

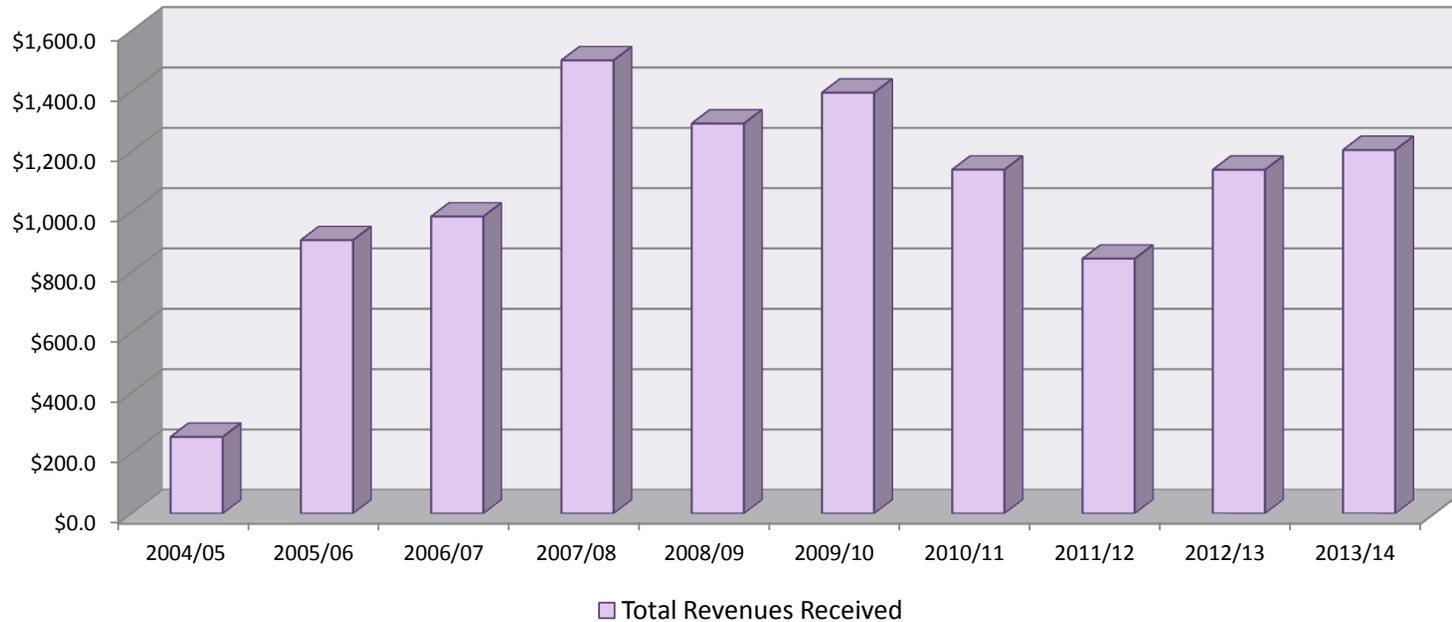


**Mental Health Funding & Policy Committee
Draft Financial Report
May 24, 2012**

5/24/12

TABLE 1 AND VISUAL 1: MHSA REVENUES RECEIVED

(Millions)
(Cash Basis)



	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	\$906.0	\$981.0	\$1,030.5
Annual Adjustment	\$83.6	\$0.0	\$0.0	\$423.7	\$438.0	\$581.0	\$225.0	-\$64.0	\$157.0	\$173.0
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	\$844.4	\$1,139.3	\$1,204.9

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

Note: The dollars identified above may not tie to Annual Adjustment figures published by the Department of Finance (DOF) because DOF uses an accrual method to determine dollars and DMH and the MHSOAC base their figures on cash received.

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 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 FY 13/14.

