

# MHSA Fund-Fiscal Update

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PRESENTED BY CEO BUDGET – JULIA RINALDI

JANUARY 2022

# Role of HCA vs. CEO Budget

## HCA

- Focus on the MHSA Plan and Program Budgets by Fiscal Year required by State Law
- Tracking Program spending and updating projections
- Receives revenue projections provided by State Consultant and utilizes amounts in budget planning process
- HCA Accounting staff (Auditor-Controller) prepare and submits claims for reimbursement to CEO Budget
- HCA Accounting staff submit required Revenue Expenditure Report (RER) to the State

## CEO BUDGET

- Focus is on tracking the cash and fund balance by component in the MHSA Fund 13Y
- Process claims for reimbursement submitted by HCA Accounting (Auditor-Controller staff)
- Track and monitor actual expenses and revenue
- Prepare informational reports utilizing information above and received by HCA

County of Orange  
 Summary of Mental Health Services Act Funds  
 Projected with Actuals through November FY 2021-22

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MENTAL HEALTH SERVICES ACT (MHSA) FUNDS			
	Budget	Projections	Variance
Unspent MHSA Funds as of June 30, 2021 (Actual)	168,267,661	168,267,661	-
Projected Revenue for FY 2021-22	209,170,039	235,636,818	26,466,779
Prior Period Adjustments (Actual)	(44,743,880)	(44,743,880)	-
<b>Total Funds Available for FY 2021-22</b>	<b>332,693,820</b>	<b>359,160,599</b>	<b>26,466,779</b>
Estimated Costs in FY 2021-22	(247,455,770)	(227,516,676)	19,939,094
<b>Projected Ending Balance at June 30, 2022 (SEE BELOW)</b>	<b>85,238,050</b>	<b>131,643,923</b>	<b>46,405,873</b>
Revenue for FY 2022-23	175,439,568	175,439,568	-
Estimated Costs in FY 2022-23	(222,613,328)	(188,756,858)	33,856,470
<b>Projected Ending Balance at June 30, 2023 (SEE BELOW)</b>	<b>38,064,290</b>	<b>118,326,633</b>	<b>80,262,343</b>
Revenue for FY 2023-24	175,439,568	175,439,568	-
Estimated Costs in FY 2023-24	(222,613,328)	(188,756,858)	33,856,470
<b>Projected Ending Balance at June 30, 2024 (SEE BELOW)</b>	<b>(9,109,470)</b>	<b>105,009,343</b>	<b>114,118,813</b>

Detail of Projected Ending Balance at June 30, 2022			
Community Services and Supports (CSS)		86,125,957	
Prevention and Early Intervention (PEI)		24,886,915	
Innovation (INN)		20,631,051	
<b>Total Projected Ending Balance at June 30, 2022</b>		<b>\$131,643,923</b>	

Detail of Projected Ending Balance at June 30, 2023			
Community Services and Supports (CSS)		69,386,564	
Prevention and Early Intervention (PEI)		21,430,329	
Innovation (INN)		27,509,740	
<b>Total Projected Ending Balance at June 30, 2023</b>		<b>118,326,633</b>	

Detail of Projected Ending Balance at June 30, 2024			
Community Services and Supports (CSS)		52,647,171	
Prevention and Early Intervention (PEI)		17,973,743	
Innovation (INN)		34,388,429	
<b>Total Projected Ending Balance at June 30, 2024</b>		<b>105,009,343</b>	

FY 2021-22  
Projections

# FY 2021-22 Projections by Component

County of Orange  
 Summary of Mental Health Services Act Funding, Fund 13Y  
 Fiscal Year 2021-22 as of 11/30/2021

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**Purpose:** The table below summarizes the revenue, expenditures, and obligations for each MHSA component and provides estimated component balances to assist with program strategic planning and budgeting. Details for each component are also available and accompany this summary.

