

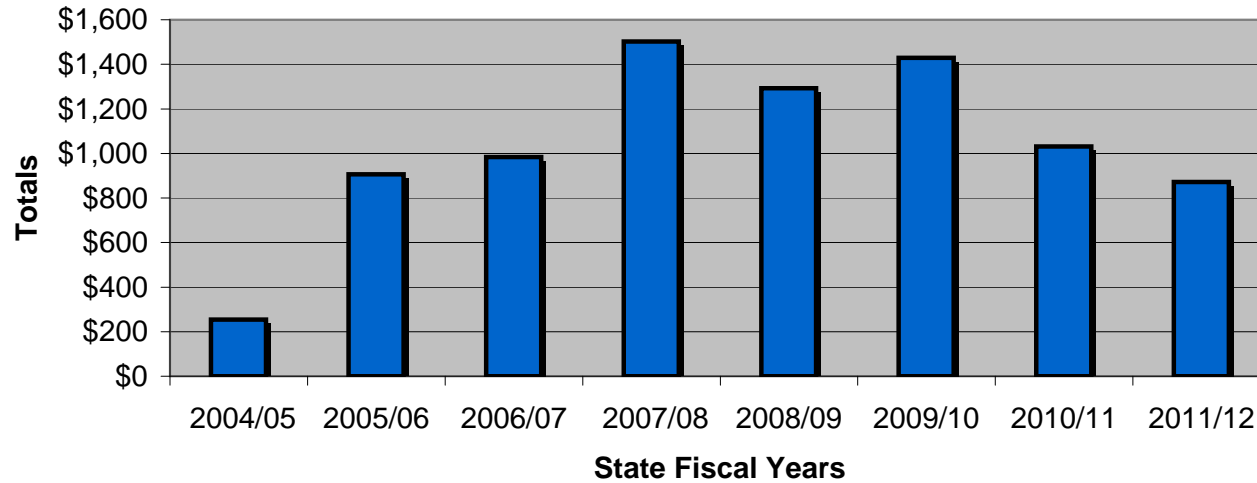


**Mental Health Funding & Policy Committee
Financial Report
January 28, 2010**

1/28/2010

TABLE 1 AND VISUAL 1: MHSA REVENUES RECEIVED
(Millions)

MHSA Revenues Received (Cash Basis)
2004/05 through 2011/12



	SFY 04/05 (actual)	SFY 05/06 (actual)	SFY 06/07 (actual)	SFY 07/08 (actual)	SFY 08/09 (actual)	SFY 09/10 (estimated)	SFY 10/11 (projected)	SFY 11/12 (projected)
Cash Transfers	169.5	894.6	935.1	\$983.9	\$797.0	\$833.0	\$836.0	\$837.7
Annual Adjustment	83.6	\$0.0	\$0.0	\$423.7	\$438.0	\$581.0	\$183.0	\$25.0
Interest Income	0.7	\$11.2	\$49.2	\$94.4	\$57.6	\$14.9	\$11.8	\$9.0
TOTAL	\$253.8	\$905.8	\$984.3	\$1,502.0	\$1,292.6	\$1,428.9	\$1,030.8	\$871.7

A comparison of MHSA revenues on an accrual basis and a cash basis can be found in the Department of Mental Health's (DMH) MHSA Expenditure Report for FY 2009/10. This report identifies the MHSA revenues in accruals to be \$1, 037.6 for FY 08/09, \$872.9 for FY 09/10 and \$1,019.8 for FY 10/11. Amounts are in millions.

Source: FY 2010/11 Governor's Budget, DMH MHSA Expenditure Report (FY 04/05 through 10/11 amounts). FY 11/12 cash transfers and interest income are projected amounts based on personal income tax estimates from the Legislative Analyst Office (LAO). Estimated numbers are for FY 09/10 and projected numbers are for FY 10/11 and 11/12.

