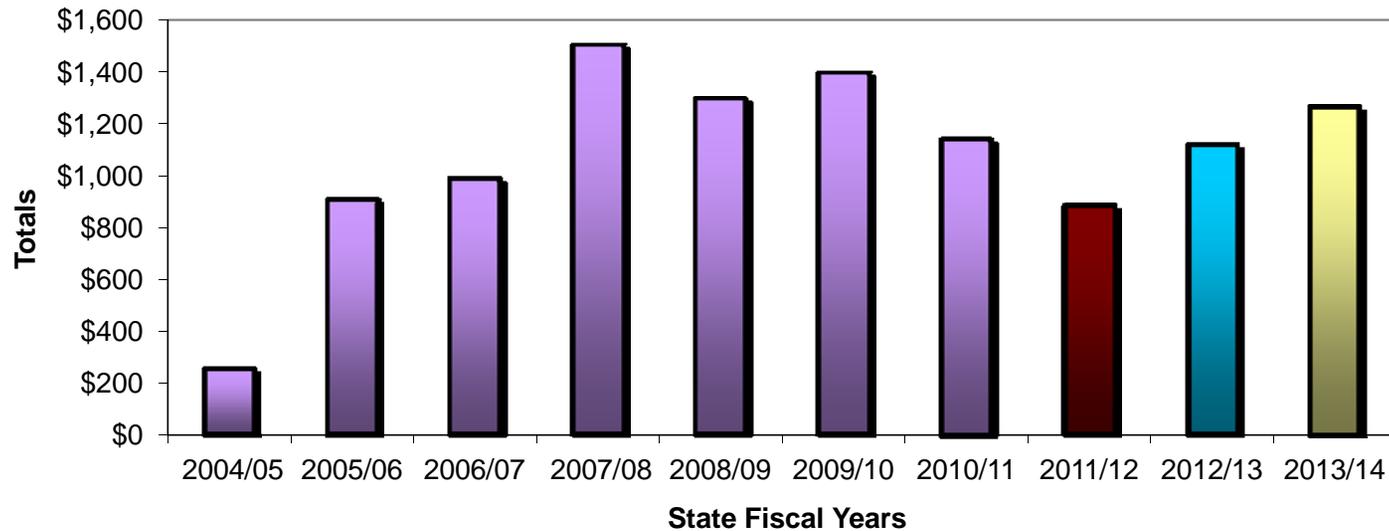




Mental Health Funding & Policy Committee
Draft Financial Report
January 26, 2012

TABLE 1 AND VISUAL 1: MHSA REVENUES RECEIVED

(Millions)

**MHSA Revenues Received (Cash Basis)
2004/05 through 2013/14**

	SFY 04/05 (actual)	SFY 05/06 (actual)	SFY 06/07 (actual)	SFY 07/08 (actual)	SFY 08/09 (actual)	SFY 09/10 (actual)	SFY 10/11 (actual)	SFY 11/12 (estimated)	SFY 12/13 (projected)	SFY 13/14 (projected)
Cash Transfers	\$169.5	\$894.6	\$935.1	\$983.9	\$797.0	\$799.0	\$905.0	\$945.0	\$1,004.0	\$1,054.7
Adjustment	\$83.6	\$0.0	\$0.0	\$423.7	\$438.0	\$581.0	\$225.0	-\$64.0	\$112.0	\$206.0
Interest Income	\$0.7	\$11.2	\$49.2	\$94.4	\$57.6	\$14.9	\$9.7	\$2.4	\$1.3	\$1.4
TOTAL	\$253.8	\$905.8	\$984.3	\$1,502.0	\$1,292.6	\$1,394.9	\$1,139.7	\$883.4	\$1,117.3	\$1,262.1

A comparison of MHSA revenues on an accrual basis and a cash basis was provided by the California Department of Finance (DOF)

A comparison of MHSA revenues on an accrual basis and a cash basis can be found upon release in the Department of Mental Health's (DMH) MHSA Expenditure Report for FY 2011/12 at http://www.dmh.ca.gov/Prop_63/MHSA/Publications/default.asp

Source: FY 2012/13 Governor's Budget, DOF, DMH MHSA Expenditure Report (FY 04/05 through 11/12 amounts) and the Legislative Analyst Office (LAO) Fiscal Outlook. FY 12/13 and 13/14 cash transfers and interest income are projected amounts based on personal income tax estimates from the LAO. Estimated numbers are for FY 11/12 and projected numbers are for FY 12/13 and 13/14.

