

MHSA Fund-Fiscal Update

PRESENTED BY CEO BUDGET – JULIA RINALDI

JULY 2021

Role of HCA vs. CEO Budget

HCA

- Focus on the MHSA Plan and Program Budgets by Fiscal year required by State Law
- Tracks Program spending and updates projections regularly
- Receives revenue projections provided by State Consultant and utilizes amounts in budget planning process
- Accounting staff (Auditor-Controller) prepare and submits claims for reimbursement to CEO Budget
- Accounting staff submit required Revenue Expenditure Report (RER) to the State

CEO BUDGET

- Focus is on the cash and fund balance by component in the MHSA Fund 13Y
- Process claims for reimbursement submitted by HCA Accounting (Auditor-Controller staff)
- Track and monitor actual expenses and revenue receipts
- Prepare informational reports utilizing information above and received by HCA that show expected fund balances

DRAFT

County of Orange
Summary of Mental Health Services Act Funds
Projected with Actuals through June FY 2020-21

MENTAL HEALTH SERVICES ACT (MHSA) FUNDS			
	Budget	Projections	Variance
Unspent MHSA Funds as of June 30, 2020 (Actual)	142,843,831	142,843,831	-
Projected Revenue for FY 2020-21	173,601,083	230,910,774	57,309,691
Prior Period Adjustments (Actual) (1)	(60,477,823)	(60,477,823)	-
Total Funds Available for FY 2020-21	255,967,092	313,276,783	57,309,691
Estimated Costs in FY 2020-21	(239,232,402)	(189,753,001)	49,479,401
Projected Ending Balance at June 30, 2021 (SEE BELOW)	16,734,690	123,523,782	106,789,092
Revenue for FY 2021-22	209,281,233	209,281,233	-
Estimated Costs in FY 2021-22	(247,455,771)	(213,260,041)	34,195,730
Projected Ending Balance at June 30, 2022 (SEE BELOW)	(21,439,848)	119,544,974	140,984,822
Revenue for FY 2022-23	175,439,568	175,439,568	-
Estimated Costs in FY 2022-23	(222,613,328)	(188,756,857)	33,856,471
Projected Ending Balance at June 30, 2022 (SEE BELOW)	(68,613,608)	106,227,684	174,841,292

Detail of Projected Ending Balance at June 30, 2021			
Community Services and Supports (CSS)		62,788,742	
Prevention and Early Intervention (PEI)		33,577,765	
Innovation (INN)		27,157,275	
Total Projected Ending Balance at June 30, 2021		\$123,523,782	

Detail of Projected Ending Balance at June 30, 2022			
Community Services and Supports (CSS)		70,111,322	
Prevention and Early Intervention (PEI)		22,811,506	
Innovation (INN)		26,622,146	
Total Projected Ending Balance at June 30, 2022		119,544,974	

Detail of Projected Ending Balance at June 30, 2023			
Community Services and Supports (CSS)		53,371,930	
Prevention and Early Intervention (PEI)		19,354,920	
Innovation (INN)		33,500,834	
Total Projected Ending Balance at June 30, 2023		106,227,684	

FY 2020-21
Projections

FY 2020-21 Projections by Component

DRAFT

MENTAL HEALTH SERVICES ACT FY 2020-21		CSS	PEI	INN	Transfers from CSS		Total	Prudent Reserve (3)
					WET	CFTN		
Carryover of Funds from FY 2019-20		75,575,827	40,408,181	26,859,844	-	-	142,843,831	33,258,769
Prior Period Adjustments	(1)	(53,739,887)	(6,213,732)	(524,224)	-	-	(60,477,823)	
RESTATED Carryover funds from FY 2019-20		21,835,960	34,194,429	26,335,620	-	-	82,366,009	33,258,769
Projected MHSAs Revenue for FY 2020-21	(6)	175,497,735	42,688,857	11,297,144	1,083	-	229,484,820	
Transfers from Community Services and Supports to Other MHSAs Subaccounts to Cover Approved Project Expenses	(2)	(12,534,179)	-	-	5,253,881	7,280,298	-	
Projected Interest Revenue for FY 2020-21		840,470	378,549	226,937	-	-	1,445,955	
Total Funding Available for FY 2020-21		185,639,986	77,241,835	37,859,700	5,254,964	7,280,298	313,276,783	33,258,769
Projected Expenditures		(106,034,010)	(37,677,423)	(9,641,732)	(4,765,487)	(7,095,839)	(165,214,491)	
Projected Admin Expenditures		(16,817,234)	(5,986,647)	(1,060,693)	(489,477)	(184,459)	(24,538,510)	
Total Program and Administrative Costs	(4)	(122,851,244)	(43,664,070)	(10,702,425)	(5,254,964)	(7,280,298)	(189,753,001)	-
Projected Carryover of Funds for FY 2021-22		62,788,742	33,577,765	27,157,275	-	-	123,523,782	33,258,769
Estimated MHSAs Revenue for FY 2021-22	(5)	159,053,740	39,763,432	10,464,061	-	-	209,281,233	
Anticipated Costs for FY 2021-22		(130,203,791)	(50,529,691)	(10,999,190)	(5,219,985)	(16,307,384)	(213,260,041)	
Anticipated Transfers for FY 2021-22		(21,527,389)			5,219,985	16,307,384	-	
Projected Carryover of Funds for FY 2022-23		70,111,322	22,811,506	26,622,146	-	-	119,544,974	33,258,769
Estimated MHSAs Revenue for FY 2022-23	(5)	133,086,103	33,432,705	8,920,760	-	-	175,439,568	
Anticipated Costs for FY 2022-23		(135,562,676)	(36,889,291)	(2,042,071)	(5,296,662)	(8,966,158)	(188,756,857)	
Anticipated Transfers for FY 2022-23		(14,262,820)			5,296,662	8,966,158	-	
Projected Carryover of Funds for FY 2023-24		53,371,930	19,354,920	33,500,834	-	-	106,227,684	33,258,769

Variance Explanation

- As a result of the State Consultant's update in February 2021, revenue projections for FY 2020-21 increased by \$27.7M and FY 2021-22 increased by \$43.5M for a total of **\$71.2M**.
- May and June Revenues came in \$26.6M higher than the previous year's May and June revenue and the YE total is **\$32.2M** greater than the state consultant's most recent projection.
- Year End Actual Expenses for FY 2020-21 have decreased by \$8.5M and the FY 2021-22 Expense projections have increased by \$10.9M for a net increase of **\$2.4M** since the February projections

Feb. 2021 Revenue Projection Increase	\$71.2 M
Year-End Revenue Amt. Over Projection	\$32.2 M
Net Increase in Expense	<u>(\$2.4) M</u>
Variance Since Feb Presentation	\$101.0 M

Summary

- Expense amounts projected for FY 2020-21 reflect actuals through Period 13.2 (almost final actuals for FY 2020-21)
- Projections for FYs 2021-22 and 2022-23 represent 82% of CSS, 90% of PEI and 100% of INN, WET and CFTN updated budgeted plan amounts.
- Revenue budget amounts for FYs 2021-22 and 2022-23 reflect our State Consultant's projections.
- As currently projected, the carry over balance from FY 2020-21 is \$123.6M, from FY 2021-22 is \$119.6M and FY 2022-23 is \$106.2M.