Updated 1/25/2010

Will be Updated Bi-Annually

1/28/2010

**TABLE 2A: COMMUNITY MENTAL HEALTH FUNDING AMOUNTS
ROLE OF MAJOR FUNDING SOURCES**
(Millions)

Actual/Estimated/Projected Totals for the Major Community Mental Health Funding Sources									
	SFY 03/04 (actual)	SFY 04/05 (actual)	SFY 05/06 (actual)	SFY 06/07 (actual)	SFY 07/08 (actual)	SFY 08/09 (actual)	SFY 09/10 (estimated)	SFY 10/11 (projected)	SFY 11/12 (projected)
State General Fund (SGF)*	\$611.3	\$621.6	653.5	721.8	\$738.5	\$701.0	\$514.3	\$118.6	\$118.6
Realignment	\$1,159.3	\$1,189.9	\$1,217.1	\$1,230.9	\$1,211.5	\$1,072.4	\$998.5	\$1,008.0	\$1,017.7
Federal Financial Participation (FFP)	\$987.5	\$955.5	\$1,019.9	\$1,076.8	\$1,266.4	\$1,404.6	\$1,469.8	\$1,413.9	\$1,483.2
Proposition 63 Funds (MHSA) Planning Estimates	\$0.0	\$12.7	\$317.3	\$426.3	\$1,488.2	\$1,117.0	\$1,347.0	\$1,165.4	\$1,038.3
Other	\$255.2	\$276.2	\$295.4	\$306.8	\$313.3	\$233.9	\$187.6	\$159.8	\$148.7
TOTAL	\$3,013.3	\$3,055.9	\$3,503.2	\$3,762.6	\$5,017.9	\$4,528.9	\$4,517.2	\$3,865.7	\$3,806.5

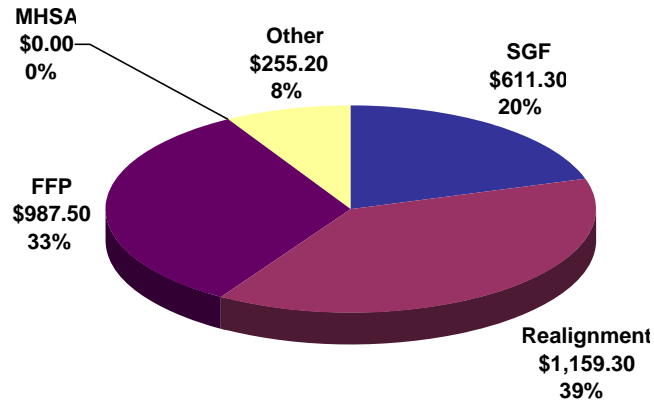
* The FY 2010-11 Governor's Proposed Budget proposes a SGF savings of \$452.3 million in FYs 10/11 and 11/12 based on amending the MHSA to allow use of the MHSF for Early and Periodic Screening Diagnosis and Treatment (\$391.1 million) and Mental Health Managed Care (\$61.2 million). This adjustment has not been made to the MHSA amounts for FY 10/11 and 11/12. Proposal will require voter approval.

Source: FY 2010/11 Governor's Budget, DMH MHSA Summary Comparison (Posted 12/31/09), CMHDA Projection Report (11/10/09)
See the Index for a description of the primary obligations of each funding source.

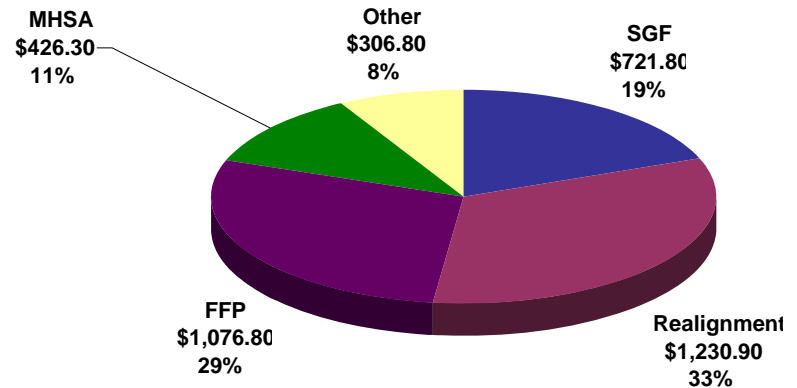
Updated 1/25/2010
Will be Updated Annually

