Montana Mental Health Settlement Trust Meeting

May 17, 2010

1:30 P.M.

Trustee: John Warner

Committee Members Present:

Pam Vies, Havre, Center for Mental Health; Mental health service provider

Marcia Armstrong, Helena, DPHHS, Addictive and Mental Disorders Division

Robert Runkel, Helena, DPHHS, Children's Mental Health Bureau

Sheriff Dan Tronrud, Big Timber, Sheriff of Sweet Grass County: Representative of law enforcement

Dr. Gary Mihelish, Helena, Eastern Service Area Authority: Representative of Montana Service Area Authority

Robert Ross, Billings, Eastern Service Area Authority: Representative of Montana Service Area Authority

Dr. William Docktor, Missoula, University of Montana School of Pharmacy: College or University Faculty member

Secretary: Linda Keim

I. Introduction and comments of the Trustee.

Members agreed it is not necessary to run formal meetings and use Robert's Rules of Order.

II. Introduction of Trust Committee members:

a. Distribution of contact information among Trust Committee members;

John will e-mail each member a list of committee contact information.

b. Discussion of public distribution of contact information (web-site and/or letterhead)

There is a central address for the Trust to go to for information at 2601 Broadway, Helena, 59601, (406) 513-1073. Members agreed it was acceptable for the Trust to have a letterhead which could show their names and office addresses. Dr. Docktor asked that his University eMail and address be used for contact information. Dr. Mihelish asked that his home eMail be used, along with his office phone number.

III. History and purposes of the Trust.

The purpose of the Trust is to make a fair distribution of the money entrusted to the trust. The money should be distributed by the end of 2012, however, the Federal District Court that set up the Trust could grant more time.

IV. Consideration and discussion of Internal Operating Guidelines:

a. Times for quarterly meetings;

John suggested making decisions at the quarterly meetings; i.e. come prepared to make decisions by discussing issues ahead of time. Members agreed.

RFPs could be considered quarterly, semiannually, annually; that needs to be determined from time t time.

As drafted, this Trust can legally establish other Trusts; this remains an option, however it is not a first priority.

Dr. Mihelish noted that RFP criteria and guidelines must be developed first as the criteria are in the trust agreement. Bob Ross noted that not staying strictly with a quarterly time gives more latitude, as they could do more work up front and less work afterward. He said that as soon as RFPs are requested, there will be a lot of them received. John suggested having a meeting before end of September. Members can decide on a date at the end of this meeting. He hopes to prepare have a draft of a Request for Proposal after the input at this meeting and send it to everyone as soon as possible for comments, corrections, etc.

b. Notice to Trust Committee of meetings (electronic and/or mail);

Members agreed to have meeting notices sent electronically.

c. Manner and amount of payment of expenses of Trust Committee;

While the Trust is not required to reimburse expenses at all, or at any certain amount, John suggested using the State rate of 50 cents a mile, and the State rate for food and lodging: $23 in-state, $41 out-of-state, and $12 per night if there is no receipt for a hotel submitted. All expenses must have the Trustee's approval. All Trust Committee members are volunteers. Members agreed on using the State rate for payment of expenses.

d. Manner of giving notice to potential applicants for trust funds (Requests for Proposals);

i. A list of entities and persons that will be given notice of Requests for Proposals will be developed;

ii. Trust Committee may from time to time make additions to the list of those that will receive notice;

iii. Marcia will get the DPHHS list which will capture most of those that should receive notice of Requests for Proposals; Dan will get law enforcement's list. Cathy McGowan will asked to advise of those who would want to apply, and Dan will request that she do so. Lists should come from MACO, Montana Sheriff's and Peace Officers Association, AMDD's contact list, Children's Mental Health Bureau's contact list, NAMI, and Mental Health Association in Bozeman.

e. Times within which the Trust will accept Requests for Proposals;

The RFP will be written in such a way that this will be stated very clearly.

f. Manner of distribution of applications for Trust funds and other documents to Trust Committee;

Members agreed to have an internal operating guideline which will require electronic Requests for Proposals be submitted, with an exception for those that simply cannot do so only upon application to the Trustee. The Requests for Proposals should be submitted as a Word Document. Other formats will be considered.

g. Manner of giving public notice of Trust Committee meetings to the public;

Information on when the Trust Committee will meet will be sent to the media and to the list of those that may wish to submit an RFP.

h. Distribution of application for Trust funds to the public, before, during and/or after consideration by Trust Committee;

Bob Ross raised the possibility of the Trust entering into collaborative agreements, and also suggested that individuals should not be allowed to apply for funds. He suggested creating 'sideboards' as to who can apply and who can't, and require that they show accountability. John stated that he wanted to send the RFP out as six or seven pages in length, and it should not be overly complicated. Members suggested setting up a two-tier system, having lower requirements for smaller amounts of money.