Updated 1/26/2012

Updated Semi-Annually

1/26/2012

**TABLE 2A: COMMUNITY MENTAL HEALTH FUNDING AMOUNTS
ROLE OF MAJOR FUNDING SOURCES
2003/04 through 2013/14
(Millions)**

Actual/Estimated/Projected Totals for the Major Community Mental Health Funding Sources											
	SFY 03/04 (actual)	SFY 04/05 (actual)	SFY 05/06 (actual)	SFY 06/07 (actual)	SFY 07/08 (actual)	SFY 08/09 (actual)	SFY 09/10 (actual)	SFY 10/11 (actual)	SFY 11/12 (estimated)	SFY 12/13 (projected)	SFY 13/14 (projected)
State General Fund (SGF)	\$611.3	\$621.6	653.5	721.8	\$738.5	\$701.0	\$518.0	\$619.4	\$0.1	\$0.0	\$0.0
Realignment	\$1,159.3	\$1,189.9	\$1,217.1	\$1,230.9	\$1,211.5	\$1,072.4	\$1,023.0	\$1,023.0	\$1,104.8	\$1,897.2	\$1,897.2
Federal Financial Participation (FFP)	\$987.5	\$955.5	\$1,019.9	\$1,076.8	\$1,266.4	\$1,404.6	\$1,619.2	\$1,799.9	\$1,562.5	\$1,562.5	\$1,562.5
Proposition 63 Funds (MHSA) Component Allocations*	\$0.0	\$12.7	\$316.9	\$426.3	\$1,488.2	\$1,117.0	\$1,347.0	\$1,165.1	\$1,882.1	\$1,078.2	\$1,217.9
Other	\$255.2	\$276.2	\$295.4	\$306.8	\$313.3	\$233.9	\$187.6	\$139.4	\$139.4	\$150.0	\$150.0
TOTAL	\$3,013.3	\$3,055.9	\$3,502.8	\$3,762.6	\$5,017.9	\$4,528.9	\$4,694.8	\$4,746.8	\$4,689.0	\$ 4,687.9	\$ 4,827.6

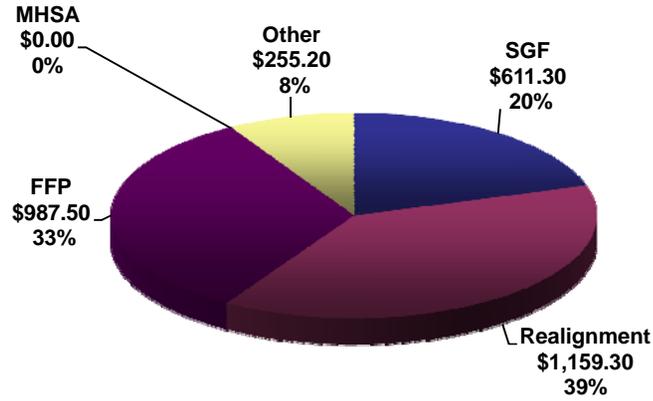
*The figure displayed for Proposition 63 in 2011/12 includes \$1,029.9 million in component allocations and redirected funding for EPSDT and Mental Health Managed Care. Additional funds pursuant to AB 100 are expected to be distributed to counties in addition to component allocations and the one time adjustment of redirected funding in FY 11/12.

Source: FY 2012/13 Governor's Budget, DOF, DMH MHSA Summary Comparison (posted 07/21/2011), MHSOAC Fiscal Consultant Projections , and California Department of Health Care Services
See the Index for a description of the primary obligations of each funding source.

