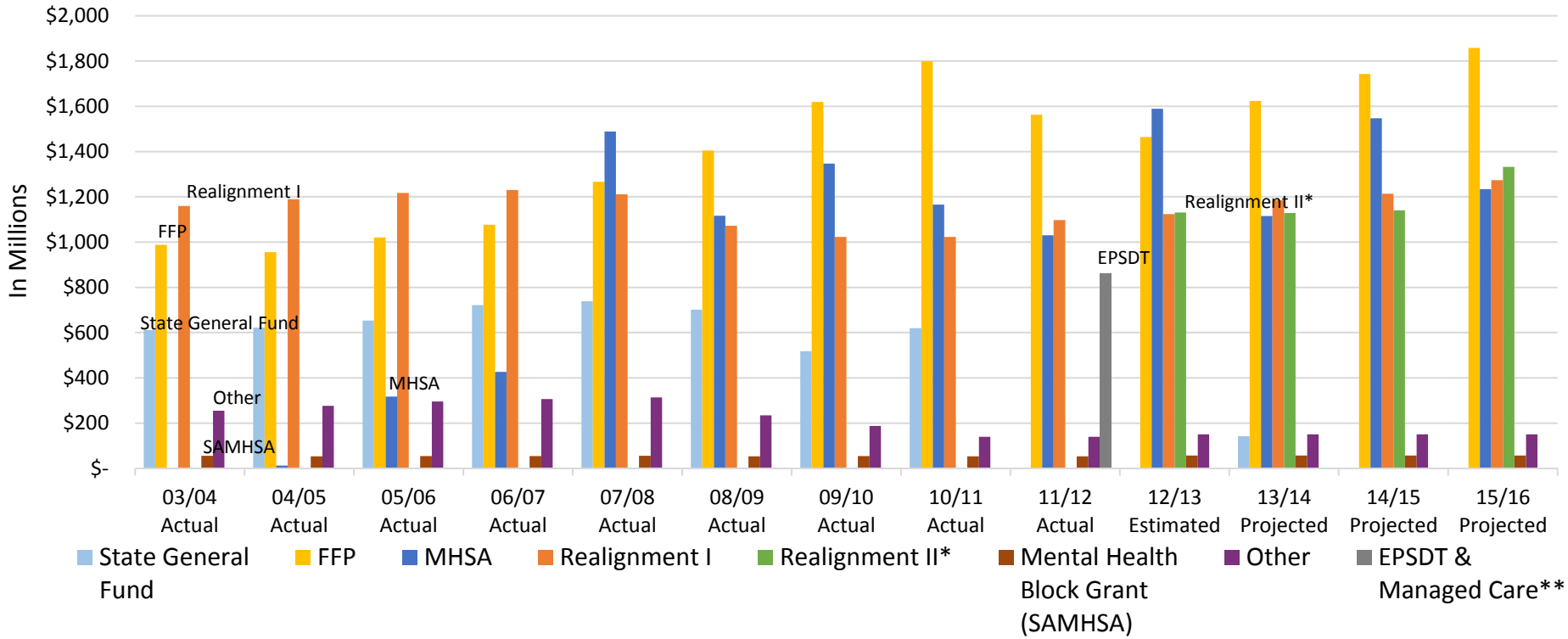
Financial Oversight Committee

Financial Report

January 22, 2015

DRAFT

Mental Health Funding Levels at the Local Level (In Millions) FY 03/04 - 15/16



Narrative:

Even with fluctuations of individual accounts, funding for the overall system has grown since the enactment of the MHSA and has stayed relatively stable. MHSA allocations to counties for the first 5 months of FY 14/15 total $795,289.01

Realignment I 1991: Transferred control of several health and mental health programs from the state to the counties, reduced State General Funds to the counties, and provided the counties with "new" tax revenues from increased sales tax and vehicle license fees dedicated to counties for their increased financial obligations for health and mental health programs.

Realignment II 2011: shifts "existing" state revenues from sales tax, vehicle license fee for various programs including EPSDT and mental health managed care. * The total funds for the 2011 Realignment includes funds for Substance Use Disorders.