Updated 5/24/2012

Updated Semi-Annually

5/24/12

**TABLE 2: 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 I*	\$1,159.3	\$1,189.9	\$1,217.1	\$1,230.9	\$1,211.5	\$1,072.4	\$1,023.0	\$1,023.0	\$1,097.6	\$1,134.6	\$1,141.8
Realignment II**	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$780.9	\$799.6
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) Allocations/Distributions	\$0.0	\$12.7	\$316.9	\$426.3	\$1,488.2	\$1,117.0	\$1,347.0	\$1,165.1	\$1,029.9	\$1,092.4	\$1,158.0
Redirected funding for EPSDT and Mental Health Managed Care	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$861.2	\$0.0	\$0.0
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	\$4,690.7	\$ 4,720.4	\$ 4,811.9

*Includes \$14 million in Vehicle License Fee Collections. FY 11/12 and FY 12/13 amounts from statute. FY 13/14 growth estimated based on 65% of FY 12/13 estimated growth going to Support Services Account and 5% of such growth going to Realignment per statute.

**Managed Care and EPSDT share of 2011 Behavioral Health Subaccount only. FY 13/14 growth estimated based on 65% of FY 12/13 growth going to Support Services Account and 12.97% going to Behavioral Health Subaccount per statute.

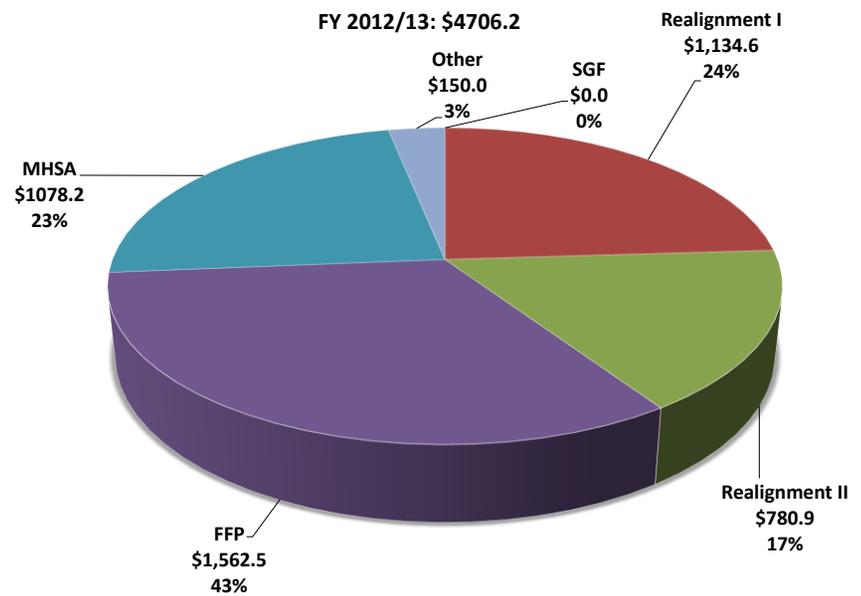
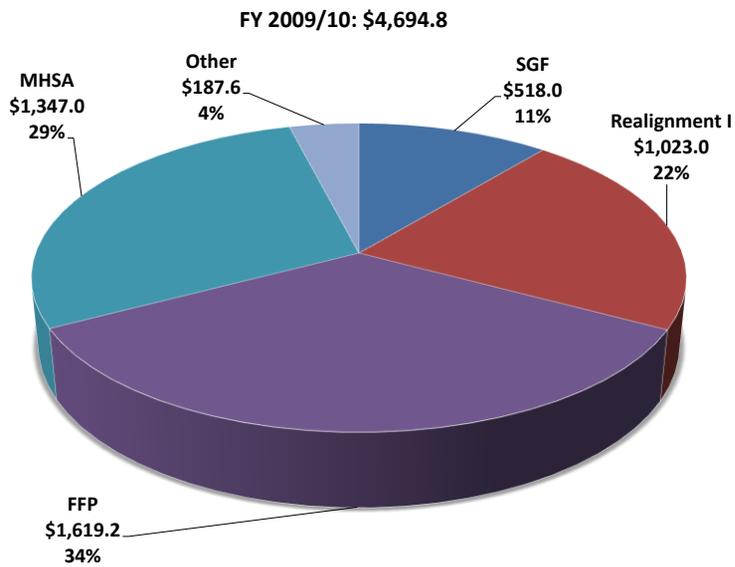
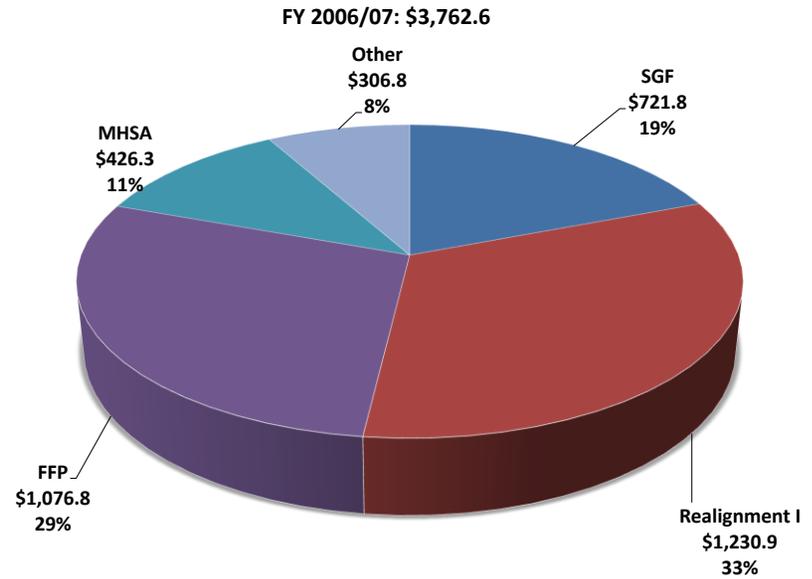
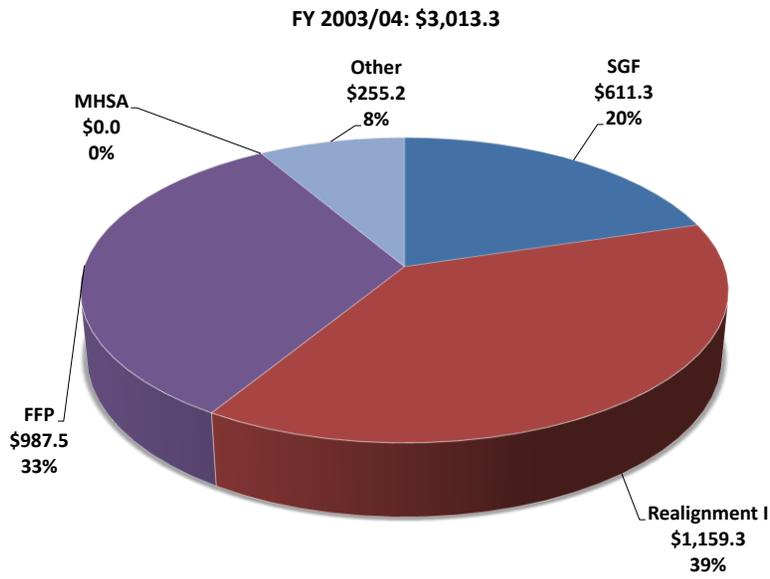
Source: FY 2012/13 Governor's Budget, DOF, DMH MHSA Summary Comparison (posted 07/21/2011), MHSOAC Fiscal Consultant Projections , and California Department of Health Care Services