It was agreed that the Trust Committee would consider a request that trust funds be distributed as a part of a collaboration with other funds, that is, the trust could provide matching funds to other grants. This fact would be included in the draft Request for Proposal.

i. Need for and timing of accepting public comments at Trust Committee meetings;

Bob Ross suggested tagging public comment onto the quarterly meetings. Start the meeting with Executive Session, and decide on the RFPs during Executive Session; that way anyone not on the board would have to leave. The meeting would be opened to the public when Executive Session concluded.

j. Need for further definition of the goals of the Trust, i.e. refinement of the purposes set forth in Trust § 5.4;

John inquired if further definition of who or what could apply for trust funds is necessary now, or should the committee wait until we get to an RFP. Committee members opined that awards to individuals will result in many hundreds of applications; making it nearly impossible to consider them all, and that it would be best if trust funds would only be distributed to some type of an entity that accounts for the money. All agreed they are reluctant to grant funds to individuals.

Regarding the six distribution requirements in Trust § 5.4, items, Dr. Mihelish suggested: 1) Trust funds should be spent to try to educate primary care providers on appropriate medication prescribing practices. The goal is to develop better prescribing practices for people who prescribe psychiatric medicine. Also, MMA needs to develop an educational program for prescribers. 2) Training and education for law enforcement: Trust funds could well be used to develop more programs similar to those in larger cities, and perhaps establish training centers in Kalispell, Butte, Gt. Falls, Glendive, Miles City, Sidney, which could be attended by area law enforcement. Marcia asked Dan about law enforcement; he said they used a roving educator at first, conducted three or four day classes. Crisis Intervention training can also be coordinated through the Montana Law Enforcement Academy.

Dr. Mihelish agreed to draft a proposed refined description of the 6 distribution requirements in Trust § 5.4. These enhanced descriptions could better serve as guidelines to state Trust priorities that the Trust Committee would consider. He will take a stab at submitting wording and would like input from everyone on what the wording should be.

k. Need for geographical and/or population criteria in distribution of trust funds, i.e. urban/rural, east/west/north/south, tribal/black/white etc;

Bob Ross suggested that the Trust attempt to distribute funds as equally as possible across the state. Bob agreed to put a draft together for a guideline and will include the above. John emphasized that the RFP would state what the Trust would consider and what type of programs would be encouraged, but not state hard and fast requirements. The knowledge and discretion of the Trust Committee would be paramount in making the recommendation as to what applications will be successful. A hard and fast scoring system which must be adhered to is neither required nor desirable. For example, it is okay to accept an application that is not as polished as a professional grant writer may submit.

l. Need for priorities in distribution of trust funds, i.e. for education, type of illness, relating to distributions required by Trust § 5.4

Dr. Mihelish's and Bob Ross' ideas need to be put together for discussion and comment. John asked what he can expect time-wise. Dr. Mihelish will have a draft ready Saturday or Sunday. Bob Ross will have his draft early next week. These drafts will express Trust Committee priorities in considering Requests for Proposals, they will express a kind of philosophical statement for prioritizing funding requests, and expresses the spirit and the intent of the Trust.

V. Consideration and discussion of contents of Requests for Proposals:

a. A Request for Proposal should first contain a statement of what the Trust Committee is looking for in the Request for Proposal, i.e. specific use of the funds and how will this will further the Trust purposes;

b. A Request for Proposal should then contain a statement of the purposes of the Trust as contained in the trust document as further refined. Discussion of need to further refine trust goals;

i. It appears that there is a need to describe the dimensions of what constitutes serious mental illness;

The State has a legal definition in Statutes, Marcia will send it to John. Bob Ross indicated that he wants to think broader in treatment. Dr. Mihelish asked for both the State and children's definitions before discussion takes place, so they would not to be limited in their definitions. John will forward everything he receives from the members concerning a definition of what is serious mental illness for purposes of the Request for Proposal.

----------Members took a 15 minute break---------

c. A Request for Proposal should then contain a description of the scope of the proposed project;

i. Step by step specific description of what goals are to be met;

This was discussed previously when considering the contents of an RFP. Bob Ross said many or most of the applicants already know the drill and will be able to do it quickly.

ii. Time within which goals are to be met;

Dr Mihelish said the Trust would receive all sorts of proposals: creation of innovative practices, individual off-the-wall therapy, etc. It should be written in an RFP as to how long a program should last, and how it is to be brought to completion. The RFP should state that the Trust Committee will give a higher priority to any program that has a definite timeline. Dr. Docktor said a timeline for each objective would usually be in the budget. John stated that the RFP should indicate a timeline for expenditure of the funds, with specific dates, and it should say the trust is set to end by December 31, 2012. Robert Runkel stated that a timeline should be required. He commented that December 31, 2012 may not be allowing enough time to spend nine million dollars. Dr. Docktor said if RFPs go out in November, it would be February or March of 2011 before we say what we are going to go with the first time grants are made.