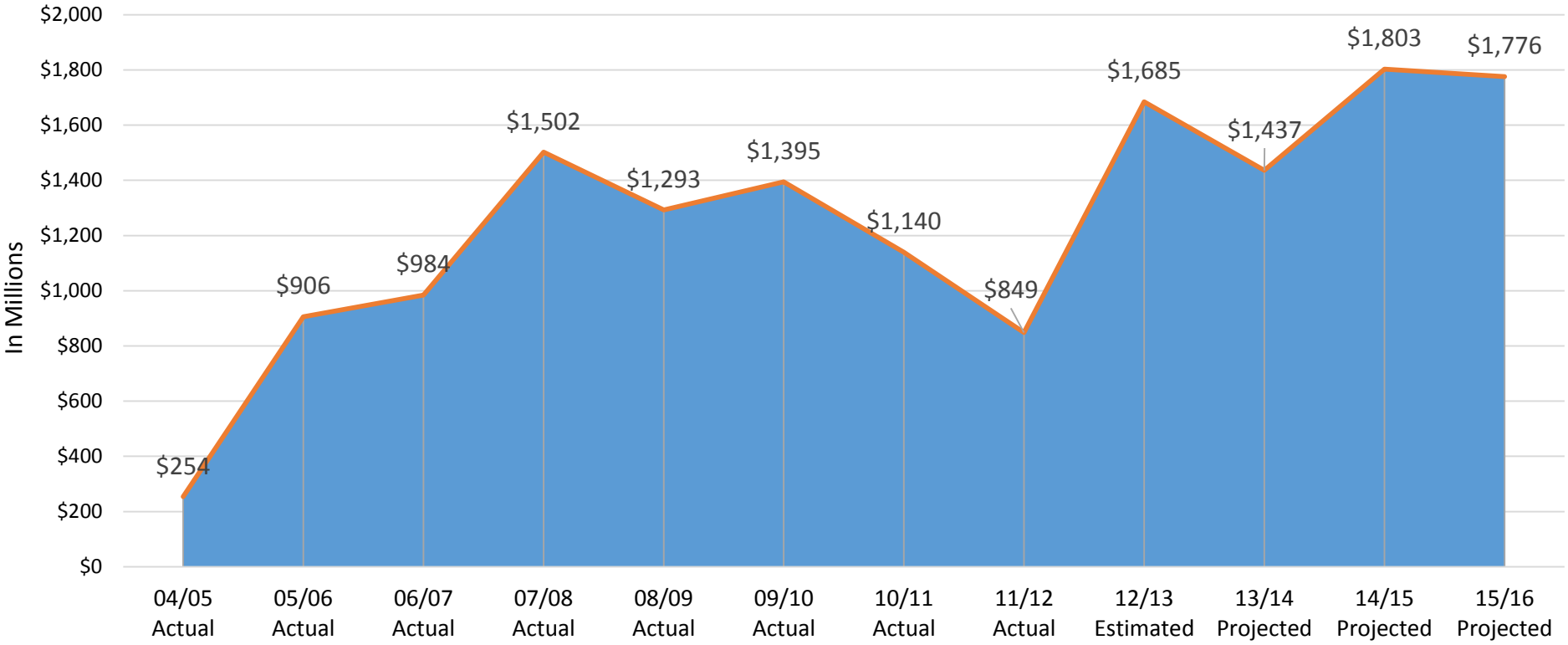
** One time redirected MHSA funding for EPSDT and Mental Health Managed Care. State general funding for mental Health was replaced by Realignment I and Realignment II

State General Fund for mental health was replaced by Realignment I and Realignment II.

State General Fund in 2013/14 was for the California Health Facilities Financing Authority Senate Bill (SB) 82 Grants.