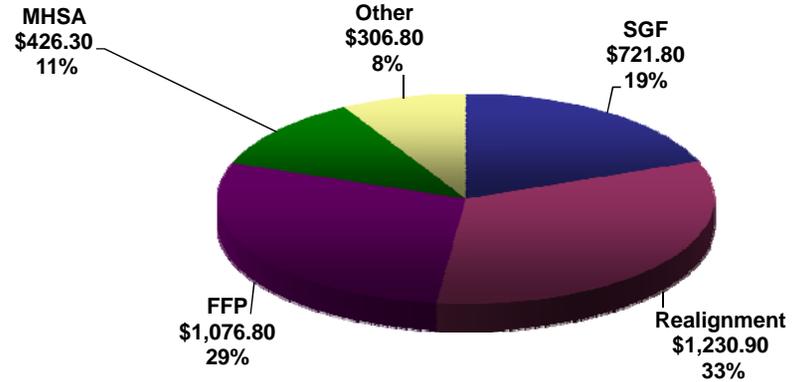
Updated 1/26/2012
Updated Annually

**VISUAL 2A: COMMUNITY MENTAL HEALTH FUNDING AMOUNTS
ROLE OF MAJOR FUNDING SOURCES**
(Millions)

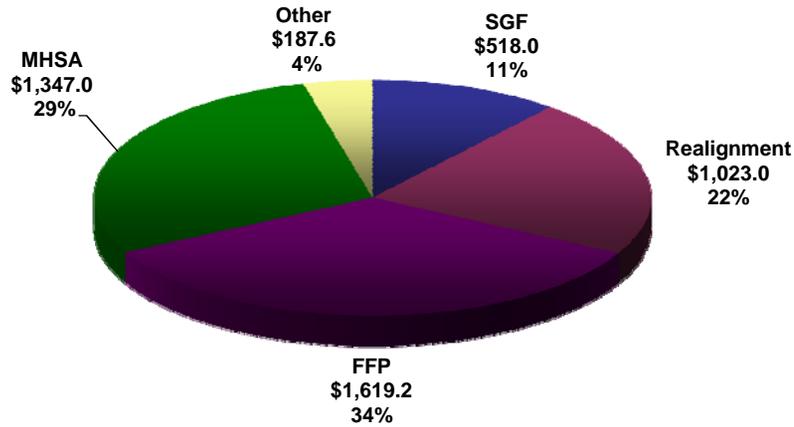
FY 2003/04: \$3,013.3



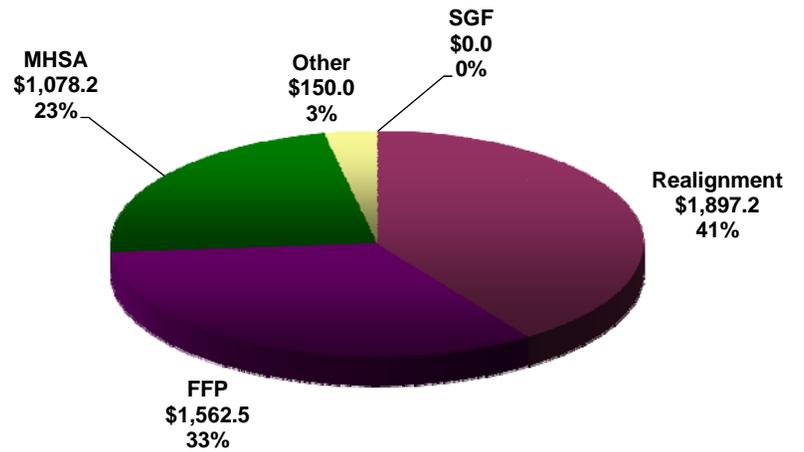
FY 2006/07: \$3,762.6



FY 2009/10: \$4,694.8

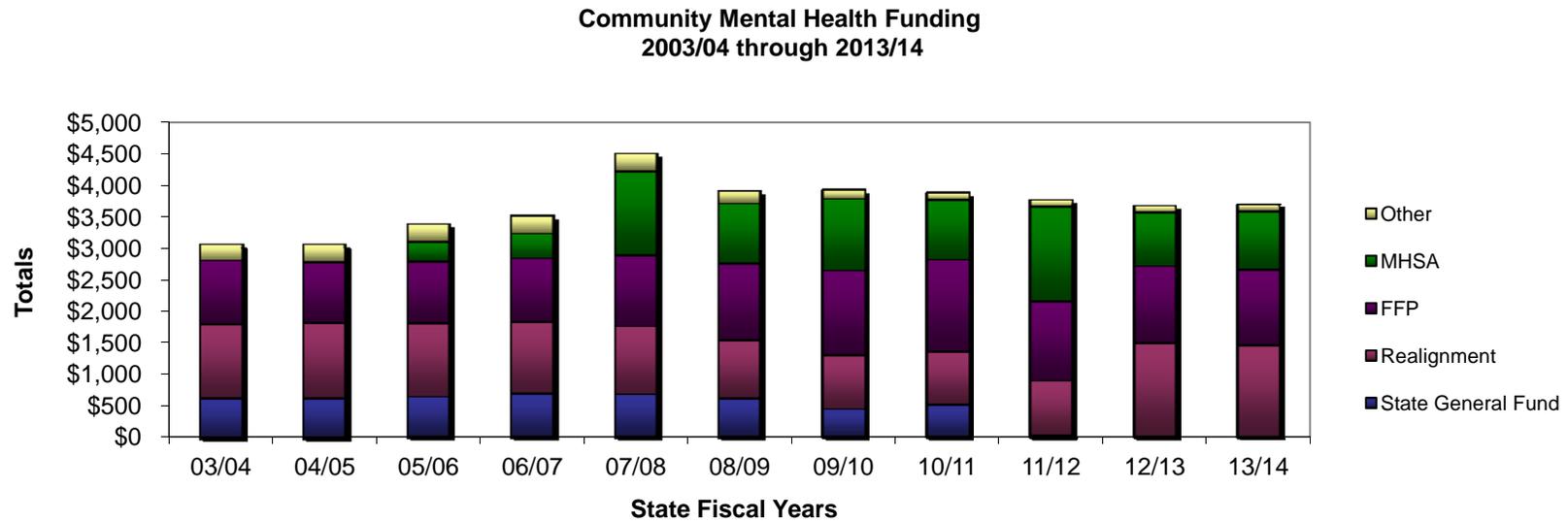


FY 2012/13: \$4,687.9



Source: Sources identified in Table 2A
See the Index for a description of the primary obligations of each funding source.

TABLE 2B AND VISUAL 2B: COMMUNITY MENTAL HEALTH FUNDING
(Millions)



