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DATE OF MEETING: 10/08/13

PREPARED BY: Burt

DATE MATERIAL
PREPARED: 10/23/13

AGENDA ITEM: Discussion regarding next steps (if any) the Financial Oversight Committee should take based on presentations made August 1, 2013 by the Department of Developmental Services and the Military Department.

ENCLOSURES: • None

OTHER MATERIAL RELATED TO ITEM: None

ISSUE:

At its August 1, 2013 meeting, presentations were made to the Committee by the Departments of Developmental Services and the Military. These reports memorialize those presentations.

Background:

As approved by voters in 2004, MHSA allowed up to 5 percent of the total annual revenues in each fiscal year for state administrative expenditures to support the former DMH, CMHPC, MHSOAC and other state entities. AB 100 amended the MHSA and reduced the maximum amount available for administrative expenditures from 5 percent to 3.5 percent. The five percent allocation for administrative funds has been restored with passage of AB 1467 in June of 2012; however, some of the amounts reported in the estimate/actual matrix in the DHCS Expenditure report represent the 3.5% amounts. Additionally, the 2011-12 budget eliminated the MHSA funding from a number of departments previously funded for administrative expenditures; those departments are no longer referenced.

DHCS is required by Welfare and Institutions Code (WIC) Section 5813.6(a) to submit two fiscal reports to the Legislature regarding the MHSA: one in January, in conjunction with the proposed Governor's Budget; the other in May, in conjunction with the May Revision of the Governor's Budget. The report used for this Background section is the one submitted in January 2013.

In its Charter for 2013, the Financial Oversight Committee committed to learning about these administrative funds and what the entities who receive these funds are doing to promote the principles and practices of the MHSA in their respective milieus.