

MHSOAC

Mental Health Funding & Policy Committee:

8/26/10

Tab Section: 1

Agenda Item: Priority 2

**Recommendations for FY 2011/12 Component
Allocations**

Proposed Motion

- *The Component Allocations for the upcoming fiscal year will be based on actual and projected revenues available in the current fiscal year. (Department of Finance projections will be used.)*
- *Recommend to DMH the FY 2011/12 statewide CSS component allocation of \$741 M*
- *Approve FY 2011/12 statewide component allocations for PEI and Innovation as follows:*
 - *\$185.2 M for PEI*
 - *\$48.7 M for Innovation*

Issue

The Mental Health Funding & Policy Committee's Charter directs the Committee to review and make recommendations to the Commission on Component Allocations

Statute

Welfare and Institutions Code (WIC) 5847 (f):

“Each year the Department of Mental Health, in consultation with the California Mental Health Directors Association, the Mental Health Services Oversight and Accountability Commission, and the Mental Health Planning Council, shall inform counties of the amounts of funds available for services to children pursuant to Part 4 (commencing with Section 5850), and to adults and seniors pursuant to Part 3 (commencing with Section 5800).”

Statute

WIC 5892 (a) (4):

“The allocation for prevention and early intervention may be increased in any county which the department determines that such increase will decrease the need and cost for additional services to severely mentally ill persons in that county by an amount at least commensurate with the proposed increase. The statewide allocation for prevention and early intervention may be increased whenever the Mental Health Services Oversight and Accountability Commission determines that all counties are receiving all necessary funds for services to severely mentally ill persons and have established prudent reserves and there are additional revenues available in the Fund.”

Statute

WIC 5846 (a):

“The commission shall annually review and approve each county mental health program for expenditures pursuant to Part 3.2 (commencing with Section 5830), for innovative programs and Part 3.6 (commencing with Section 5840), for prevention and early intervention.”

Objective

- **To provide comment to DMH regarding the FY 11/12 MHSA statewide component allocations for CSS**
- **To approve the FY 11/12 statewide component allocations for PEI and Innovation.**
- **To provide recommendations to DMH regarding whether all available revenues are placed into component allocations**

Background

- **The DMH held its annual meeting per 5847 (f) (May Process meeting) to discuss FY 2011-12 component allocations for CSS, PEI and INN on July 30, 2010.**
- **DMH presented FY 11/12 component allocation material to the Mental Health Funding & Policy Committee on August 18, 2010.**

MHSA Revenue Projections

How much money was received or is anticipated?

- **Actual, estimated and projected MHSA revenues on “cash basis” (Millions)**
 - **FY 06/07: \$ 984.3**
 - **FY 07/08: \$ 1,502.0**
 - **FY 08/09: \$ 1,292.6**
 - **FY 09/10: \$ 1,378.1**
 - **FY 10/11: \$ 1,057.7**
 - **FY 11/12: \$ 813.2**

FY 06/07 through FY 10/11 (DOF)

FY 11/12 (based on personal income tax estimates by the LAO)

Funding Summary

Anticipated & Received Revenue	\$ 1,057.7
Redistributed Administration	\$ 22.1
Reverted Funds	<u>\$ 0.2</u>
Total before Adjustments	\$ 1,080.0
Adjustments	<u>\$ 51.1</u>
Total Available for Distribution	\$ 1,028.9

(Dollars in Millions)

Proposed Component Allocations For FY 2011/12

Community Services and Supports (CSS)	\$ 741.0
Prevention and Early Intervention (PEI)	\$ 185.2
Innovation (INN)	<u>\$ 48.7</u>
Total	\$ 974.9

(Dollars in Millions)

Comparison of FY 10/11 & FY 11/12 Component Allocations

	FY 10/11	FY 11/12
CSS	\$783.6	\$741.0
PEI	\$216.2	\$185.2
INN	\$119.6	\$48.7
Total	\$1,119.4	\$974.9

(Dollars in Millions)

Comparison of FY 10/11 & FY 11/12 Component Allocations

- **FY 11/12 Component Allocations have decreased from FY 10/11 for the following reasons:**
 - **Revenues have decreased**
 - **FY 09/10: \$1,378**
 - **FY 10/11: \$1,057**
 - **Adjustments for updating to new methodology**

Policy Issue

- **Should all available MHSA revenues be made available in component allocations?**
 - **Pros—**
 - **Counties have primary risk of fluctuations in service levels.**
 - **Counties should be given maximum flexibility to manage available funds.**
 - **Cons—**
 - **Funding stream is volatile and should be “smoothed out” to assist with stabilizing programs/services.**

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