

MHSA Fiscal Update

PRESENTED BY CEO BUDGET – KIM ENGELBY

SEPTEMBER 2018

Objective

- Transfer full responsibility of the MHSA Fund to the CEO Budget Office.
- Establish a process to allow for the monitoring of activities to the line item detail of the approved budgets.
- Provide timely routine fiscal reports to the MHSA Steering Committee and Mental Health Board to facilitate in their decision making process.

FY 2017-18 Budget Comparison

MHSA Component	Budget	Actuals	Variance
Revenues			Over/(Under)
CSS	124,978,291	125,724,546	746,255
PEI	31,399,852	31,428,798	28,946
INN	8,336,790	8,261,283	(75,507)
Total Revenues	164,714,933	165,414,627	699,694
Expenditures			
CSS	152,712,341	131,935,898	(20,776,443)
PEI	35,452,761	30,684,393	(4,768,368)
INN	6,688,707	5,272,763	(1,415,944)
WET	5,150,282	4,355,983	(794,299)
CFTN	4,534,915	3,267,547	(1,267,368)
Total Expenditures	204,539,006	175,516,584	(29,022,422)

Variance Explanations:

Revenue:

- Change in methodology in the allocation of the interest earned.

Expenditures:

- Offsetting revenue (Medi-Cal) came in higher than anticipated reducing the need for MHSA funding.
- Savings due to timing for expansions or startups of new programming.
- Savings from staff vacancies.

FY 2017-18 Budget Summary

FY 2017-18 MENTAL HEALTH SERVICES ACT (MHSA) FUNDS	
Unspent MHSA Funds as of June 30, 2017	183,454,008
Actual Revenue for FY 2017-18	165,414,627
Prior Period Adjustments	(13,069,859)
Total Funds Available for FY 2017-18	335,798,776
Actual Costs in FY 2017-18	(175,516,584)
Ending Balance at June 30, 2018	160,282,192
Detail of Ending Balance by Component	
Community Services and Supports (CSS)	101,910,790
Prevention and Early Intervention (PEI)	27,985,564
Innovation (INN)	29,913,516
Capital Facilities and Technological Needs	472,322
Obligations & Pending Adjustments	
Purchase - Site of Co-Located Services	(7,723,934)
Balance - Allocation for Housing (Originally \$70.5M)	(55,000,000)
Adjustments -Balances held in liability acct/reserve	11,586,871
Total Obligations & Pending Adjustments	(51,137,063)
ADJUSTED Ending Balance at June 30, 2018	109,145,129

FY 2017-18 Component Summary

MENTAL HEALTH SERVICES ACT FY 2017-18	CSS	PEI	INN	WET	CFTN	Total
Carryover of Funds from FY 2016-17	117,365,707	34,106,806	28,241,626	-	3,739,869	183,454,008
Prior Period Adjustments	(4,887,582)	(6,865,647)	(1,316,630)			(13,069,859)
						-
RESTATED Carryover funds from FY 2016/17	112,478,125	27,241,159	26,924,996	-	3,739,869	170,384,149
MHSA Allocation Received for FY 2017-18	122,944,077	30,736,019	8,088,426	-	-	161,768,522
Interest Revenue for FY 2017-18	2,780,469	692,779	172,857	-	-	3,646,105
Transfers from Community Services and Supports to Other MHSA Subaccounts to Cover Approved Project Expenses	(4,355,983)	-		4,355,983	-	-
Total Funding Available for FY 2017-18	233,846,688	58,669,957	35,186,279	4,355,983	3,739,869	335,798,776
Total Expenditures for Approved Projects per FY 2017-18 MHSA Plan	(115,338,234)	(25,136,390)	(4,292,309)	(3,827,380)	(2,974,762)	(151,569,075)
Program Related County Costs	(16,597,664)	(5,548,003)	(980,454)	(528,603)	(292,785)	(23,947,509)
Total Program and Administrative Costs	(131,935,898)	(30,684,393)	(5,272,763)	(4,355,983)	(3,267,547)	(175,516,584)
Carryover of FY 2017-18 Available Funds	101,910,790	27,985,564	29,913,516	-	472,322	160,282,192
<u>Amount of MHSA Funds Obligated but Unspent for FY 17/18</u>						
Purchase of Site for Co-Located Behavioral Health Services	(7,723,934)	-	-	-	-	(7,723,934)
Board Approved Allocation for Housing	(55,000,000)	-	-	-	-	(55,000,000)
<u>Pending Adjustments identified to be recorded in FY 2018-19:</u>						
Release of amount held in liability account which per AB114 are no longer due back to the State		243,837				243,837
Adjustment required per State to reclassify a portion of Prudent Reserve Funds back to PEI		11,343,034				11,343,034
Total for Pending Obligations and Adjustments	(62,723,934)	11,586,871	-	-	-	(51,137,063)
ADJUSTED Carryover of FY 2017-18 Available Funds Less Obligations/Adjustments	39,186,856	39,572,435	29,913,516	-	472,322	109,145,129