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

Updated 5/24/12

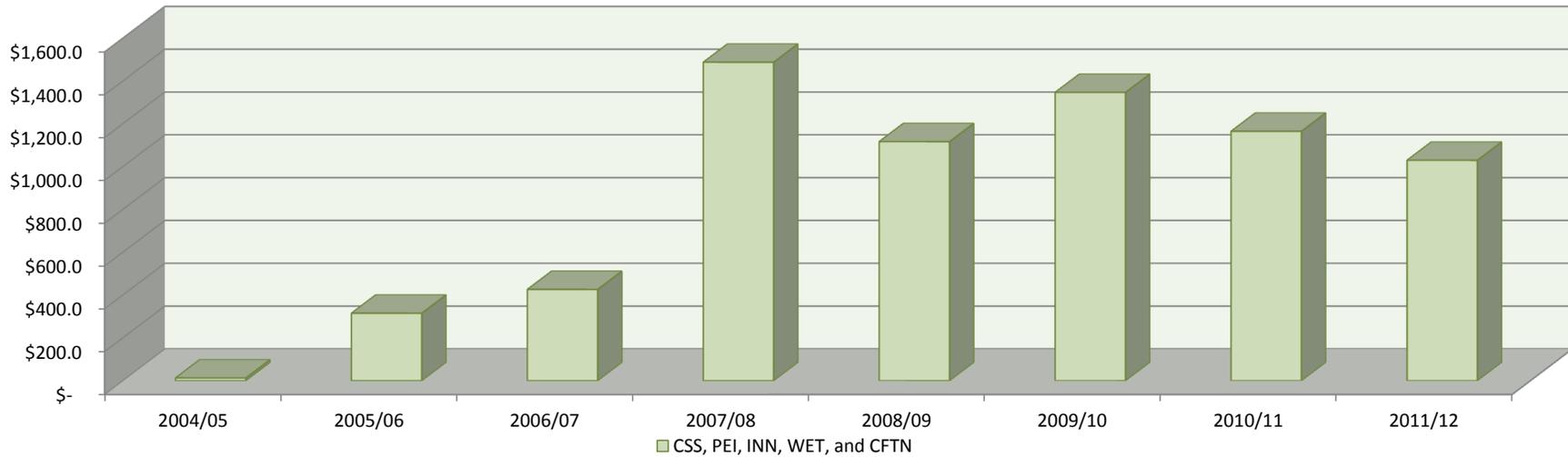
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**VISUAL 2: COMMUNITY MENTAL HEALTH FUNDING AMOUNTS
ROLE OF MAJOR FUNDING SOURCES
(Millions)**



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

**TABLE 3 AND VISUAL 3: MHSA Funding
Approved/Distributed
2004/05 through 2011/12
(Millions)**



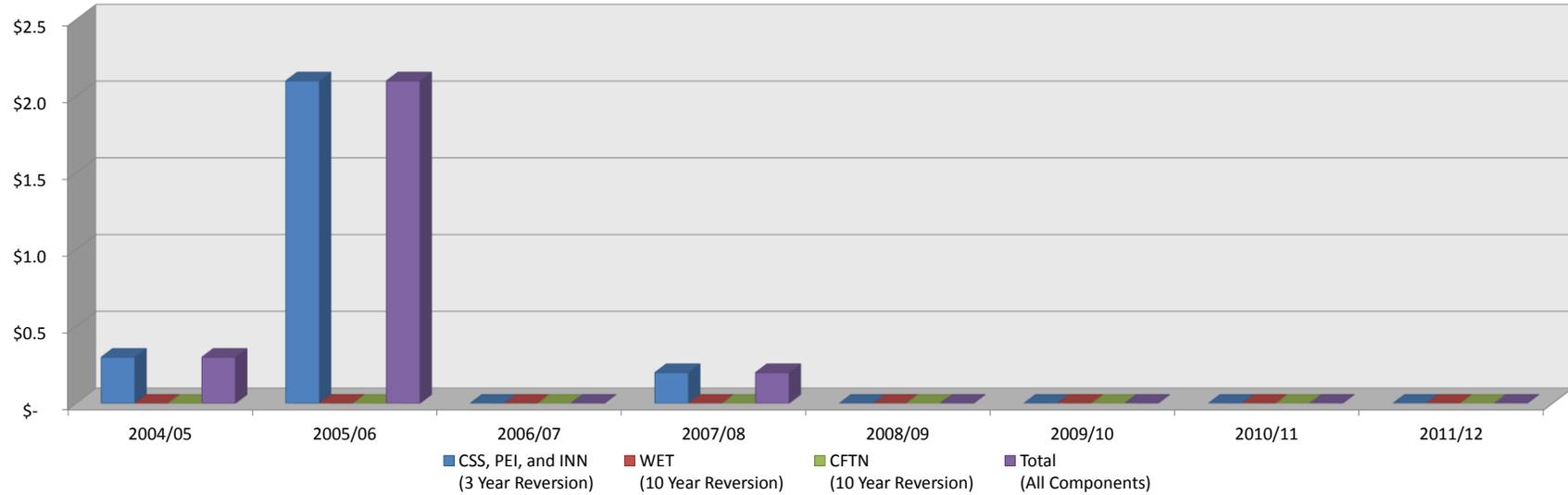
MHSA Funding: County-Level Approved/Distributed* (By Fiscal Year) 2004/05 through 2011/12				
	CSS, PEI, and INN**	WET	CFTN	Total (All Components)
2004/05	\$ 12.7	\$ -	\$ -	\$ 12.7
2005/06	\$ 315.2	\$ -	\$ -	\$ 315.2
2006/07	\$ 320.5	\$ 105.8	\$ -	\$ 426.3
2007/08	\$ 1,033.0	\$ 110.0	\$ 345.0	\$ 1,487.9
2008/09	\$ 993.7	\$ 9.2	\$ 114.1	\$ 1,117.0
2009/10	\$ 1,343.6	\$ 2.1	\$ 1.3	\$ 1,347.0
2010/11	\$ 1,163.0	\$ 0.1	\$ 0.3	\$ 1,165.4
2011/12	\$ 1,020.9	\$ 9.0	\$ -	\$ 1,029.9
Total (FY 04/05 - 11/12)	\$ 6,202.6	\$ 236.2	\$ 460.7	\$ 6,901.4