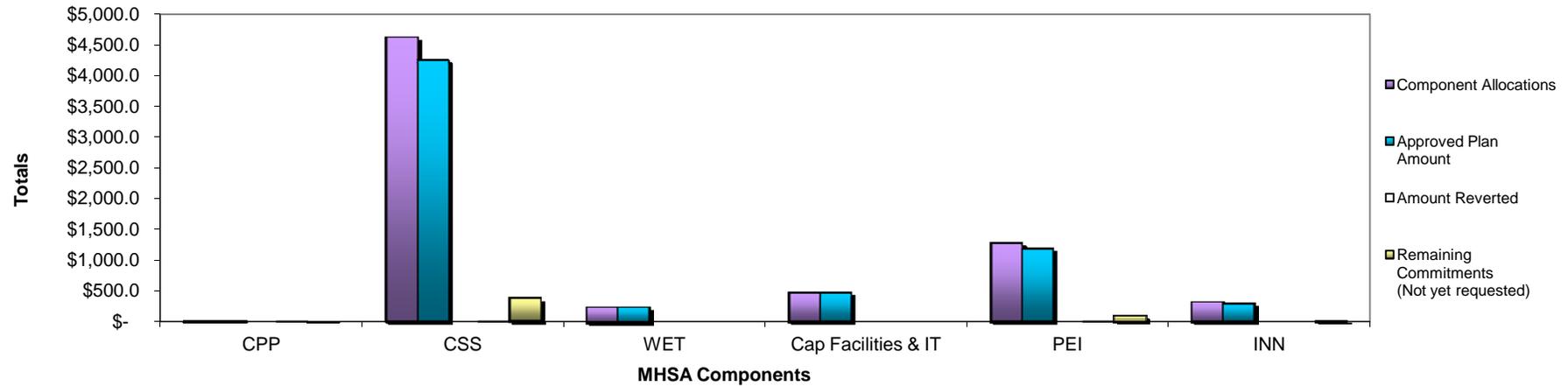
	SFY 03/04 (actual)	SFY 04/05 (actual)	SFY 05/06 (actual)	SFY 06/07 (actual)	SFY 07/08 (actual)	SFY 08/09 (actual)	SFY 09/10 (actual)	SFY 10/11 (actual)	SFY 11/12 (estimated)	SFY 12/13 (projected)	SFY 13/14 (projected)
State General Fund (SGF)	\$611.3	\$621.6	653.5	721.8	\$738.5	\$701.0	\$518.0	\$619.4	\$0.1	\$0.0	\$0.0
Realignment	\$1,159.3	\$1,189.9	\$1,217.1	\$1,230.9	\$1,211.5	\$1,072.4	\$1,023.0	\$1,023.0	\$1,104.8	\$1,897.2	\$1,897.2
Medi-Cal Federal Financial Participation (FFP)	\$987.5	\$955.5	\$1,019.9	\$1,076.8	\$1,266.4	\$1,404.6	\$1,619.2	\$1,799.9	\$1,562.5	\$1,562.5	\$1,562.5
Proposition 63 Funds (MHSA)	\$0.0	\$12.7	\$317.3	\$426.3	\$1,488.2	\$1,117.0	\$1,347.0	\$1,165.1	\$1,882.1	\$1,078.2	\$1,217.9
Other	\$255.2	\$276.2	\$295.4	\$306.8	\$313.3	\$233.9	\$187.6	\$139.4	\$139.4	\$150.0	\$150.0
TOTAL (Without Adjustments)	\$3,013.3	\$3,055.9	\$3,503.2	\$3,762.6	\$5,017.9	\$4,528.9	\$4,694.8	\$4,746.8	\$4,689.0	\$4,687.9	\$4,827.6
Annual % Change in cost of doing business	3.3%	3.2%	3.1%	3%	3.4%	3.4%	2.4%	1.6%	1.9%	2.5%	2.7%
Population (Thousands)	35,276.5	35,624.1	35,896.9	36,073.6	36,251.5	36,493.0	36,742.5	37,008.8	36,875.6	36,942.2	36,908.9
% Change in Population	98.6%	100%	100.8%	100.5%	100.5%	100.7%	100.7%	100.7%	99.6%	100.2%	99.9%
Adjustment	0.986	1	1.038895	1.075332	1.117374	1.1630625	1.1991171	1.2271346	1.24595044	1.2794053	1.3127651
Total Constant Dollars Per Capita	\$3,056.1	\$3,055.9	\$3,372.0	\$3,499.0	\$4,490.8	\$3,894.0	\$3,915.2	\$3,868.2	\$3,763.4	\$3,664.1	\$3,677.4

Source: FY 2012/13 Governor's Budget, DMH MHA Summary Comparison (Posted 07/21/11), MHSOAC Fiscal Consultant Projections, Department of Finance
Population Report (November 2011), Home Health Agency Market Basket Data

See the Index for a description of the primary obligations of each funding source.

Updated 1/26/2012
Updated Annually

**TABLE 3 AND VISUAL 3: MHA Funding
Committed/Distributed/Undistributed/Reverted
2004/05 through 2011/12
(millions)**



MHA Funding: County-Level Committed/Distributed/Undistributed/Reverted (By Fiscal Year) 2004/05 through 2011/12				
	Component Allocations	Approved/Distributed Funds	Amount Reverted	Remaining Commitments (Not yet requested)
2004/05	\$ 13.0	\$ 12.7	\$ 0.3	0.0
2005/06	\$ 317.3	\$ 315.2	\$ 2.1	0.0
2006/07	\$ 426.3	\$ 426.3	-	\$ -
2007/08	\$ 1,488.1	\$ 1,487.9	\$ 0.2	\$ -
2008/09	\$ 1,117.0	\$ 1,117.0	-	\$ -
2009/10	\$ 1,347.0	\$ 1,347.0	-	\$ -
2010/11	\$ 1,165.4	\$ 1,165.4	-	\$ -
2011/12*	\$ 1,029.9	\$ 542.5	-	\$ 487.5
Total (FY 04/05 - 11/12)	\$ 6,904.0	\$ 6,414.0	\$ 2.6	\$ 487.5

Source: DMH MHA Summary Comparison (Posted 07/21/11)

* Upon enactment of AB 100, effective March 24, 2011, State plan approval was no longer required to receive funds.