**VISUAL 2A: COMMUNITY MENTAL HEALTH FUNDING AMOUNTS
ROLE OF MAJOR FUNDING SOURCES**
(Millions)

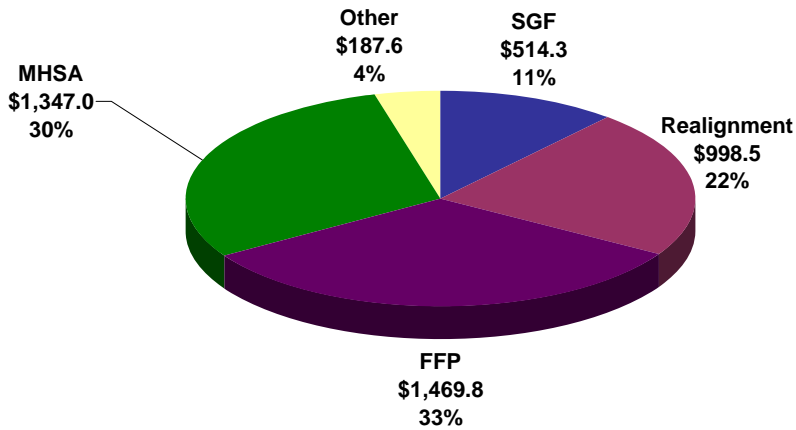
FY 2003/04: \$3,013.3



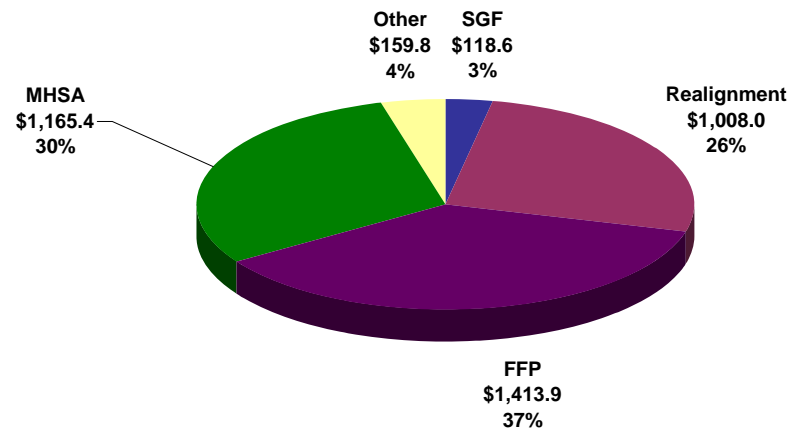
FY 2006/07: \$3,762.6



FY 2009/10: \$4,517.2

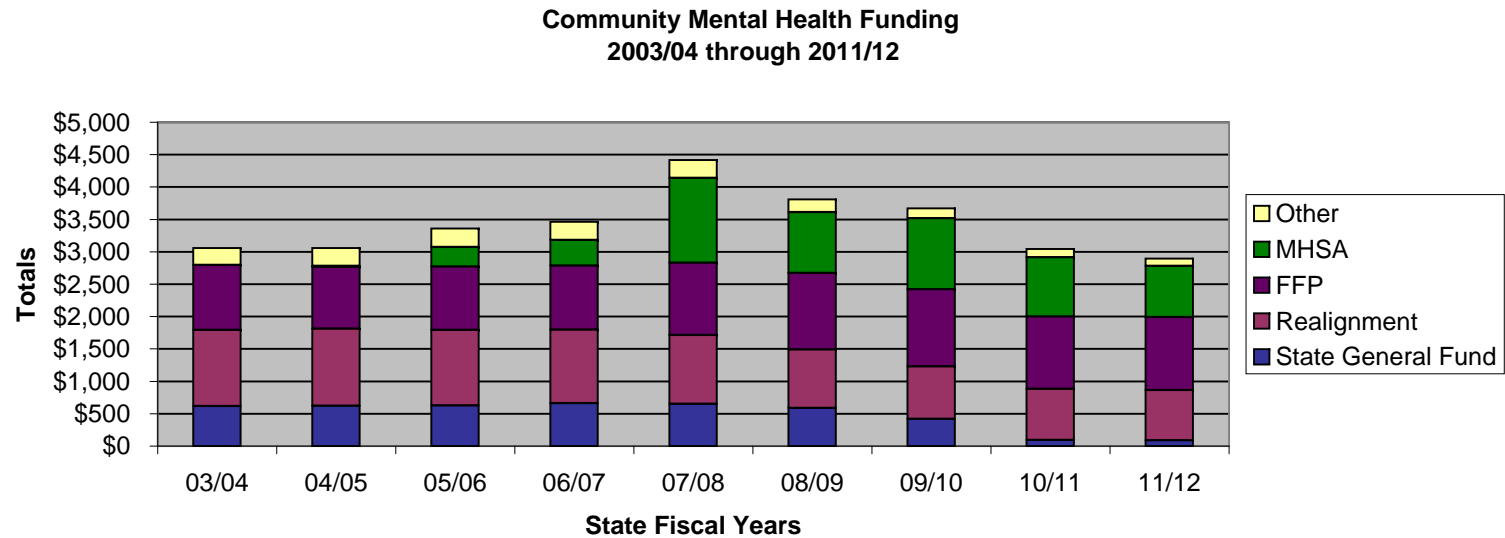


FY 2010/11: \$3,865.7



Source: DMH MHSA Summary Comparison (Posted 12/31/09), FY 2010/11 Governor's Budget, CMHDA Projection Report (11/10/09)
See the Index for a description of the primary obligations of each funding source.

TABLE 2B AND VISUAL 2B: COMMUNITY MENTAL HEALTH FUNDING
(Millions)



	SFY 03/04 (actual)	SFY 04/05 (actual)	SFY 05/06 (actual)	SFY 06/07 (actual)	SFY 07/08 (actual)	SFY 08/09 (actual)	SFY 09/10 (estimated)	SFY 10/11 (projected)	SFY 11/12 (projected)
State General Fund (SGF)	\$611.3	\$621.6	653.5	721.8	\$738.5	\$701.0	\$514.3	\$118.6	\$118.6
Realignment	\$1,159.3	\$1,189.9	\$1,217.1	\$1,230.9	\$1,211.5	\$1,072.4	\$998.5	\$1,008.0	\$1,017.7