Source: DMH MHSA 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 Department of Finance advised the MHSOAC on May 14, 2012 that additional CSS, PEI, and INN funds for FY 2011/12 were distributed as follows: \$48 million in April 2012, \$48 million in May 2012, and approximately \$391 million in June 2012 for a total of \$487 million.

TABLE 4 AND VISUAL 4
MHSA Funding
Reverted Funds
2004/05 through 2011/12
 (Millions)

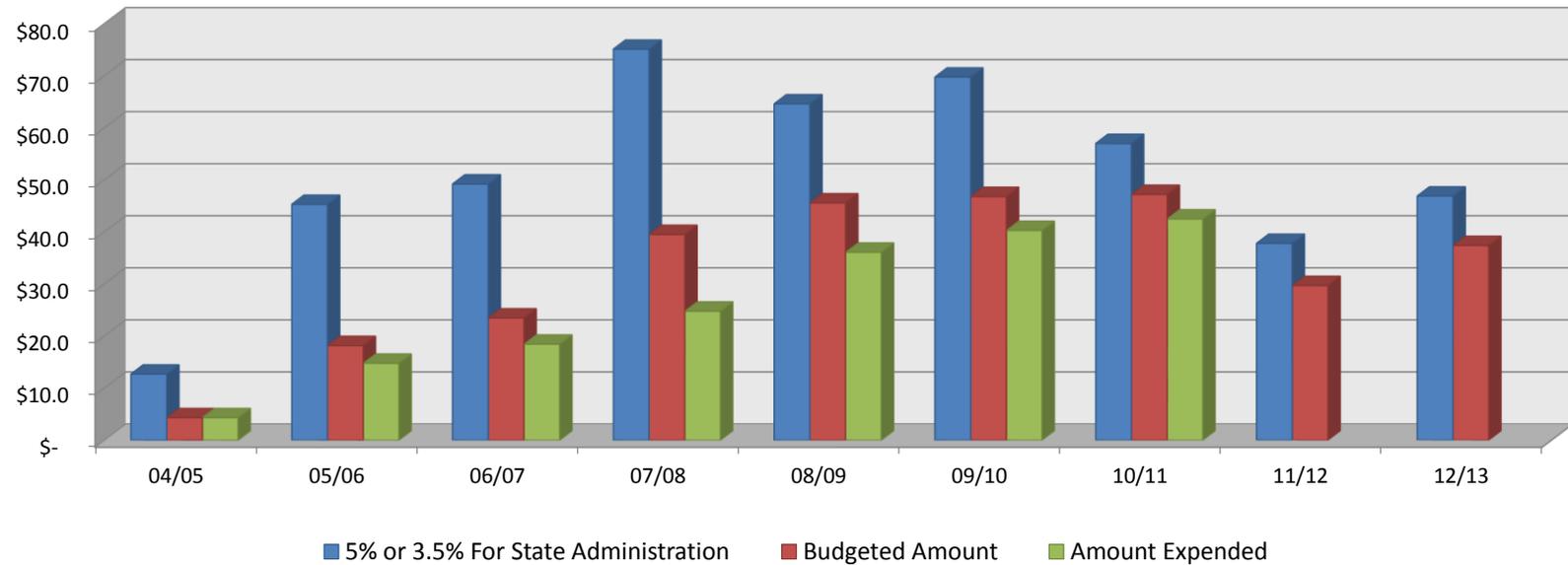


MHSA Funding: County-Level Reverted Funds* (By Fiscal Year) 2004/05 through 2011/12				
	CSS, PEI, and INN (3 Year Reversion)	WET (10 Year Reversion)	CFTN (10 Year Reversion)	Total (All Components)
2004/05	\$ 0.3	\$ -	\$ -	\$ 0.3
2005/06	\$ 2.1	\$ -	\$ -	\$ 2.1
2006/07	\$ -	\$ -	\$ -	\$ -
2007/08	\$ 0.2	\$ -	\$ -	\$ 0.2
2008/09	\$ -	\$ -	\$ -	\$ -
2009/10	\$ -	\$ -	\$ -	\$ -
2010/11	\$ -	\$ -	\$ -	\$ -
2011/12	\$ -	\$ -	\$ -	\$ -
Total	\$ 2.6	\$ -	\$ -	\$ 2.6

* Up-to-date reversion information has not been made available to the Commission.