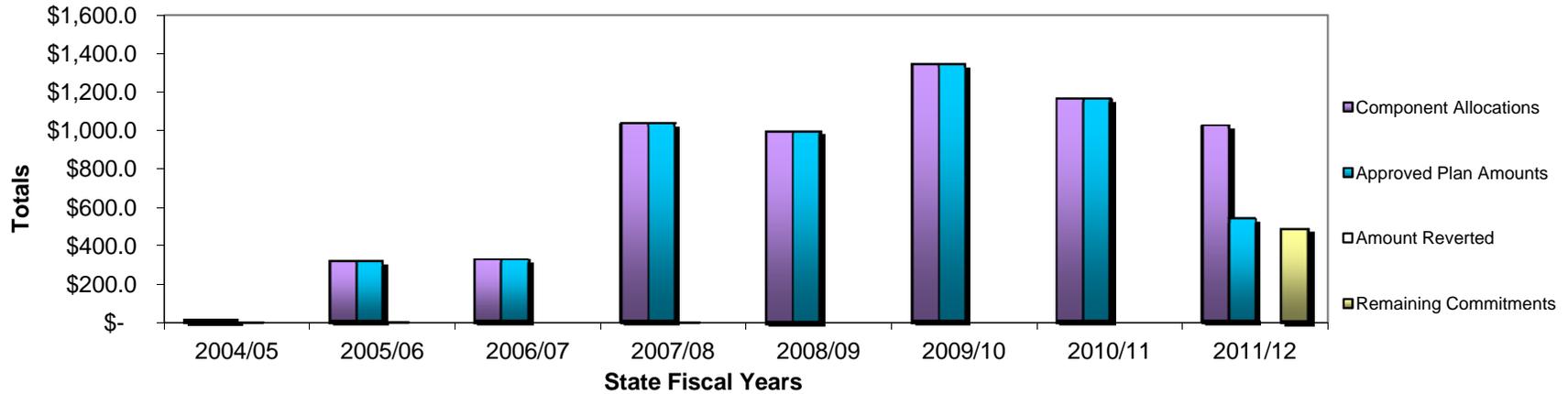
The amount shown for 2011/12 (\$542.5) was reported on 07/21/2011. At this time, no further information is available. The remaining component allocations will be distributed no later than April 30, 2012.

Updated 1/26/2012

Updated Semi-Annually

1/26/2012

**MHSA Funding: Combined CSS, PEI and INN
Committed/Distributed/Undistributed/Reverted
2004/05 through 2011/12
Three Year Reversion
(millions)**



MHSA Funding: County-Level Committed/Distributed/Undistributed/Reverted (By Fiscal Year) 2004/05 through 2011/12					
	Component Allocations	Approved/Distributed Funds	Amount Reverted	Remaining Commitments	
2004/05	\$ 13.0	\$ 12.7	\$ 0.3	0.0	
2005/06	\$ 317.3	\$ 315.2	\$ 2.1	0.0	
2006/07	\$ 320.5	\$ 320.5	\$ -	\$ -	
2007/08*	\$ 1,033.2	\$ 1,033.0	\$ 0.2	\$ -	
2008/09**	\$ 993.7	\$ 993.7	\$ -	\$ -	
2009/10	\$ 1,343.6	\$ 1,343.6	\$ -	\$ -	
2010/11	\$ 1,163.0	\$ 1,163.0	\$ -	\$ -	
2011/12***	\$ 1,020.9	\$ 533.5	\$ -	\$ 487.4	
Total	\$ 6,205.1	\$ 5,715.2	\$ 2.6	\$ 487.4	

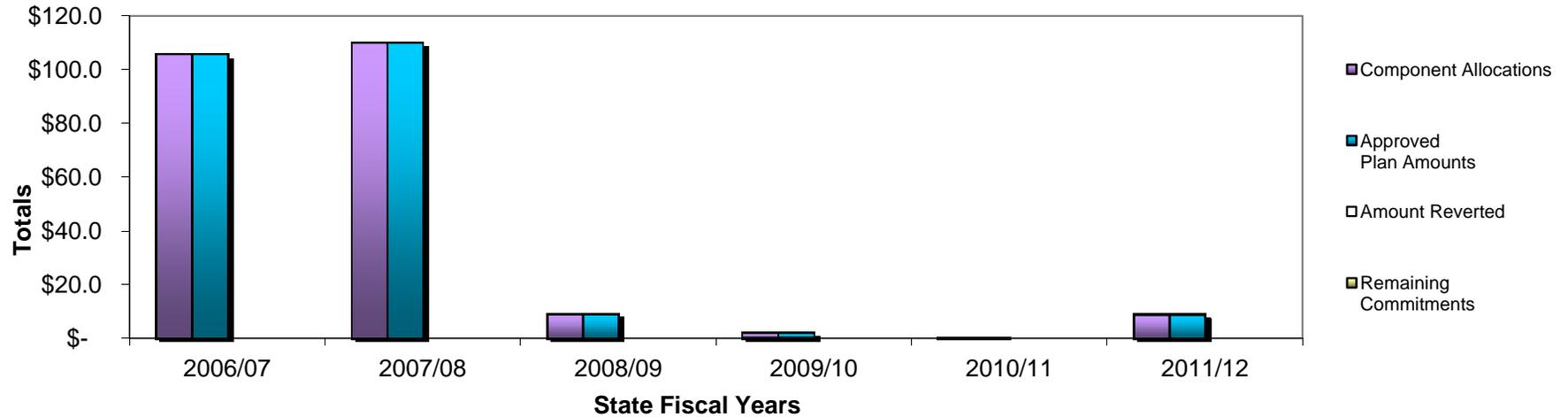
*Remaining commitments in 2007/08 are subject to reversion on 07/01/10.