Medi-Cal Federal Financial Participation (FFP)	\$987.5	\$955.5	\$1,019.9	\$1,076.8	\$1,266.4	\$1,404.6	\$1,469.8	\$1,413.9	\$1,483.2
Proposition 63 Funds (MHSA)	\$0.0	\$12.7	\$317.3	\$426.3	\$1,488.2	\$1,117.0	\$1,347.0	\$1,165.4	\$1,038.3
Other	\$255.2	\$276.2	\$295.4	\$306.8	\$313.3	\$233.9	\$187.6	\$159.8	\$148.7
TOTAL (Without Adjustments)	\$3,013.3	\$3,055.9	\$3,503.2	\$3,762.6	\$5,017.9	\$4,528.9	\$4,517.2	\$3,865.7	\$3,806.5
Annual % Change in cost of doing business	3.3%	3.2%	3.1%	3%	3.4%	3.4%	2.4%	2.0%	2.3%
Population (Thousands)	36,235.5	36,741.5	37,169.0	37,596.0	38,029.0	38,467.5	38,911.5	39,372.5	39,850.0
% Change in Population	98.6%	100%	101.2%	101.1%	101.2%	101.2%	101.2%	101.2%	101.2%
Constant Dollar Per Capita Adjustment	0.986	1	1.04299604	1.08662739	1.13651311	1.18870488	1.23128337	1.270788292	1.315782702
Total Constant Dollars Per Capita	\$3,056.1	\$3,055.9	\$3,358.8	\$3,462.6	\$4,415.1	\$3,810.0	\$3,668.7	\$3,042.0	\$2,893.0

