



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: BC 23-002

January 25, 2023

Introduced: 1/10/2023

Current Status: Agenda Ready

Version: 1

Matter Type: Budget Committee

Receive a report on the Mental Health Services Act (MHSA) fund balance.

RECOMMENDATION:

It is recommended that the Budget Committee of the Board of Supervisors:
Receive a report on the Mental Health Services Act (MHSA) fund balance.

SUMMARY/DISCUSSION:

At the October 2019 Budget Committee (BC) meeting, the Monterey County Health Department's Behavioral Health Bureau (Bureau) presented an overview of Proposition 63, the Mental Health Services Act (MHSA), and the status of MHSA reserves. During the presentation, staff indicated that new developments affecting the MHSA fund balance would be presented to the Budget Committee during the January 2020 meeting. At this meeting, the Budget Committee requested quarterly reports on the MHSA fund balance. At the June 30, 2021, meeting, the BC moved this item from a quarterly to a semiannual report. This report serves as the most recent update on the fund balance, additional information regarding the MHSA, and potential impacts on the fund balance.

In addition to the quarterly/semiannual reports to BC, on March 1, 2022, the Board of Supervisors (BOS) submitted Referral No. 2022.11 requesting a comprehensive presentation from the Bureau on the current uses of MHSA funds, an expenditure plan to utilize reserve funds and annual updates to the BOS on expenditures and effectiveness of MHSA funded services and strategies. The comprehensive presentation was first brought to the BC at its April 25, 2022, meeting and subsequently to the BOS at its June 21, 2022, meeting with annual updates to be presented in the future, as requested by the BOS.

FY 2021-22 in review

The previous update on this item to BC was at the July 2022 meeting. During this meeting, the Bureau projected an estimated FY 2021-22 ending fund balance of \$52,601,582. The Bureau also identified \$8,330,759.32 under the Community Services and Supports (CSS) component at risk of reversion, if not spent by June 30, 2022. Pending review and approval of the Annual Revenue and Expenditure Report (ARER) by the Department of Healthcare Services (DHCS) the FY 2021-22 MHSA preliminary ending fund balance is \$44,024,047 and no funds will be reverted for this period. Table 1, in Attachment A, provides a visual representation of these figures.

FY 2022-23 Forecast

For FY 2022-23, the Bureau expanded services in the Prevention and Early Intervention (PEI) component by contracting with various Community-Based Providers (CBOs). This increase, combined with estimated lower-than-expected MHSA revenues will result in a further decrease in the MHSA fund balance from an estimated \$41,908,571 to a revised \$38,794,535 by end of FY 2022-23. Table 2, in Attachment A, provides a visual representation of these figures.

MHSA Innovation Projects

At the June 21, 2022, BOS presentation the Bureau stated an update would be provided on Innovation projects and their status. Table 3, in Attachment A, provides an overview of all current and pending innovation projects.

Reversion Risk

In March of 2022, DHCS provided the Bureau with a report that identified funds at risk of reversion. For June 2023, \$24,603,209 under CSS and \$5,317,957 under PEI were identified as being at risk of reversion. Given the FY 2021-22 expenditures and the FY 2022-23 revenue and expenditure trends the Bureau expects that these funds will be fully expended and therefore not reverted. On the innovation component, three projects will expire in 2023: the Micro Innovation Grant Activities for Increasing Latino Engagement and the Transportation Coaching by Wellness Navigators are set to expire in August 2023, and the Screening to Timely Access project which is set to expire in December 2023. Of these three projects, the Micro Innovation and Screening to Timely access are at risk of reversion if funds are not spent before their expiration date. The Bureau anticipates the approval of the Rainbow Connections project in May will shield unspent funds and prevent them from reversion.

The Bureau has increased spending and reduced fund balances by increasing programming to meet community needs and will continue to report on this progress through our semi-annual updates to the BC and the BOS in June and July respectively. The Bureau will continue to monitor all funding streams closely and will adjust where necessary as soon as the need is identified. The Bureau will apprise the Budget Office of these developments and will seek its collaboration on any required actions.

OTHER AGENCY INVOLVEMENT:

No other departments were involved.

FINANCING:

There will be no impact to the General Fund in receiving this report.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Check the related Board of Supervisors Strategic Initiatives:

Economic Development:

- Through collaboration, strengthen economic development to ensure a diversified and healthy economy.

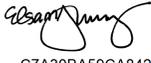
Administration:

Legistar File Number: BC 23-002

- Promote an organization that practices efficient and effective resource management and is recognized for responsiveness, strong customer orientation, accountability and transparency.
- Health & Human Services:
- Improve health and quality of life through County supported policies, programs, and services; promoting access to equitable opportunities for healthy choices and healthy environments in collaboration with communities.
- Infrastructure:
- Plan and develop a sustainable, physical infrastructure that improves the quality of life for County residents and supports economic development results.
- Public Safety:
- Create a safe environment for people to achieve their potential, leading businesses and communities to thrive and grow by reducing violent crimes as well as crimes in general.

Prepared by: Jon Drake, Assistant Bureau Chief 755-4357

Approved by:

DocuSigned by:

C7A30BA59CA8423...

Date: 1/13/2023 | 1:41 PM PST

Elsa Mendoza Jimenez, Director of Health, 755-4526

Attachments:

BC Report

Attachment A - Tables 1, 2, and 3