**Remaining commitments in 2008/09 are subject to reversion on 07/01/11.

*** Upon enactment of AB 100, effective March 24, 2011, State plan approval was no longer required to receive funds. The amount shown for 2011/12 (\$533.5) was reported on 07/21/2011. At this time, no further information is available. The remaining component allocations will be distributed no later than April 30, 2012.

1/26/2012

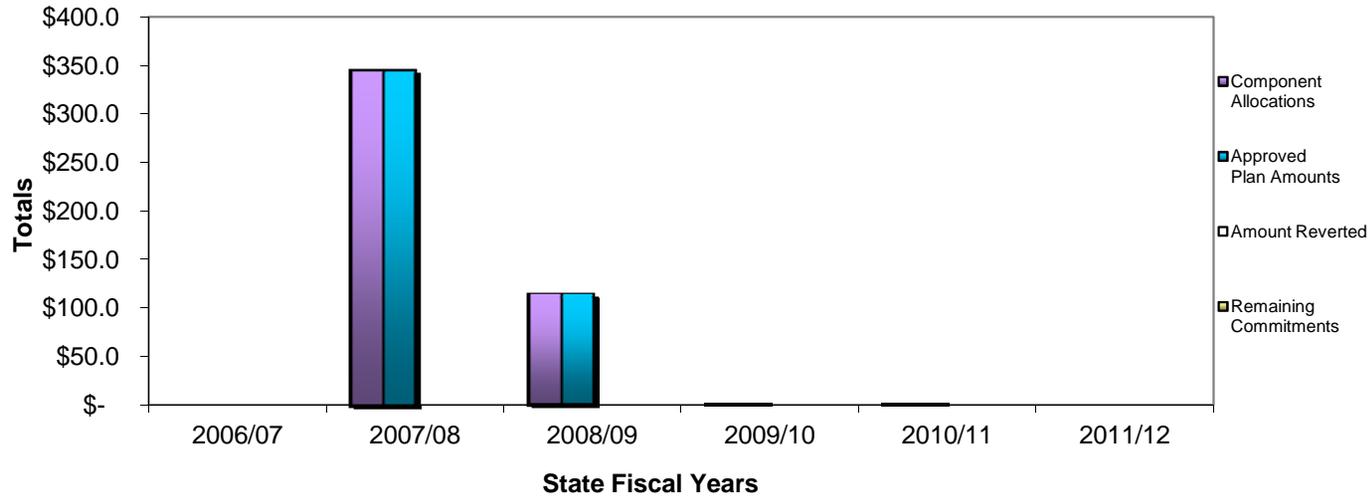
**MHSA WET Funding
Committed/Distributed/Reverted
2006/07 through 2011/12
Ten Year Reversion
(millions)**



MHSA Funding: County-Level Committed/Distributed/Undistributed/Reverted (By Fiscal Year) 2006/07 through 2009/10					
	Planning Estimates	Approved/Distributed Funds	Amount Reverted	Remaining Commitments	
2006/07	\$ 105.8	\$ 105.8	\$ -	\$ -	
2007/08	\$ 110.0	\$ 110.0	\$ -	\$ -	
2008/09	\$ 9.2	\$ 9.2	\$ -	\$ -	
2009/10	\$ 2.1	\$ 2.1	\$ -	\$ -	
2010/11	\$ 0.1	\$ 0.1	\$ -	\$ -	
2011/12*	\$ 9.0	\$ 9.0	\$ -	\$ -	
Total	\$ 236.2	\$ 236.2	\$ -	\$ -	

* Upon enactment of AB 100, effective March 24, 2011, State plan approval was no longer required to receive funds.