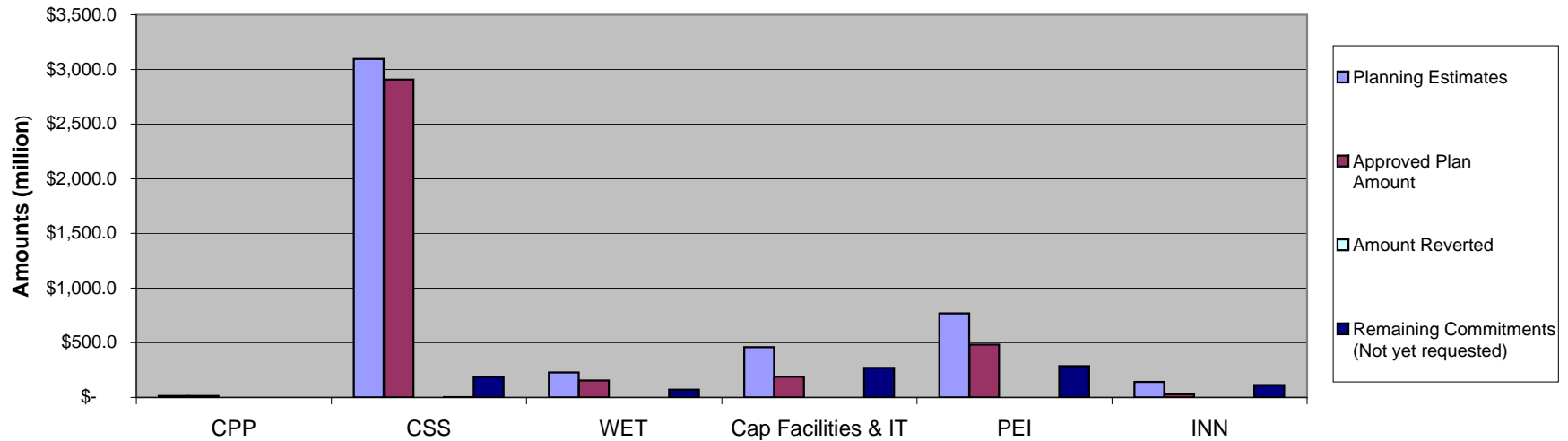
Source: FY 2010/11 Governor's Budget, DMH MHSA Summary Comparison (Posted 12/31/09), CMHDA (11/10/09), Department of Finance Population Report (July 2007), Home Health Agency Market Basket Data

See the Index for a description of the primary obligations of each funding source.

Updated 1/25/2010

Will be Updated Annually

**TABLE 3 AND VISUAL 3: MHSA Funding
Committed/Distributed/Undistributed/Reverted
2004/05 through 2009/10
(millions)**



MHSA Funding: County-Level Committed/Distributed/Undistributed/Reverted (By Fiscal Year) 2004/05 through 2009/10				
	Planning Estimates	Approved Plan Amount	Amount Reverted	Remaining Commitments (Not yet requested)
2004/05	\$ 12.7	\$ 12.7	\$ 0.0	\$ 0.0
2005/06	\$ 317.3	\$ 315.2	\$ 2.1	\$ 0.0
2006/07	\$ 426.3	\$ 385.7	\$ -	\$ 40.5
2007/08	\$ 1,488.2	\$ 1,252.7	\$ -	\$ 235.5
2008/09	\$ 1,117.0	\$ 875.9	\$ -	\$ 241.1
2009/10	\$ 1,347.0	\$ 934.3	\$ -	\$ 412.7
Total (FY 04/05 - 09/10)	\$ 4,708.4	\$ 3,776.5	\$ 2.1	\$ 929.8

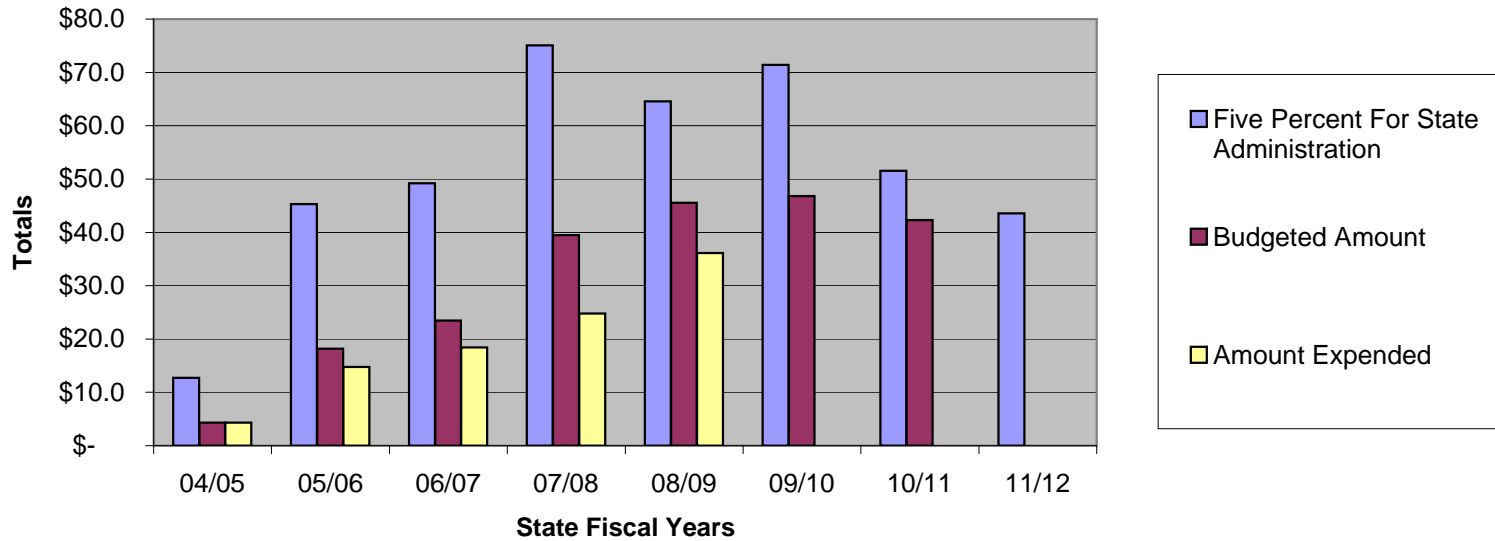
Source: DMH MHSA Summary Comparison (Posted 12/31/09)

