

# Mental Health Services Act (MHSA) Fund Balance

---

MONTEREY COUNTY BOARD OF SUPERVISORS

MARCH 22, 2022



COUNTY OF MONTEREY  
**HEALTH DEPARTMENT**



MONTEREY COUNTY  
BEHAVIORAL HEALTH

Avanzando Juntos **Forward Together**

# Brief History ( MHSA)



Passed by voters in 2004 and enacted in 2005, a new funding source to expand mental health services



Primary target populations: unserved and underserved



Includes robust community involvement to identify needs and allocate resources. Needs are compiled into a three-year-plan and ultimately approved by the Board of Supervisors



Counties with population >200,000 have three years to expend funds.



**MHSA funds can be volatile. Closely tied to the economy. “Millionaires Tax”**

# Primary MHSA Components



## Community Support Services (CSS) - 76% allocation

- Services to the seriously mentally ill or severely emotionally disturbed and their families.
- Services are voluntary and no less than 50% must be allocated to Full-Service Partnerships (FSPs).
- Wellness-focused centered around concepts of recovery and resiliency

## Prevention & Early Intervention (PEI) – 19% of allocation

- Services designed to prevent mental illnesses from becoming severe and disabling.
- No less than 51% must be allocated to serving individuals 25 years old or younger.

## Innovation (INN) – 5%

- Funds innovative approaches to expand access to services to the underserved; increase quality; promote interagency and community collaboration

## Capital Facility & Technology Needs (CFTN)

- Funds necessary Capital Facility and Technology projects

## Workforce, Education, and Training (WET)

- Funds used for career awareness, employee retention and training efforts



# MHSA Fund Balance Detail

## Fund Balance at the end of FY 2021-22 - \$55.4 million

- This total fully accounts for operating Reserve activity
- Use of MHSA fund is constrained to specific purposes as enacted by the Mental Health Services Act

## Fund Components

- Specific Set-asides:
  - Prior-year audits: \$8.4 million (Board Authority: \$10 million)
  - Prudent Reserve \$4.8 million
  - CFTN (Capital) \$5.9 million
  - WET (Workforce Education and Training) \$1.6 million
- Remaining funds to be used in CSS, PEI, and INN components
- **This fund balance meets the Board's General Financial Policies for Major Funds to maintain an operational reserve of 1% of annual revenue, and a strategic reserve equal to 10% of annual revenue. (\$12million minimum)**



# Contributing Factors to Fund Balance Level



Uncertainty in economy due to pandemic



Current laws, regulations and processes to follow before being able to spend MHPA funds



Staffing challenges both internally and with contractors



Increased Federal Financial Participation

# Outlook

- + No Risk of Reversion for FY 2020-21
- + ❖ \$8 million in CSS identified at risk of reversion for FY 2021-22 but BHB has already spent funds
- + As part of the 2021-22 Annual update and with input from community, BHB has maximized MHSA funds.
- MHSA funds continue to be restrictive in nature
- Regulations and process to follow before funds can be spent
- Uncertainty in economy



MONTEREY COUNTY  
BEHAVIORAL HEALTH

Avanzando Juntos Forward Together

# Next step & questions?