Source: DMH MHSA Summary Comparison (Posted 07/21/2011)

TABLE 5 AND VISUAL 5: 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	\$ 37.8	\$ 29.7	\$ -	
2012/13	\$ 46.9	\$ 37.4	\$ -	
Total (All Years)	\$ 458.3	\$ 292.2	\$ 181.2	

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

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

Administrative funds are based on Estimated Revenues not Estimated Available Receipts.

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

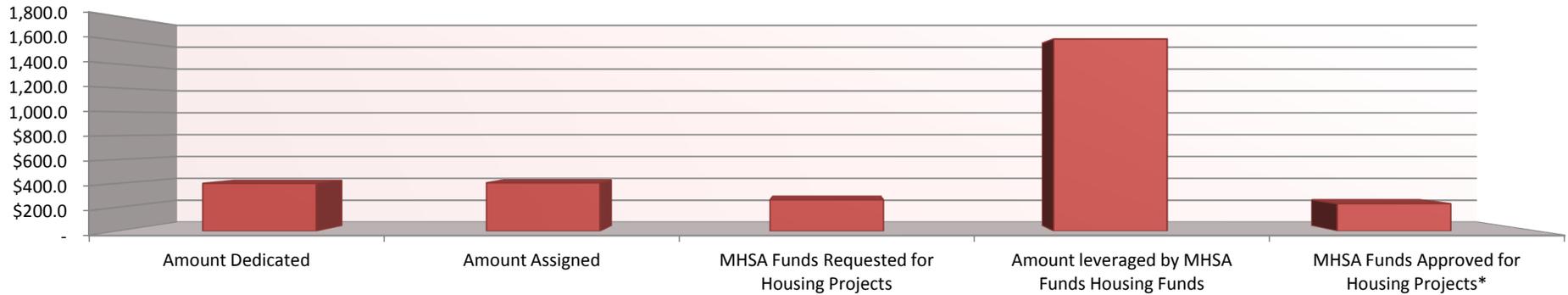
Source: DMH MHSA Expenditure Reports and Fund Condition Statements

Updated 5/24/2012

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5/24/2012

TABLE 6 AND VISUAL 6: MHSA HOUSING PROGRAM
(Millions)



MHSA Housing Program				
Amount Dedicated	Amount Assigned	MHSA Funds Requested for Housing Projects	Amount leveraged by MHSA Funds Housing Funds	MHSA Funds Approved for Housing Projects*
\$ 400.0	\$ 404.1	\$ 261.2	\$ 1,610.3	\$ 229.3

