

**Mental Health Services Act (MHSA/Prop 63)
Allocation Summary for Fiscal Year 2021-22
Footnotes**

DRAFT

NOTES:

The Mental Health Services Act, otherwise known as MHSA, is a restricted funding source received as an allocation from the State. Funds are budgeted based on programs approved by the MHSA Steering Committee and included in the mandated Three-Year MHSA Plan Update which is approved by the Orange County Board of Supervisors (BOS). Amendments to the Plan also require a formal approval process.

Allocations are determined and disbursed by the State and funds not expended within a certain time period are subject to reversion back to the State. (CSS: 76%, PEI: 19%, INN: 5%)

Effective July 1, 2018, the MHSA Fund, Fund 13Y became a CEO Controlled Fund with related fiscal responsibilities being reassigned to the CEO Budget Office.

- (1) Prior period adjustments pertain to transactions for fiscal year business or prior year for which the cash was not disbursed until the following fiscal period.
- (2) Per the MHSA, once the initial funding for the WET and CFTN subaccounts has been depleted, future funding is to come from the CSS allocation. To date, WET has utilized all funding previously allocated and funds are transferred from CSS as required to cover eligible expenditures.
- (3) The state issued a MHSUDS Information Notice No.: 19-017 on March 20, 2019, limiting the total amount held in a county's prudent reserve to 33% of the average Community Services and Supports (CSS) revenue received for the Local Mental Health Services Fund in the preceding five years. Adjustment to the Prudent Reserve was made prior to June 30, 2020.
- (4) Variances between amount budgeted and actual amount expended are due to various factors including unanticipated revenue offsetting the need for MHSA funds, timing delays for start up of new programs due to contracting, staffing, etc, or for decreased demand in services.
- (5) Amounts for FY 2022-23 are projections provided by the State Controller's Office and Mike Geiss, Financial Consultant and are updated when available. Amounts for FY 2023-24 equal FY 2022-23 amounts as the MHSA plan for that year has not been approved. The amounts are provided for planning purposes and are considered estimates.
- (6) In May and June 2021, Revenue was \$26.6M greater than revenue received in May and June 2020.