Source: Sources identified in Appendix 1
January 2015
Updated Semi-Annually

Total MHSA Revenue Received - Cash Basis (In Millions) FY 04/05 - 15/16



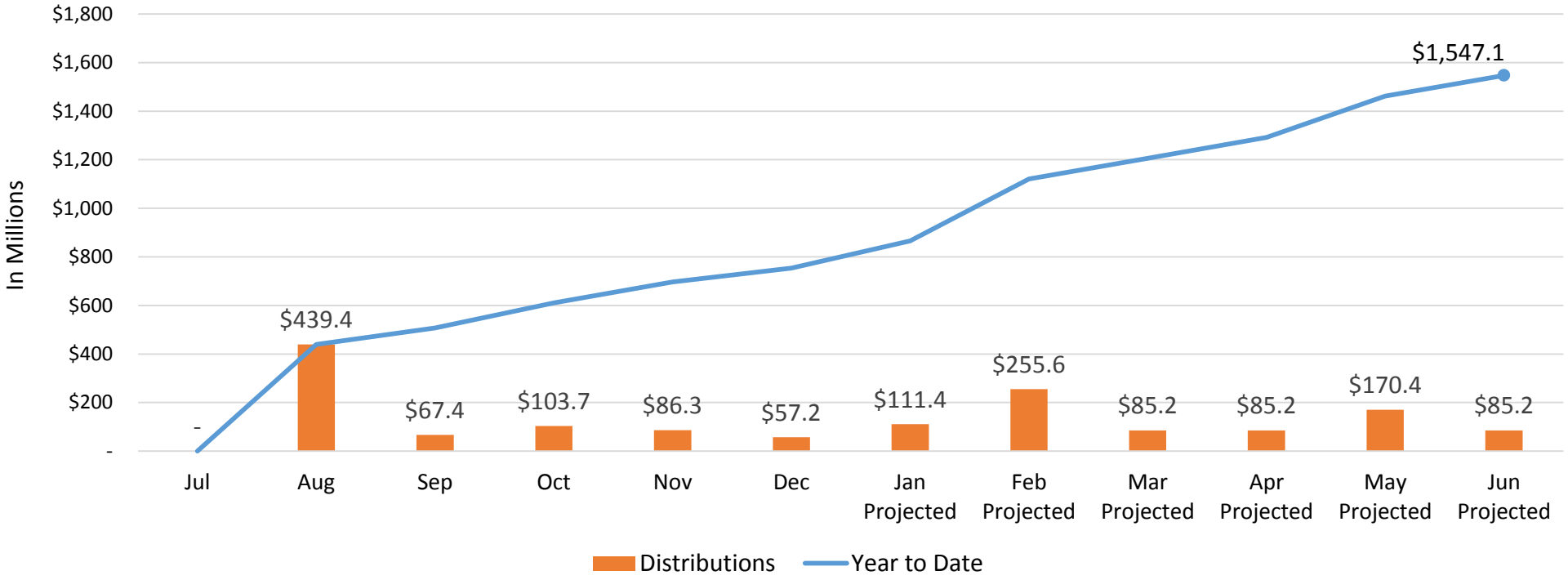
Narrative:

These amounts represent total revenue including the 5% administration funds. Except for the period between March 2011 and June 2013 when the MHSA Administrative Cap was set at 3.5%.

MHSA funding is susceptible to economic fluctuations as noted in the chart above. The importance of a Prudent Reserve is reflected in the fluctuations in the chart above.

Source: Sources identified in Appendix 2
January 2015
Updated Semi-Annually

Mental Health Services Funds Distributed to Counties (In Millions) FY 2014/15



Narrative:

This is a new chart reflecting changes to distributions. Funds are no longer distributed by Component, (Community Services and Supports, Prevention and Early Intervention, Innovation, etc.).

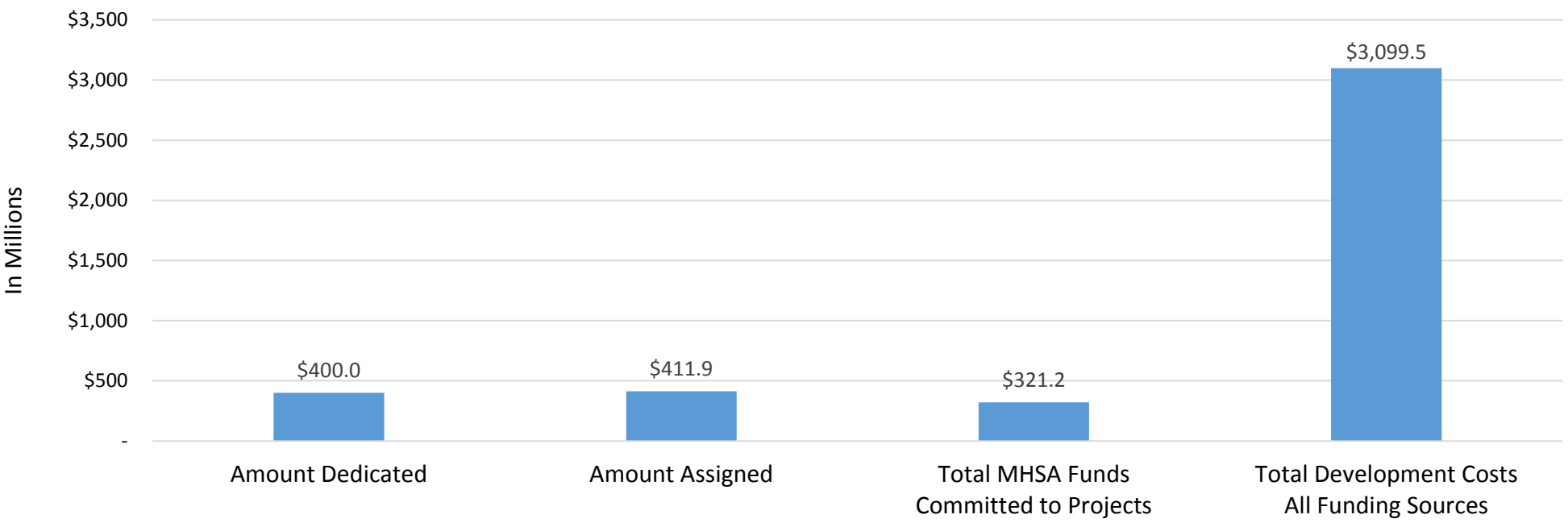
Distribution in FY 2014/2015 represents actual Mental Health Services funds distributed for the first 7 months of 2014/15 and projected distribution for January through June.

