



Legislation Details (With Board Report)

File #: BC 21-018 **Name:** MHSA Fund Balance Report
Type: Budget Committee **Status:** Agenda Ready
File created: 2/11/2021 **In control:** Budget Committee
On agenda: 2/24/2021 **Final action:**
Title: Receive a report on the Mental Health Services Act (MHSA) fund balance.
Sponsors:
Indexes:
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Attachments: 1. Budget Committee Report

Date	Ver.	Action By	Action	Result
2/24/2021	1	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, which occurred during the January 2020 meeting. At this meeting, it was requested that the department provide quarterly reports on the MHSA fund balance. This report serves to provide the Budget Committee an update on the fund balance, additional information regarding the MHSA, and potential impacts on the fund balance.

The Bureau provided the previous update at the November 2020 BC meeting. The MHSA fund balance reported at the time was \$47,476,300. This was the estimated June 30, 2020 balance. Year-to-date, MHSA revenues total \$16,984,425 of which \$9,557,274 are a true-up by the State for FY 2018-19 revenues. Year-to-date MHSA expenditures total \$8,866,923. The result is an estimated increase to the MHSA fund balance of approximately \$8,866,925 to \$55,593,801. Based on current trends and the \$9,557,275 true-up, final FY21 MHSA revenues are expected to come in at or slightly above budgeted amounts of \$25,800,000. Expenditures are trending below budgeted amounts of \$20,332,000 due to a lengthy contracting process for new and renewing services, and COVID-19 related delays.

MHSA-related flexibilities enacted by the Department of Health Care Services (DCHS) during the COVID-19 Public Health Emergency have remained in place. Some of these were covered at the July 2020 BC meeting and included extension of reversion dates from July 2020 to July 2021, flexibility for Counties to determine the amount of funds to allocate across Community Services & Supports (CSS) categories for FY21 and extension of deadlines for submission of 3-year plans to July 1, 2021. A most recent flexibility was an extension for submittal of the Annual Revenue and Expenditure Report (ARER) from December 31, 2020 to January 31, 2021. Under the latter, the Bureau has finalized its FY 2019-20 ARER which reflects no risk of reverting funds

received during FY 2017-18 for the CSS, Prevention and Early Intervention (PEI), and Innovation (INN) components, as these funds must be spent within 3 years of receipt. Through the ARER process, the Bureau identified \$9,928,284 received in FY 2018-19 which must be spent by June 30, 2021 to avoid reversion. Based on year-to-date spending, the Bureau is on track to spend the full amount by the end of the fiscal year, thus avoiding reversion.

The Bureau is currently working on its annual MHPA three-year-plan update. The update is being developed with input from the community and stakeholders through Zoom and Facebook listening sessions. Input gathered from these sessions will be used to make updates to the Plan and the finished document will be brought to the Board of Supervisors for approval.

As the impact to future FYs revenues from Sales Tax Realignment and Federal Financial Participation continues to be unknown, it is anticipated that MHPA funds may be utilized to help fund ongoing operations. The Bureau is monitoring 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.

Future modifications to the MHPA and potential local impacts will be reported to the Committee in future reports.

There is no immediate risk of MHPA funds being subject to reversion to the State.

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:

- 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.

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Approved by:

Date: _____

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