

# MHSA FISCAL UPDATE & PLANNING DISCUSSION

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MHSA STEERING COMMITTEE JULY 2020

## ASSEMBLY BILL (AB) 81 HIGHLIGHTS

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- Allows counties to use funds from its prudent reserve in FY 2020-21 for PEI and CSS
- DHCS may allow counties to exceed the 20% of cap on transferring CSS funds to WET, CFTN and Prudent Reserve
- Funds subject to reversion in the current fiscal year will be safeguarded from reversion until July 1, 2021
  - *N/A: Orange County does not have any funds subject to reversion*
- Extension of deadline for MHSA Three-Year Plan for FY's 20/21-22/23 to July 1, 2021
  - *N/A: Orange County has submitted its Plan*
- Does **NOT** allow for re-distributing INN funds to any other MHSA component

## ESTIMATED MHSA COMPONENT FUNDING: STATE LEVEL\*

(FIGURES IN MILLIONS OF DOLLARS)

	Proj FY 19/20	Proj FY 20/21	Proj FY 21/22	Proj FY 22/23
CSS	\$1,250.4	\$1,544.6	\$1,477.8	\$1,108.0
PEI	\$312.6	\$386.2	\$369.4	\$277.0
INN	\$82.3	\$101.6	\$101.6	\$72.9
Total	\$1,645.3	\$2,032.4	\$1,944.5	\$1,457.9

\*State projections provided by CBHDA on 6/17/20 and are subject to change if projections are revised.  
State admin fees & NPLH excluded.

## ANTICIPATED REDUCTION IN OC'S MHSA ALLOCATION

Fiscal Year	Projected Revenue as of 10/19/19	Projected Revenue as of 6/17/20	Change in MHSA Allocations	MHSA Projected Year-End Fund Balances *
FY 19/20	\$172,600,000	\$148,115,877 (19/20 actuals)	(\$24,484,123)	\$84,478,097
FY 20/21	\$181,600,000	\$164,909,180	(\$16,690,820)	\$46,033,404
FY 21/22	\$183,200,000	\$157,776,963	(\$25,423,037)	\$3,825,455
FY 22/23	Not Available	\$118,294,181	Non Applicable	(-\$66,137,222)

\*Ending Balances based on projected expenditures of program budgets in current Three-Year Plan. Does not include Prudent Reserve.

## GLOBAL STRATEGIES TO MANAGE MHSA FUNDS OVER NEXT THREE FISCAL YEARS

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### In Progress

- Use CARES Act Funding (~\$28.9M available)
- Use carryover funds (projected \$84.5M at end of FY 19/20)
- Delete and/or leave vacant positions empty
- Maximize Medi-Cal FFP revenue (CSS, PEI)
- Decrease non-essential program expenditures beginning FY 19/20
  - Reduce expenditures that do not affect service delivery (e.g., *meeting space for in-person trainings, new office furniture, etc.*)

### Under Consideration

- Use Prudent Reserve \$33M
- Delay or eliminate expansion of CSS, PEI programs
- Delay contract start dates
- Reclassify programs from CSS to PEI (full or partial shift)
- Identify further reductions in program expenditures

## STEERING COMMITTEE Q&A

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## PUBLIC COMMENT

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## DISCUSSION PROMPTS FOR STRATEGIES UNDER CONSIDERATION

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## GLOBAL STRATEGY: DECREASE PROGRAM EXPENDITURES

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- **UNIFORM** vs **VARIABLE** across programs within component?
  - *If variable, what FACTORS should be taken into account when determining amount?*

## GLOBAL STRATEGY: DELAY / ELIMINATE PROGRAM EXPANSIONS?

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- **DELAY** vs **ELIMINATE** expansion of CSS and/or PEI programs?
  - What FACTORS should be taken into account when determining the viability of this potential approach?

## GLOBAL STRATEGY: *DELAY CONTRACT START DATES?*

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- What FACTORS should be taken into account when determining the viability of this potential approach?