John proposed at a Trust Committee meeting the committee consider the Requests for Proposals and when decisions are made simply say "these are granted". As for other requests the committee may ask for further specific information, and other proposals can be rejected. Just to be fair, we should set a date by which RFPs must be submitted.

The committee considered meeting in September to complete the work on a Request for Proposal that would be sent to those requesting such and also placed on the Trust web-site. Prior to the meeting a working draft RFP would be circulated to the committee, considered, revised, so that the draft was close to being final when the meeting started. Prior to the meeting the draft RFP would be publically circulated so that others could comment and come to the meeting with their ideas for improvement. That is, the committee will seek input from others on the RFP.

iii. A Request for Proposal should then contain a description of the applicants estimation of the number of persons who will be affected; the committee members felt this was hard to determine, but should be considered.

d. A Request for Proposal must, of course, contain a cost of the proposal, including;

i. Cost of each part of the proposal;

ii. Where each part of the funds will be spent;

iii. Need for different proposal requirements for different levels of funding, i.e. a proposal over or under a certain amount;

John noted that the RFP should state that a successful applicant must account for expenditures of trust funds. Also, the trust must have the ability to examine the books. Mini grants may not get an on-site visit. The RFP could possibly say that the committee will look strongly at any request for funding in excess of, perhaps $50,000, to see whether the applicant will adequately be able to meet stringent accountability requirements and that such an applicant will be inspected and must report on a specific schedule. Robert Runkel said a lot less: perhaps $5,000, would be a better cut off figure for "mini-grants." While the committee generally agreed that an amount closer to $5,000 would be better, a definite decision on what a proper amount, above which more stringent accountability would be required, was not made. This will be discussed further in circulated RFP drafts.

Bob Ross was concerned about giving significant amounts to an entity that does not have a sophisticated accounting system and audits.

John noted that the applicants should all be required to use accepted accounting principles, have independent audits, an active board, and an organizational structure that is existing and kept up to date.

Dr. Docktor noted that evaluation-criteria involves the ability to complete a project, as well as the ability to use the money wisely.

Marcia brought up the question of what should be set as a proper limit on administrative overhead costs, i.e. accounting staff, secretaries, heating, library services, etc. The committee agreed that an RFP should set a fair limit on overhead to administer a grant. There was substantial discussion of whether a specific limit should be stated, and whether such limit should apply to all Requests for Proposals. Dr. Docktor stated that a percentage was better than a dollar amount , and the committee agreed. Robert Runkel suggested 15% was not uncommon in some RFPs. It was generally agreed that a lower amount, perhaps 5% was appropriate. Several committee members acknowledged that the grant writers knew how to make sure applications kept within stated guidelines.

Robert Runkel inquired if there was any limitation on what applicants would be eligible to be considered. John said the Trust document required that just about all comers must be considered, but he understood that as a general rule it would be required that an applicant, to be favorably considered, must be some kind of an entity, not an individual. This, qualification would be stated in the Trust internal operating guidelines, when completed.

e. A Request for Proposal should then contain a description of sustainability of the proposal;

i. Members felt that a priority should be that a grant of trust funds should have as much long term benefit as possible and that some priority would be given to those applications which indicated a long term benefit.

f. Scoring of proposals;

i. Scoring of Requests for Proposals will consider the priorities set by the Trust Committee, and will be conducted in executive session.

John said the RFP should state that the Trust Committee would give substantial weight to sustainability, and consideration should be given to how many people will benefit from a particular application. Marcia agreed to come up with proposed wording for a n RFP.