For a year to date, county by county summary of distributions, refer to the following link:
http://www.sco.ca.gov/Files-ARD-Payments/mentalhealthservices_ytd_14/15.pdf

Source: State Controller's Office
January 2015
Updated Semi-Annually

MHSA Housing Program (In Millions)

FY 2014/15



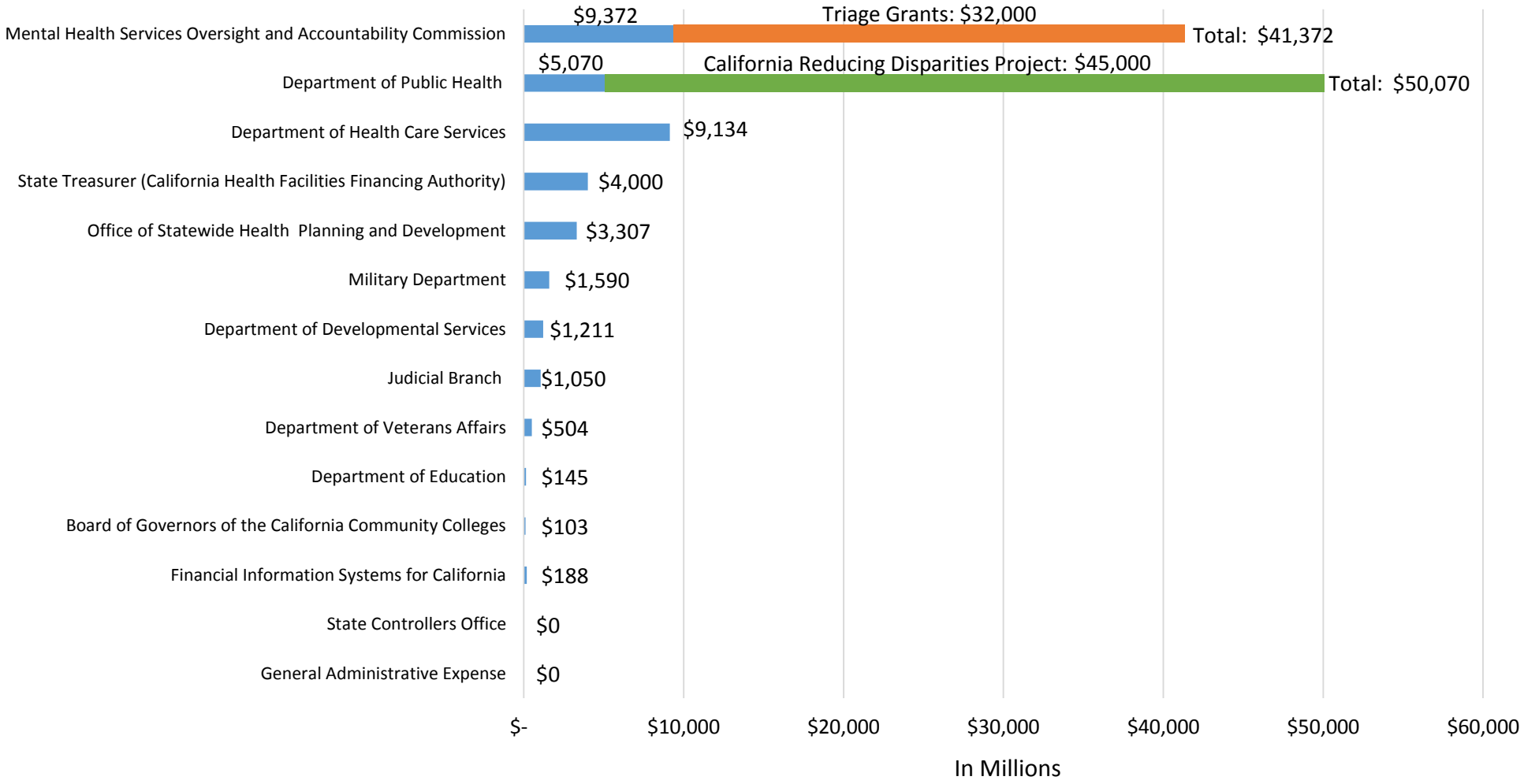
Narrative:

