

SMAA LEA Minutes 6/9/16

Discussion of SB 123-Liu- Ed Honowitz from Senator Liu's staff:

Purpose and intent of this legislation to reform school based health programs (SB 123 attached)

SB 123

Senator Liu's staff reported that her district has had many school districts affected by the deferral, disruption of funds and the lack of response from DHCS. The RTC process was still in place when significant issues led to an audit by the Bureau of State Audits. The scope of the audit included review of process, underlying issues, and different state programs. Recommendations were to highlight best practices and transparency. Senate Bill 123's language would put into statute recommendations made in the audit. Stakeholders and staff operating the program have also made recommendations for the bill. SB 123 is meant to streamline school based health and help LEAs lessen administrative costs for school health programs/services. If passed, this bill could go into effect January 2018. Opposition of this bill is mainly from LECs who are concerned about the proposed change in their role that allows them to be vendors but not provide oversight.

Items highlighted in the bill in response to recommendations made in the audit.

- LECs/LGAs system is not effective for all LEAs. DHCS is unaware of contracts, operation and structure. The bill will provide more flexibility for LEAs in their interaction with LECs/LGAs. They can continue to work with them, work in-house or find another vendor. All LECs/LGAs also have different vendor fees and a wide range of contracts. Transparency sections would require that these be posted by the state. The bill includes a 5% withhold that would cover the operation of the program at the state level. It is an average and as revenue neutral as possible.
- An appeals process will be put in place as there is no neutral third party appeals process at this time. Appeals would go through the Office of Administrative Hearings, after first going to DHCS. Both MAA and LEA billing would use this appeals process. Cost would be paid for by withholds of 5% on MAA program and 3 ½% on LEA billing. Adjustments

- would be made for actual cost annually and overage would be refunded to the districts.
- An office of School Based Health in CDE would be established. Currently there is no real connection between DHCS and CDE, though there is a federal mandate for agency partnership. This would also include the expansion of the stakeholders group in adding more districts, COEs, etc. The bill has an MOU that details the interagency agreement requirements. Funding source for this new office will come from savings and the future withhold beginning in the 17/18 fiscal year. Details are highlighted in Section 2 of the bill.
 - The bill lists two RMTS surveys instead of the nine being used now. LA will maintain their own survey and a second survey will be used for all other LEAs.
 - There will be an annual MAA report from DHCS that will list costs, staffing, contracts, etc. for more accountability.

See attached Q&A and Fact Sheet. Any questions or recommendations regarding the bill can be sent to Ed Honowitz, Policy Aid at 818-409-0400, ed.honowitz@sen.ca.gov

Next steps – The bill will be heard in the Assembly Health Committee on June 14th and will then be heard by the Education Committee on June 22nd. If it continues on, the bill will be sent to the Appropriations committee, Assembly Floor and then back to the Senate to concur with amendments made in the Assembly.