Updated 1/19/2010

Will be Updated Quarterly

1/28/2010

TABLE 6 AND VISUAL 6: MHSA STATE ADMINISTRATION
(Millions)



MHSA: State Administrative Funds				
	Five Percent Statutory Maximum For State Administration	Amount of State Administration Budgeted	Amount of State Administration Expended	
2004/05	\$ 12.7	\$ 4.3	\$	4.3
2005/06	\$ 45.3	\$ 18.2	\$	14.8
2006/07	\$ 49.2	\$ 23.5	\$	18.5
2007/08	\$ 75.1	\$ 39.5	\$	24.8
2008/09	\$ 64.6	\$ 45.6	\$	36.1
2009/10	\$ 71.4	\$ 46.8		
2010/11	\$ 51.5	\$ 42.3		
2011/12	\$ 43.6			
Total (All Years)	\$ 413.4	\$ 220.2	\$	98.4

Unrequested State Administrative funds revert the MHSF after one year.

Unexpended State Administrative funds revert to the MHSF after two years

Source: DMH MHSA Expenditure Reports and Fund Condition Statements

Updated 1/25/2010

Will be Updated Annually

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State General Fund (SGF): The SGF is funded through personal income tax, sales and use tax, corporation tax, and other revenue and transfers. The primary obligations of the SGF provided to counties for mental health are to fund specialty mental health benefits of entitlement programs including Medi-Cal Managed Care, Early and Periodic Screening Diagnosis Treatment (EPSDT) and Mental Health Services to Special Education Pupils (AB 3632).

Realignment: Realignment is the shift of funding and responsibility from the State to the counties to provide mental health services, social services and public health. There are two sources of revenue that fund realignment; 1/2 cent of State sales taxes and a portion of State vehicle license fees. The primary mental health obligation of realignment is to provide services to individuals who are a danger to self/others or unable to provide for immediate needs. It is also a primary funding source for community-based mental health services, State hospital services for civil commitments and Institutions for Mental Disease (IMDs) which provide long-term care services.

Federal Financial Participation (FFP): FFP is the federal reimbursement counties receive for providing specialty mental health treatment to Medi-Cal and Healthy Families Program beneficiaries. The amount of federal reimbursement received by counties is based on a percentage established for California called the Federal Medical Assistance Percentage (FMAP).

Proposition 63 Funds (MHSA): The MHSA is funded by a 1% tax on personal income in excess of \$1 million. The primary obligations of the MHSA is for counties to expand recovery based mental health services, to provide prevention and early intervention services, innovative programs, to educate, train and retain mental health professionals, etc.

Other: Other revenue comes from a variety of sources--county funds are from local property taxes, patient fees and insurance, grants, etc. The primary obligation of the county funds is the maintenance of effort (the amount of services required to be provided by counties in order to receive realignment funds).

TABLE 6 & VISUAL 6

The State Administration has up to 5% of the MHSF available. In order to have access to funds, within the 5%, the State Administration must request these funds through the State budget process. Upon approval, the requested amount is then budgeted in the requesting department's approved budget. The funds that are unrequested for a specific FY (within the 5%) revert back to the MHSF after one year. Once the funds are budgeted then the departments can expend these funds. The unexpended budgeted amounts will revert back to the MHSF after two years.