There is still approximately $79 million in uncommitted funds. (Source DHCS)

Last updated January 2015

Source: Department of Health Care Services
January 2015
Updated Semi-Annually

MHSA Administration Funds by Department (In Millions) FY 2015/16



Narrative:
Funds are utilized for administration, services, research, etc.

Amount Budgeted for Fiscal Year 2015/16 $ 112,674 Projected

Appendix 1: Mental Health Funding Levels at the Local Level (In Millions) FY 04/05 - 15/16

	04/05 Actual	05/06 Actual	06/07 Actual	07/08 Actual	08/09 Actual	09/10 Actual	10/11 Actual	11/12 Actual	12/13 Estimated	13/14 Projected	14/15 Projected	15/16 Projected
State General Fund	$ 621.6	$ 653.5	$ 721.8	$ 738.5	$ 701.0	$ 518.0	$ 619.4	$ 0.1	$ -	$ 142.5	$ -	
Realignment I	$ 1,189.9	$ 1,217.1	$ 1,230.9	$ 1,211.5	$ 1,072.4	$ 1,023.0	$ 1,023.0	$ 1,097.6	$ 1,124.0	$ 1,185.0	$ 1,214.0	$ 1,274.0
Realignment II*	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,131.0	$ 1,128.0	$ 1,140.0	$ 1,333.0
Mental Health Block Grant (SAMHSA)	$ 53.5	$ 54.4	$ 54.7	$ 55.1	$ 53.7	$ 54.0	$ 53.7	$ 53.1	$ 57.4	$ 57.4	$ 57.4	$ 57.4
FFP	$ 955.5	$ 1,019.9	$ 1,076.8	$ 1,266.4	$ 1,404.6	$ 1,619.2	$ 1,799.9	$ 1,562.5	$ 1,465.0	$ 1,624.0	$ 1,743.0	$ 1,858.0
MHSA	$ 12.7	$ 316.9	$ 426.3	$ 1,488.2	$ 1,117.0	$ 1,347.0	$ 1,165.1	$ 1,029.9	$ 1,589.0	$ 1,115.0	$ 1,547.0	$ 1,234.0
EPSDT & Managed Care**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 861.2	$ -	$ -	$ -	
Other	$ 276.2	$ 295.4	$ 306.8	$ 313.3	$ 233.9	$ 187.6	$ 139.4	$ 139.4	$ 150.0	$ 150.0	$ 150.0	$ 150.0
TOTAL	**$ 3,109.4**	**$ 3,557.2**	**$ 3,817.3**	**$ 5,073.0**	**$ 4,582.6**	**$ 4,748.8**	**$ 4,800.5**	**$ 4,743.8**	**$ 5,516.4**	**$ 5,401.9**	**$ 5,851.4**	**$ 5,906.4**

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 counties with mental health dollars 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). State General Fund for mental Health was replaced by Realignment I and Realignment II. State General Fund in 2013/14 was for the California Health Facilities Financing Authority Senate Bill (SB) 82 Grants.

Realignment 1991: In the 1991/92 fiscal year, State-Local Program Realignment restructured the state-county partnership by giving counties increased responsibilities and funding for a number of health, mental health, and social services programs. This realignment provides counties with dedicated tax revenues from the state sales tax and vehicle license fee to pay for these programs.

Realignment 2011: 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: 1.0625 cents 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.

Mental Health Block Grant (SAMHSA): Mandated by Congress, SAMHSA's block grants are noncompetitive grants that provide funding for substance abuse and mental health services.

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 and which is called the Federal Medical Assistance Percentage (FMAP) and gives counties the funding responsibility for EPSDT and Mental Health Managed Care.