**MHSA CFTN Funding
Committed/Distributed/Reverted
2006/07 through 2011/12
Ten Year Reversion
(millions)**



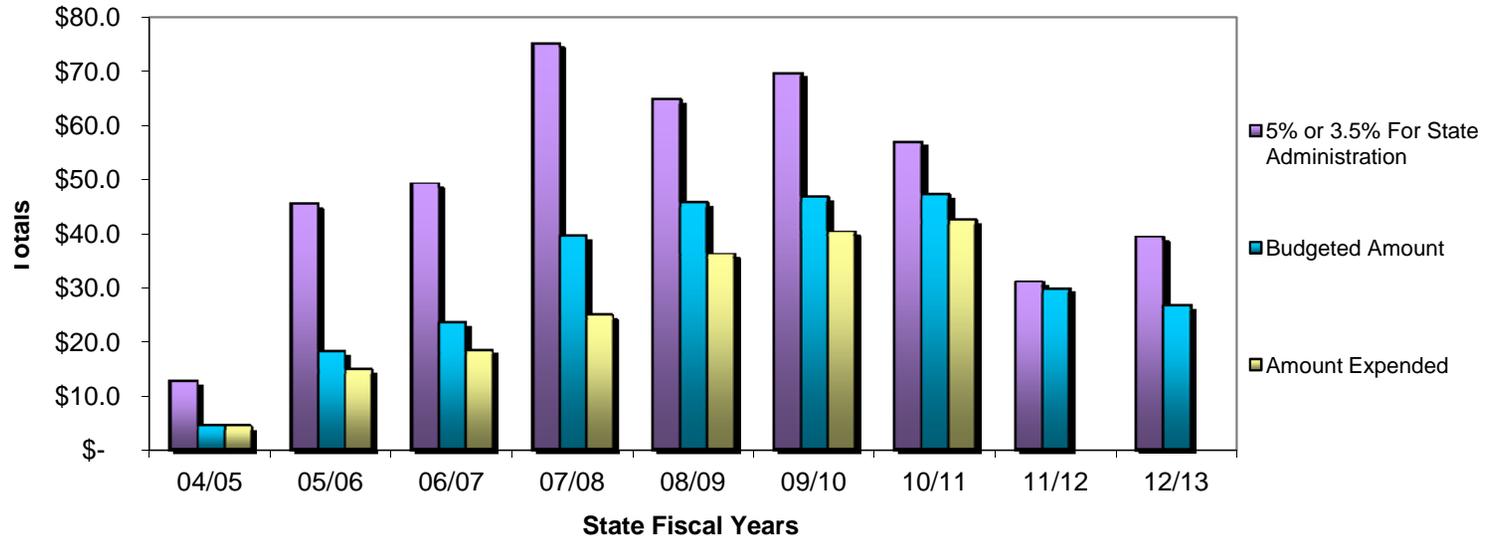
MHSA Funding: County-Level Committed/Distributed/Undistributed/Reverted (By Fiscal Year) 2006/07 through 2011/12				
	Planning Estimates	Approved/Distributed Funds	Amount Reverted	Remaining Commitments
2006/07	\$ -	\$ -	\$ -	\$ -
2007/08	\$ 345.0	\$ 345.0	\$ -	\$ -
2008/09	\$ 114.1	\$ 114.1	\$ -	\$ -
2009/10	\$ 1.3	\$ 1.3	\$ -	\$ -
2010/11	\$ 0.3	\$ 0.3	\$ -	\$ -
2011/12*	\$ -	\$ -	\$ -	\$ -
Total	\$ 460.7	\$ 460.7	\$ -	\$ -

Ten percent of the CSS funds from FY 2005/06-2007/08 went to CFTN and WET. Beginning in FY 2008/09, there are not specific allocations for CFTN or WET. Counties may take money from CSS and put funds into CFTN, WET or Prudent Reserve (the maximum shall not exceed 20 percent of the average for the prior 5 years).

*The CFTN Committed/Distributed/Reverted financial information is not available for FY 2011/12 at this time.

1/26/2012

TABLE 6 AND VISUAL 6: MHSA STATE ADMINISTRATION
(Millions)



MHSA: State Administrative Funds			
	5 % or 3.5% Statutory Maximum For State Administration	Amount of State Administration Budgeted	Amount of State Administration Expended
2004/05	\$ 12.7	\$ 4.3	\$ 4.3
2005/06	\$ 45.3	\$ 18.2	\$ 14.8
2006/07	\$ 49.2	\$ 23.5	\$ 18.5
2007/08	\$ 75.1	\$ 39.5	\$ 24.8
2008/09	\$ 64.6	\$ 45.6	\$ 36.1
2009/10	\$ 69.7	\$ 46.8	\$ 40.3
2010/11	\$ 57.0	\$ 47.2	\$ 42.5
2011/12	\$ 30.9	\$ 29.7	\$ -
2012/13	\$ 39.1	\$ 26.4	\$ -
Total (All Years)	\$ 443.7	\$ 281.2	\$ 181.2

Unrequested State Administrative funds revert to the MHSF after one year.

Unexpended State Administrative funds revert to the MHSF after two years.

Effective FY 2011/12 the original 5% statutory maximum for state administration was revised to 3.5% (Assembly Bill 100)

