

Report on Closed Session

Alison Bassett, CMSP General Counsel, reported that the Governing Board met in Closed Session, discussed the Executive Director's performance evaluation, and took no action.

Board Member Election

Kari Brownstein, Executive Director, reported that an election was held to replace Board Member Oscar Villegas, Yolo County Supervisor, who resigned from the Board effective December 31, 2023. Karen Lange, the Board's Legislative Representative of Shaw, Yoder, Antwih, Schmelzer & Lange, reported that Mike Ziegenmeyer, Sutter County Supervisor, was elected to serve on the Governing Board. His formal appointment is pending.

Report from Legislative Representative

Ms. Lange greeted the Governing Board. Ms. Lange stated that the Legislature came back on January 3, 2024 to the second year of a two-year session. Presently, both houses of the Legislature are working on bills to get them over to their second houses. There was a bill to take the county juvenile justice population and move the funds to nonprofits, but that bill was held in committee. The Legislature has until the middle of February to introduce their new bills.

The Legislative Analyst's Office (LAO) has estimated a \$68 billion deficit over three years. However, the Governor has said the deficit is closer to \$40 billion. General Fund revenues are driven by the stock market and depend heavily upon the ultra-wealthy doing well with their investments. Depending on the data points selected, estimates of the projected deficit can differ.

In the near term, the State has a real current year deficit that may or may not get attended to. Two legislative hearings were held this week to assess potential strategies. It is not clear what actions the Legislature may take. With potential impacts on counties, one option the Governor may consider is canceling \$350 million in individual county and other requests. Another is for departments to hold up any funds that haven't already been allocated to counties. The latter situation appears to be happening.

The big picture for the State Budget will call for a combination of revenues, reductions, cuts, pullbacks, and borrowing from reserves. Revenue generation of up to \$5.7 billion is being contemplated, of which the Managed Care Organization (MCO) tax is expected to generate the most money to help close the gap. Also being contemplated are up to \$5.1 billion in various funding delays, notably in the area of housing. Funding shifts are also being considered in various areas.

At this time, there has been no proposed Vehicle License Fee (VLF) swap, securitizing of county property tax revenues, or other strategies that have been employed in the past.

ITEM	December 2023
Total CMSP Funds	\$321,473,226
Total Assets	\$323,993,911
Total Liabilities and Equity	\$323,993,911

FY 2023-24 Program Budget Expenditures Year-to-Date

Mr. Celentano presented a report on year-to-date actual versus budgeted Program expenditures. As of December 31, 2023, there were expenditures of \$8,052,966 (accrual basis). The approved Program Budget for FY 2023-24 is \$34,789,500.

FY 2023-24 Administrative Office Budget Expenditures Year-to-Date

Mr. Celentano presented a report on year-to-date actual versus budgeted Administrative Office expenditures. As of December 31, 2023, there were expenditures of \$1,596,221 (accrual basis). The approved Administrative Office Budget for FY 2023-24 is \$5,316,000.

CalTRUST Update

Ms. Brownstein reported that, as directed by the Governing Board, CMSP staff have initiated moving the Board's funds from the Sonoma County Treasurer to CalTRUST. CMSP staff will be meeting with Sonoma County officials next week to discuss next steps.

Christina Rivera, County Administrator, Sonoma County and CMSP Board Member, reported that the transaction must assess whether the movement of assets will have a negative impact on the other participants. Under California law there are certain conditions on the liquidation of the assets in a County Treasury and movement of the funds.

Executive Director's Report

Ms. Brownstein provided the following informational report:

- The Path to Health wind-down transition is going on. There are no more members as of January 1, 2024 but claims are still being paid. Ms. Brownstein expressed appreciation to Alison Kellen, Guillermo Velazquez and Paradis Pourzanjani for their work, including on New Year's Day.
- The RedMane mCase development for the CMSP eligibility/enrollment system is underway and CMSP staff are currently working with the California Department of Health Care Services (DHCS) on the state-level interface.
- County visits by the Executive Director are continuing. Ms. Brownstein will be reaching out to Board members, committee members and CAOs.

- Ms. Brownstein will be meeting with First Five in February to discuss opportunities for collaboration.
- The CMSP benefit program was mentioned in the Santa Rosa Press Democrat.
- The CMSP office is now a hybrid workplace. All staff work in the office a minimum of 3 days a week and may work from home up to 2 days a week.
- Recruitment for the Administrative Specialist position continues.

Public Comments

Mr. Forster asked for public comments. There were no public comments and Mr. Forster adjourned the meeting. The next meeting is March 28, 2024.