FY 2018-19 Overview

FY 2018-19 MENTAL HEALTH SERVICES ACT (MHSA) FUNDS	
Unspent MHSA Funds as of June 30, 2018	160,282,192
Projected Revenue for FY 2018-19	157,298,871
Total Funds Available for FY 2018-19	317,581,063
Projected Costs in FY 2018-19	218,897,166
Projected Ending Balance at June 30, 2019 (SEE BELOW)	98,683,897
Detail of Ending Balance by Component	
Community Services and Supports (CSS)	50,486,090
Prevention and Early Intervention (PEI)	22,523,603
Innovation (INN)	25,674,204
Obligations & Pending Adjustments	
Purchase - Site of Co-Located Services	(7,723,934)
Balance - Allocation for Housing (Originally \$70.5M)	(55,000,000)
Adjustments -Balances held in liability acct/reserve	11,586,871
Total Obligations & Pending Adjustments	(51,137,063)
ADJUSTED Ending Balance at June 30, 2018	47,546,834

FY 2018-19 Projection Summary

MENTAL HEALTH SERVICES ACT FY 2018-19	CSS	PEI	INN	WET	CFTN	Total	Prudent Reserve
Carryover of Funds from FY 2017-18	134,567,157	32,808,649	33,383,653	-	1,316,125	202,075,584	70,921,582
Prior Period Adjustments	(32,656,367)	(4,823,085)	(3,470,137)	-	(843,803)	(41,793,392)	
						-	
RESTATED Carryover funds from FY 2017/18	101,910,790	27,985,564	29,913,516	-	472,322	160,282,192	70,921,582
Projected MHSA Allocation for FY 2018-19	117,925,360	29,481,340	7,758,247	-	-	155,164,947	
Projected Interest Revenue for FY 2018-19	1,416,724	509,460	207,740	-	-	2,133,924	
Projected Transfers from Community Services and Supports to Other MHSA Subaccounts to Cover Approved Project Expenses	(25,154,294)	-	-	5,150,282	20,004,012	-	
Total Projected Funding Available for FY 2018-19	196,098,580	57,976,364	37,879,503	5,150,282	20,476,334	317,581,063	70,921,582
Total Projected Expenditures for Approved Projects per MHSA Plan	123,400,415	30,044,713	10,343,474	4,364,646	17,352,825	185,506,073	
Anticipated Program Related County Costs	22,212,075	5,408,048	1,861,825	785,636	3,123,509	33,391,093	
Total Projected Program and Administrative Costs	145,612,490	35,452,761	12,205,299	5,150,282	20,476,334	218,897,166	-
Projected Carryover of FY 2018-19 Available Funds	50,486,090	22,523,603	25,674,204	-	-	98,683,897	70,921,582
<u>Pending Obligations or Adjustments</u>							
Purchase of Site for Co-Located Behavioral Health Services	(7,723,934)	-	-	-	-	(7,723,934)	
Board Approved Allocation for Housing	(55,000,000)	-	-	-	-	(55,000,000)	
Release of amount held in liability account which per AB114 are no longer due back to the State		243,837				243,837	
Adjustment required per State to reclassify a portion of Prudent Reserve Funds back to PEI		11,343,034				11,343,034	(11,343,034)
Total for Pending Obligations and Adjustments	(62,723,934)	11,586,871	-	-	-	(51,137,063)	(11,343,034)
ADJUSTED Anticipated Carryover of FY 2018-19 Available Funds Less Obligations/Adjustments	(12,237,844)	34,110,474	25,674,204	-	-	47,546,834	59,578,548
Estimated New Revenue for FY 2019-20	121,939,586	30,640,176	8,136,876	-	-	160,716,638	
Projected Available Funds for FY 2019-20	109,701,742	64,750,650	33,811,080	-	-	208,263,472	59,578,548

In Summary...

- FY 2017-18 Actuals are still subject to minor adjustments resulting from the completion of the Annual Revenue and Expenditure Report.
- Amounts held for the known obligations cannot be repurposed without Board of Supervisors approval.
- Projected Available Funding for FY 2019-20 is as follows:

Note: The amounts shown are based on the approved budget included in the Three-Year MHSA Plan for FY 2018-19 and subject to revision based on budget adjustments to support MHSA and County priorities.

Component	Projected Available Balance (FY 2019-20)
CSS	\$109,701,742
PEI	64,750,650
INN	33,811,080
Total	208,263,472