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

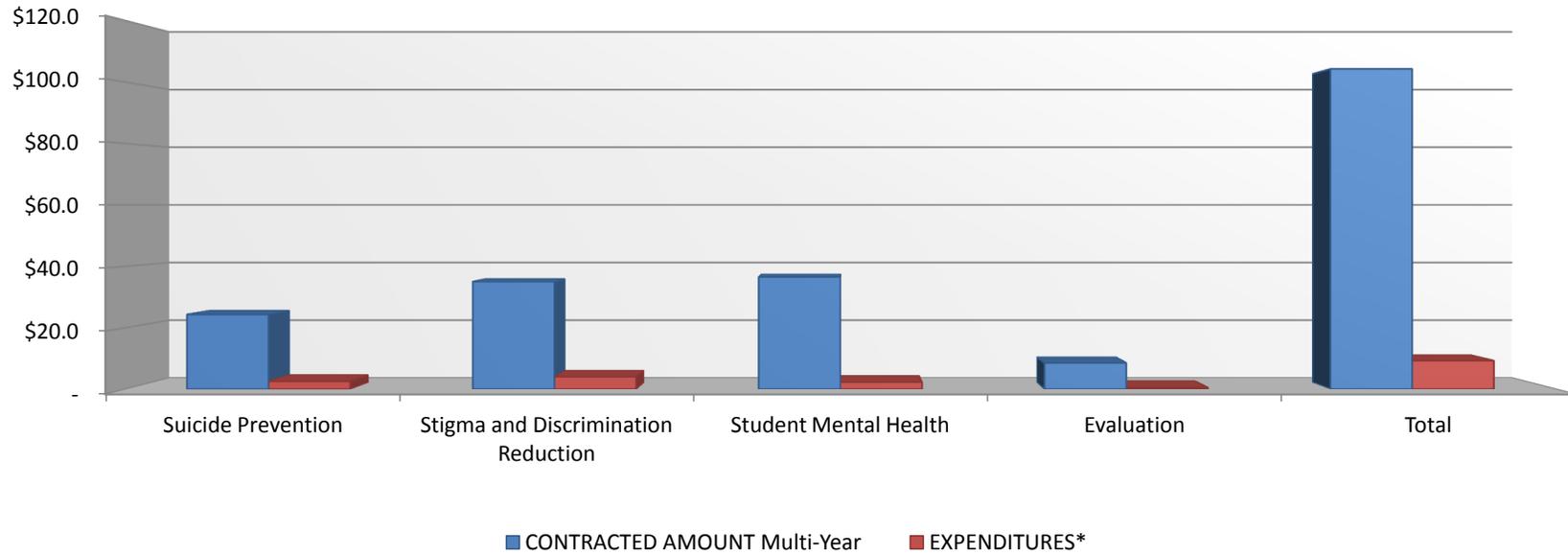
*MHSA funds approved as committed loans not as closed loans.

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 5/24/2012
Updated Semi-Annually

5/24/2012

TABLE 7 AND VISUAL 7: CalMHSA Statewide Programs
(Millions)



CalMHSA Statewide Programs		
PROGRAM	CONTRACTED AMOUNT Multi-Year	EXPENDITURES*
Suicide Prevention	\$ 24.3	\$ 2.5
Stigma and Discrimination Reduction	\$ 35.0	\$ 4.0
Student Mental Health	\$ 36.5	\$ 2.3
Evaluation	\$ 8.5	\$ 0.5
Total	\$ 104.3	\$ 9.3

Source: CalMHSA

*Expenditures as of March 31, 2012

Total Allotment for CalMHSA Statewide Programs is \$144,393,500.00

Planning Expenditures - \$2,089,131.00

Program Payments to Contractors - \$8,789,188.00

Program Contract Management - \$315,000.00

Legal Services - \$279,515.00

Administration - \$757,529.00

Evaluation - \$461,119.00

Other Expenses - \$239,852.00

Updated 5/24/2012
Updated Semi-Annually

FINANCIAL REPORT INDEX

TABLES 2 & VISUAL 2

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 to Medi-Cal 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 5 & VISUAL 5

The State Administration has up to 3.5% of the MHSF available. In order to have access to funds, within the 3.5%, 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.