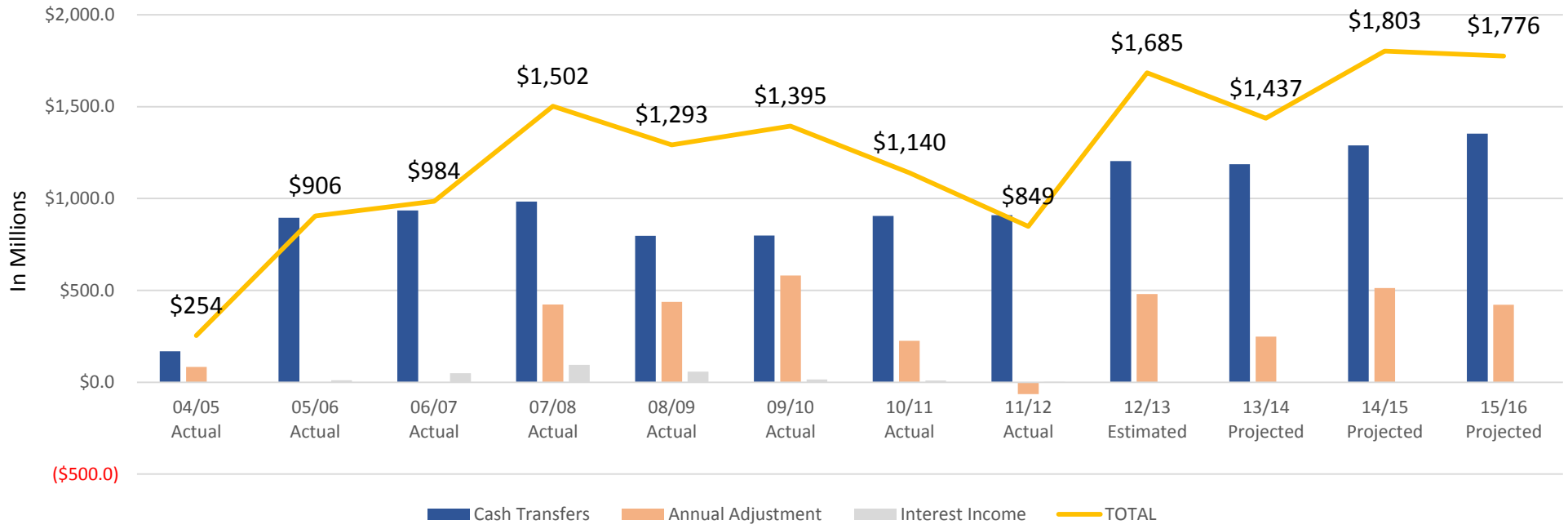
Proposition 63 Funds (MHSA): The MHSA is funded by a 1% tax on personal income in excess of $1 million. The primary obligations of the MHSA is for counties to expand recovery based mental health services, to provide prevention and early intervention services, innovative programs, to educate, train and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

** One time redirected MHSA funding for EPSDT and Mental Health Managed Care.

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).

Source: FY 2015/16 Governor's Budget, DOF, DMH (DHCS after June 30, 2012) MHSA Summary Comparison (MHSOAC Fiscal Consultant Projections , and California Department of Health Care Services

Appendix 2: Total MHSA Revenue Received - Cash Basis (In Millions) FY 04/05 - 15/16



	04/05 Actual	05/06 Actual	06/07 Actual	07/08 Actual	08/09 Actual	09/10 Actual	10/11 Actual	11/12 Actual	12/13 Estimated	13/14 Projected	14/15 Projected	15/16 Projected
Cash Transfers	$169.5	$894.6	$935.1	$983.9	$797.0	$799.0	$905.0	$910.0	$1,204.0	$1,187.0	$1,289.0	$1,353.0
Annual Adjustment	$83.6	$0.0	$0.0	$423.7	$438.0	$581.0	$225.0	($64.0)	$480.0	$249.0	$513.0	$422.0
Interest Income	$0.7	$11.2	$49.2	$94.4	$57.6	$14.9	$9.7	$2.7	$0.7	$0.6	$0.6	$0.6
TOTAL	$253.8	$905.8	$984.3	$1,502.0	$1,292.6	$1,394.9	$1,139.7	$848.7	$1,684.7	$1,436.6	$1,802.6	$1,775.6

Narrative:

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 (DHCS after June 30, 2012) and the MHSOAC base their figures on cash received.

Motion:

The MHSOAC accepts the January 2015 Financial Report as presented by the MHSOAC Financial Oversight Committee.