a situation arise such as the timing of securing permits and approvals in construction for residential care. Mr. Qiu expressed understanding for competing interests: fair remedies for the implementation of a hard deadline that affects the project and the appropriate time to allow others to compete for monies awarded but not yet used.

Mr. Buckhorn said that a hard deadline is how the Authority defines it, and if there is a process in place, awarded funds would be protected. Mr. Buckhorn stated that it might motivate counties to insure their applications were timely prepared if they feared that a bigger or more organized county could scoop up the remaining money.

In regards to timing and frequency of application submission and staffing review, Mr. Buckhorn said we could put language in of 60 days or less, which would allow for counties to move faster if ready.

Mr. Hansen asked if the application period has to be the same across the state or can there be differentials allowing for early or later evaluation for applications. All the Authority members agreed that to insure fair funding awards for everyone in the competitive process; we would want to keep the 60 day submission and 60 day review periods.

About discussing the weighting of the scoring criteria, Mr. Buckhorn said that he would score the criteria a little differently. He stated that he would combine criteria number 1 and collapse criteria numbers 4 and 5 and weight them 60% and criteria numbers 2 and 3 by 20% each. The applicant can have a great plan to expand capacity and access; however, if it cannot actually be completed, then it is not such a great plan.

Ms. Ortega seconded increasing the points for criteria number 4 and possibly criteria number 5. Ms. Ortega stated that the Authority would like to see programs that will change the system locally and be able to be sustained. The applicants would need to demonstrate how they are going to structurally change the system to generate savings and long term support.

Mrs. Rice stated that in order for the Authority to look at programs after they are up and running to see how effective they are it would be helpful if the outcomes were the same across the projects rather than the applicants defining what their key outcomes are. Mrs. Rice asked if the suggested outcomes are readily available, easy to measure, and robust enough that they don't require a lot of audit time by staff. Or would they be self-reported? In response, staff explained that the recommendation would be to have the grantees report on the outcomes that they are going to measure. Grantees would have to state, in addition to the measurable outcomes requested by the Authority, their own plan and data intended for measuring.

Mr. Hansen referenced criteria number 3b, "the Applicant proposes a plan for tracking the savings." However, it does not require them to complete it or tally it; they just have to tell how they would propose to do it. Mr. Hansen stated that he agreed that tracking savings is hard to measure, but felt it was wasteful to ask for a plan but not require them to measure the plan. Mr. Hansen asked if they could quantify the prevented value of their intervention services through their program against known costs of alternative services. Mr. Hansen stated that while a county might not be able to confirm a savings, they may be able to confirm a value.

Mr. Gordon agreed with Mr. Hansen and stated we should change the "savings" term to "value" because if this program works well, you will be treating more people and it might cost more at that level but the savings to other services would be more valuable.

Mr. Buckhorn stated that there has to be some parameters by which to measure the value. For a mobile crisis team, if you can document how many cases law enforcement have interacted with crisis services. There must be some number to compare against intervention of the new mobile crisis unit, and it should show a drop in law enforcement involvement.

Mr. Gordon stated many times wrong metrics will drive the wrong actions if it is perceived that you get more money for measuring "x" as opposed to "y".

Mr. Hansen stated that he agreed with increasing the value of the maximum points for criteria number 4. He added that we are using public money and it is nice to have something that actually creates a sustainable project and not just a one-time shot.

Mrs. Rice stated she felt that an alternative to giving more points in criteria number 4 should be considered to require receiving a minimum of the required points. Mrs. Rice stated that if an award is made, it is tying up funds and that to some extent we need to evaluate and make sure that they are very likely to use the money within six months or a year.

In regards to requiring applicants to achieve a minimum level of points before the applicant may be considered for funding, Mr. Gordon expressed his concerns on whether funds would go elsewhere should several counties in a region without the resources to put together a good application and to provide a quality program would not meet the minimum points requirement. Mr. Gordon stated that more sophisticated counties with more staff could easily swoop up their money quite quickly.

Mr. Buckhorn replied that the minimum level of points goes along with criteria number 4 and that if there is going to be a minimum, it should be reflected there with flexibility and our ability to help if necessary.

Chairperson Redway stated that she likes having a minimum. It provides for receiving better quality applications and if the Authority has the ability to waive certain requirements, projects poorly presented can be recognized.

Chairperson Redway thanked staff for their efforts on the program.

Item #3 Other Business

Chairperson Redway asked for public comment. Hearing none and with no additional business, the meeting was adjourned at 2:37 P.M.