John suggested that there should be a section in the draft RFP concerning how scoring. Marcia said this would make something objective that really is subjective. The committee agreed that this was so. It was generally agreed that in scoring an application for funds each committee member would consider the priorities stated, along with the purposes of the trust, make a decision on which applications should be granted, which should be returned with a request for further information, and which should be denied. There will be no hard and fast requirements for scoring, such as an assigned numerical value to each part of a proposal. The Trust Committee will rather discuss the merits of a proposal, and make its decisions using the members' knowledge, experience and discretion.

g. Evaluation process;

i. How and when each phase of proposal reviewed;

Members will discuss by e-mail or by phone as each section is drafted. Information will be shared with each other, not just with John.

ii. What reporting requirements;

Each successful applicant will be required to report to the Trust on how the funds are spent, be subject to audits, site visits, and perhaps examination of its facility. Specific requirements will be further researched and discussed.

iii. Need to allow complete access to Trustee or designee;

Audits will be done of all expenditures. Larger grants will have periodic on-site visits. All grantees will be required to grant the Trust access to the books.

iv. A successful applicant will be required to self-report problems encountered in administering the grant.

v. Advice to successful and non-successful applicants of reasons why granted or denied.

John commented that it seems fair that there be at least a one or two sentence responses to the unsuccessful applicants saying they were low in a certain area, or they did not meet a certain requirement. Marcia indicated that the following wording could be included in the RFP: 'The committee will be giving priority to ……'.

h. The RFP should state that the Trust may require further information or modifications of an application;

VI. Contents of contract signed by successful applicant;

Robert Runkel stated that the contract will spell out the requirements in a boiler plate style, and the RFP is added-in as an attachment. The contract lists different requirements in receipt of funds, reporting, payments, and the open access requirement for auditing. The State Shell Contract has a lot of information on liability, some components may not be needed. Marcia will send a copy of the contract and boiler plate information, letter agreements, etc.

VII. Roll of the Trust Committee in evaluation and accountability of successful applicant:

a. Degree of involvement of Trust Committee in tracking and checking on trust funds once distributed;

John suggested that accountability of a grant could be perhaps be monitored by a VISTA volunteer or a retired state employee. John stated that with VISTA there is an upfront cost to Americore of up to $3,500. He felt that a part-time volunteer may work well.

Bob Ross noted that it may be necessary to audit larger grants to a known entity about once a year. He felt no need for a full time person. Dr. Docktor suggested requiring periodic progress reports and if they look odd, they could send someone out for an audit.

Robert Runkel suggested that if the grant is for $50,000 or above that an audit be required. He noted that many organizations that can spend this kind of money have audits in any event. He suggested they can request a clinical report around the same time the audit is submitted. John said they would build these requirements into the contract, and notice could be given in the RFP.

The Trust Committee agreed that it has a significant amount of expertise, can examine reports themselves and would be most likely to spot any problems. Members agreed to examine the reports and give advice as to what additional information is necessary. Bob Ross felt they had an obligation, as a committee member to take an interest in what happens. Marcia will emphasize the reporting; and identify grantees performance objectives, what they are reporting and how frequently. John said applicants must specify what services will be given and what they will report to the Trust, and this will be the documentation needed.

b. Need for project managers;

Members agreed to assist in monitoring grants, even though they are working as volunteers.

VIII. John advised that the Hon. Wayne Phillips, District Judge from Lewistown, who has substantial experience in preparing Requests for Proposals, has graciously volunteered to consider the trust document, as well as other information, and assist him in preparing a draft RFP for consideration of the Trust Committee. He will be supplied with the submissions of the committee members as noted in the minutes, a copy of the minutes, and other available information. Then, he will attempt to put together a draft for discussion. Hopefully this can be accomplished in the next few weeks.

IX. Consideration of proposal of Garretson Firm Resolution Group, Inc., to assist Trust:

John said he expects to receive a proposal from this firm which makes a business of assisting trusts, and when he does he will send it to everyone.

The State Investment Fund employees will prepare the necessary federal tax returns and the Trustee will sign them if necessary.

X. Consideration of need for Officers and Directors Liability Insurance:

John and the Trust Committee members felt this was a must. The Trust will pay the premium for liability insurance. John will continue to try and find coverage and will keep the committee advised of progress.

XI. Consideration of finalizing requirements of Requests for Proposals by e-correspondence:

Members agreed that it was the preferred method of communication to use e-mail.

XII. Set proposed time for acceptance of Requests for Proposals:

This will be determined once an RFP has been finalized.

XIII. Time for next Trust Committee meeting:

The next meeting will be on September 9, 2010 at 1:30 PM. At that time, a proposed draft of an RFP will have been circulated and discussed by e-mail. John stipulated that for this meeting, the RFP will have "Proposal" marked across the front. Notice of meeting will be given to the public. It will be noted that the purpose of the meeting is to discuss the contents of an RFP, not to solicit or accept a proposal by anyone. At that time, public input will be accepted concerning advisable additions or corrections to an RFP. There will be a cut off period for public comments. Written comments by the public, including those that may be submitting proposals may be submitted before-hand, with a cut-off time several days before September 9.

XIV. Adjourn.

Meeting adjourned at 4:40PM.