

Mental Health Funding and Policy Committee
Background for Committee Discussion
Revision of the Financial Framework
February 15, 2012

1. Do all current measures continue to be relevant? Are any areas less relevant and no longer needed?
 - a. Table 1—the projections of MHSA cash available historically and two years into the future continues to be very relevant. It's unclear if there will be any source other than the MHSOAC's Financial Report for this information going forward. (DMH previously did projections of MHSA revenues on a cash basis.)
 - b. Table 2A—the proportions and amounts of major revenue sources for community mental health continues to be relevant. Most of the major sources of revenue are subject to significant changes in the coming years. Potential changes to be considered:
 - i. Add an additional line for the one-time MHSA funding of EPSDT and Managed Care.
 - ii. Separate the funding for the 2 realignment amounts, if possible.
 - iii. Continue state general fund line item for its historic value, even though it's expected to remain at \$0 for the foreseeable future.
 - c. Visual 2A—graphic representation of select years from Table 2A. Continues to be relevant.
 - d. Table and Visual 2B—the proportions and amounts of community mental health funding by revenue source converted to constant dollars with FY 03/04 as base year. This continues to be relevant. Potential changes to be considered:
 - i. Title of the chart should be changed to be clear that it's in constant dollars.
 - ii. On the table and in the charts eliminate the amounts by revenue source—information is duplicative of Table 2A and Visual 2A.
 - e. Table 3 and Visual 3 (and the following 3 unnumbered tables and visuals)—the amounts of funds made available to counties, actually approved/distributed, amount reverted and remaining commitments (not yet requested) by component categories has limited value as currently displayed due to AB 100 changes. Potential changes to be considered:
 - i. Eliminate component allocations column
 - ii. Continue to provide information on Approved/Distributed funds by component by year.
 - iii. Eliminate reversion column or clearly identify that it's not up to date, since DMH has not determined reversion based on
 1. unapproved funds for some affected years and
 2. unspent funds for all years
 - iv. Eliminate column for Remaining Commitments
 - f. Table 6 and Visual 6—the amount of funding available for state administration, amount actually budgeted and expended continue to be relevant.
 - g. Table 9 and Visual 9—the amount of funds committed to the MHSA Housing Program, funds requested, funds leveraged and approved projects continues to be relevant.
 - i. Due to the recent report shared with the Commission, additional analysis by county size on variables highlighted in the report may be helpful. This could include

analysis of counties with less than 20% of funds remaining and implementation of this program by small counties.

- h. Index—a description of the source and use of each of the major funding sources continues to be relevant.
 - i. Renumber all tables/charts to be consecutive.
2. Has AB 100 (*or other relevant changes*) added any new areas that should be monitored?
- a. AB 100 prescribes that all available funds are distributed to counties. Due to that change the commission could more closely monitor unspent funds by component, prudent reserve, MHSA housing program assignments and reversion. Summaries from the annual revenue and expenditure report would be the source of information.
 - b. Since there is no longer plan approval, the commission could determine whether it wants to monitor whether FSP expenditures by county and statewide total the required 50% of CSS. This information is available on the MHSA Revenue and Expenditure Reports. (Information to determine if the requirement that a majority of PEI funds be spent on individuals under age 25 years is not available.)
 - c. A summary report by component could provide information about annual distributions, expenditures, leveraged funds and unspent funds available. Capital Facilities expenditures could be separated out from Technological Needs expenditures. Workforce, Education and Training (WET) expenditures should be shown by category, i.e., workforce staffing support, training and technical assistance, mental health career pathways programs, residency and internship programs, financial incentive programs.
 - d. Basic reports on funding available and expenditures for State-wide/administered programs, in addition to MHSA Housing Program, could be developed. This would include WET and statewide PEI programs.
3. Are there any process improvements in information gathering that deserve priority?
- a. Information needs to be obtained about the amounts of funds distributed to counties on a timely basis. This information is no longer available through the DMH website.
 - b. Summaries from the MHSA Revenue and Expenditure reports could be compiled and reported. Critical variables for analysis need to be determined. These could include but not be limited to unspent funds, expenditures by component, and prudent reserve.
 - c. Although there is interest in expanding the MHSA funding projections out for more than 2 years, there's no reliable source of information to do that.
 - d. This report is primarily an analysis of the MHSA funding. As the community mental health system moves toward integration, the report may need to be reconceptualized to be consistent with that vision and the role of the Commission.
 - e. UCLA/EMT have compiled historic expenditure information from county Revenue and Expenditure reports which should be used at the basis for analysis.