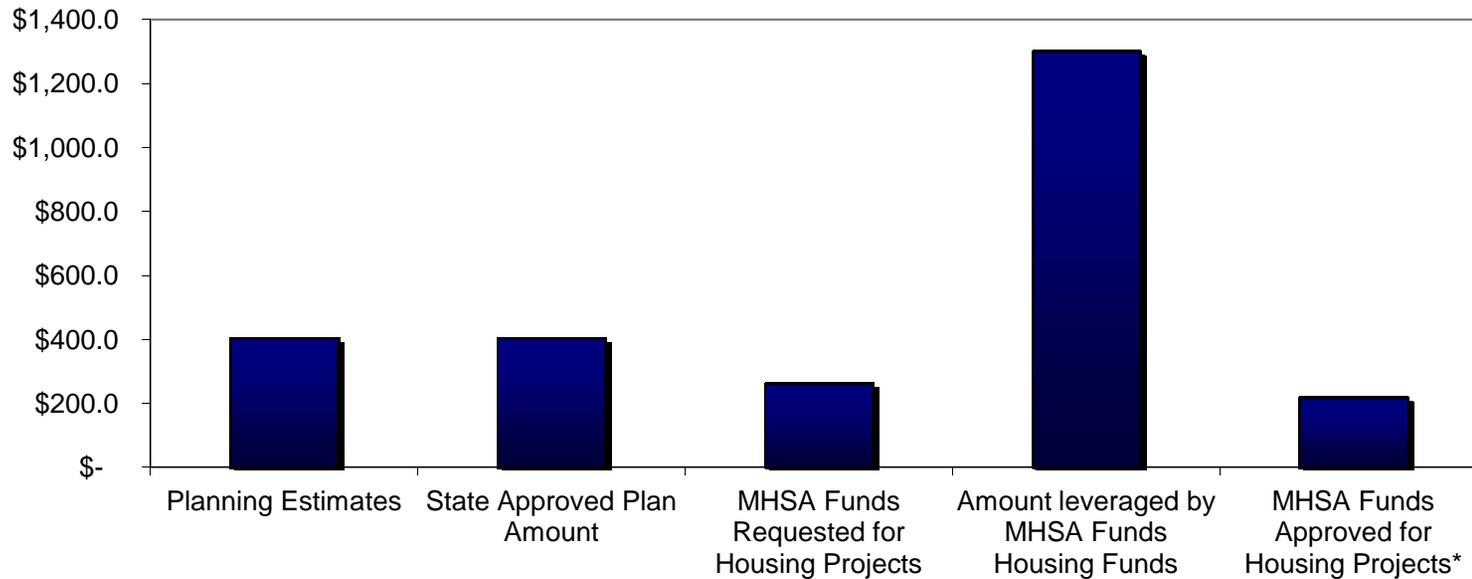
Source: DMH MHSA Expenditure Reports and Fund Condition Statements

Updated 1/26/2012

Updated Semi-Annually

1/26/2012

TABLE 9 AND VISUAL 9: MHSA HOUSING PROGRAM
(Millions)



MHSA Housing Program				
Planning Estimates	State Approved Plan Amount	MHSA Funds Requested for Housing Projects	Amount leveraged by MHSA Funds Housing Funds	MHSA Funds Approved for Housing Projects*
\$ 404.1	\$ 404.1	\$ 261.7	\$ 1,300.0	\$ 216.2

Source: DMH MHSA Housing Program Application Overview (dated 10/10/11)

*MHSA funds approved as committed loans not as closed loans.

The MHSA Housing program has funded (loan commitments) of approximately 1,332 MHSA units. A total of 4,819 units have been built to support a wider range of populations.

Updated 1/26/2012
Updated Semi-Annually

FINANCIAL REPORT INDEX

TABLES 2A-B & VISUAL 2A-B

State General Fund (SGF): The SGF is funded through personal income tax, sales and use tax, corporation tax, and other revenue and transfers. Prior to the Governor's FY 2011/12 Budget Proposal, the primary obligations of the SGF provided to counties for mental health are to fund specialty mental health benefits of entitlement programs including Medi-Cal Managed Care, Early and Periodic Screening Diagnosis Treatment (EPSDT) and Mental Health Services to Special Education Pupils (AB 3632).

Realignment: Realignment is the shift of funding and responsibility from the State to the counties to provide mental health services, social services and public health. There are two sources of revenue that fund realignment; 1/2 cent of State sales taxes and a portion of State vehicle license fees. The primary mental health obligation of realignment is to provide services to individuals who are a danger to self/others or unable to provide for immediate needs. It is also a primary funding source for community-based mental

health services, State Hospital services for civil commitments and institutions for Mental Disease (IMDs) which provide long-term care services. 2011 Realignment gives counties the funding responsibility for EPSDT and Mental Health Managed Care.

Federal Financial Participation (FFP): FFP is the federal reimbursement counties receive for providing specialty mental health treatment and Healthy Families Program beneficiaries. The amount of federal reimbursement received by counties is based on a percentage established for California called the Federal Medical Assistance Percentage (FMAP).

Proposition 63 Funds (MHSA): The MHSA is funded by a 1% tax on personal income in excess of \$1 million. The primary obligations of the MHSA is for counties to expand recovery based mental health services, to provide prevention and early intervention services, innovative programs, to educate, train and retain mental health professionals, etc.

Other: Other revenue comes from a variety of sources--county funds are from local property taxes, patient fees and insurance, grants, etc. The primary obligation of the county funds is the maintenance of effort (the amount of services required to be provided by counties in order to receive realignment funds).

TABLE 6 & VISUAL 6

The State Administration has up to 5% of the MHSF available. In order to have access to funds, within the 5%, the State Administration must request these funds through the State budget process. Upon approval, the requested amount is then budgeted in the requesting department's approved budget. The funds that are unrequested for a specific FY (within the 5%) revert back to the MHSF after one year. Once the funds are budgeted then the departments can expend these funds. The unexpended budgeted amounts will revert back to the MHSF after two years. Beginning FY 11/12, the State Administration maximum is up to 3.5%.