MENTAL HEALTH SERVICES ACT FY 2021-22	Transfers from CSS						Total	Prudent Reserve (3)
	CSS	PEI	INN	WET	CFTN			
Carryover of Funds from FY 2020-21	97,682,042	41,654,854	28,930,765	-	-	168,267,661	33,258,769	
Prior Period Adjustments	(34,893,301)	(8,077,090)	(1,773,490)	-	-	(44,743,880)		
<b>RESTATED Carryover funds from FY 2020-21</b>	<b>62,788,741</b>	<b>33,577,764</b>	<b>27,157,275</b>	-	-	<b>123,523,781</b>	<b>33,258,769</b>	
Projected MHSA Revenue for FY 2021-22	177,857,637	44,464,409	11,701,160	-	-	234,023,206		
Transfers from Community Services and Supports to Other MHSA Subaccounts to Cover Approved Project Expenses	(21,109,755)	-	-	5,106,512	16,003,243	-		
Projected Interest Revenue for FY 2021-22	1,226,345	306,586	80,681	-	-	1,613,612		
<b>Total Funding Available for FY 2021-22</b>	<b>220,762,968</b>	<b>78,348,759</b>	<b>38,939,116</b>	<b>5,106,512</b>	<b>16,003,243</b>	<b>359,160,599</b>	<b>33,258,769</b>	
Projected Expenditures	(117,037,175)	(45,350,998)	(16,953,333)	(4,611,818)	(15,841,913)	(199,795,237)		
Projected Admin Expenditures	(17,599,836)	(8,110,847)	(1,354,732)	(494,694)	(161,330)	(27,721,439)		
<b>Total Program and Administrative Costs</b>	<b>(134,637,011)</b>	<b>(53,461,845)</b>	<b>(18,308,065)</b>	<b>(5,106,512)</b>	<b>(16,003,243)</b>	<b>(227,516,676)</b>	<b>-</b>	
<b>Projected Carryover of Funds for FY 2022-23</b>	<b>86,125,957</b>	<b>24,886,915</b>	<b>20,631,051</b>	-	-	<b>131,643,923</b>	<b>33,258,769</b>	
Estimated MHSA Revenue for FY 2022-23	133,086,103	33,432,705	8,920,760	-	-	175,439,568		
Anticipated Costs for FY 2022-23	(135,562,676)	(36,889,291)	(2,042,071)	(5,296,662)	(8,966,158)	(188,756,858)		
Anticipated Transfers for FY 2022-23	(14,262,820)			5,296,662	8,966,158	-		
<b>Projected Carryover of Funds for FY 2023-24</b>	<b>69,386,564</b>	<b>21,430,329</b>	<b>27,509,740</b>	-	-	<b>118,326,633</b>	<b>33,258,769</b>	
Estimated MHSA Revenue for FY 2023-24	133,086,103	33,432,705	8,920,760	-	-	175,439,568		
Anticipated Costs for FY 2023-24	(135,562,676)	(36,889,291)	(2,042,071)	(5,296,662)	(8,966,158)	(188,756,858)		
Anticipated Transfers for FY 2023-24	(14,262,820)			5,296,662	8,966,158	-		
<b>Projected Carryover of Funds for FY 2024-25</b>	<b>52,647,171</b>	<b>17,973,743</b>	<b>34,388,429</b>	-	-	<b>105,009,343</b>	<b>33,258,769</b>	

# Factors Affecting Carryover Balances

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- Actual FY 2020-21 MHSA revenue was \$84.9M higher than originally projected at the start of the COVID-19 Pandemic.
- Current State MHSA revenue projections are \$26.5M higher than budgeted.

# Actions in Process

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- HCA is working closely with the Board of Supervisors' Behavioral Health ad hoc Committee to develop recommendations on the use of CSS and PEI funds for incorporation into an MHSA Plan Amendment.
- HCA is finalizing updates to the 3<sup>rd</sup> year of the current MHSA 3-year plan to increase programming.

# Summary

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- Expense amounts projected for FY 2021-22 reflect HCA's projections as of January 4, 2022.
- Expense Projections for FYs 2022-23 and 2023-24 represent 82% of CSS, 90% of PEI and 100% of INN, WET and CFTN updated budgeted plan amounts.
- Revenue projected for FY 2021-22 represents the state's current projections. Budget amounts for 2022-23 reflect our most recent State Consultant's projections.
- As currently projected, the carry over balance from FY 2021-22 is \$131.6M, from FY 2022-23 is \$118.3M and FY 2023-24 is \$105M.