

California Mental Health Services Authority

Board Approved Operating Budget 20/21 and Revised Operating Budget 19/20

	(A)	(B)	(C)	
	Board Approved Budget (June 2019) 2019/2020	BOD Approved Estimated Year End 2019/2020	BOD Approved Budget 2020/2021	Footnotes
Board approved on 6/17/20				
Revenues:				
PEI Programs	22,000,000	28,931,475	27,997,320	(1-3)
Innovation Projects	26,443,042	21,247,500	13,187,015	(4)
State Hospital Bed Program	600,000	607,666	610,000	(5)
Suicide Prevention Program	500,000	878,978	880,000	(6)
WET / Loan Forgiveness	-	337,500	9,688,500	(7)
Transfers In - AB 1299	5,000,000	2,000,000	3,000,000	(8)
AB 1299 - Admin Fee	250,000	152,662	300,000	(8)
Contingencies	-		5,000,000	(9)
Total Revenues	54,793,042	54,155,781	60,662,835	
Program Expenses (Direct):				
Program Contracts	39,634,434	41,724,625	42,874,481	
Program Management	3,872,128	4,307,680	5,262,400	
Other Contracts	45,000	45,000	20,000	
Legal	191,401	191,401	2,000	
Transfers Out - AB 1299	5,000,000	2,000,000	3,000,000	
Travel & Meetings	92,500	92,500	87,000	
Contingencies	-	-	5,000,000	(9)
Total Program Expenses	48,835,463	48,361,206	56,245,881	
Operational Expenses:				
General & Administrative				
Staffing	1,135,680	1,285,440	1,029,600	(10)
Legal	60,000	250,000	200,000	
Travel & Meetings	30,000	120,000	260,000	
Other Contracts	25,000	1,617,173	1,095,000	(11)
Insurance	43,000	50,000	70,000	
Financial Audit	15,000	20,000	35,000	
Total General & Administrative Expenses	1,308,680	3,342,613	2,689,600	
Total Expenditures	50,144,143	51,703,819	58,935,481	
Net Income / (loss) From Operations	4,648,899	2,451,962	1,727,354	
Investment Income		400,000	350,000	
	4,648,899	2,851,962	2,077,354	
Prior Year Program Reserves	2,648,099	2,648,099	1,100,012	
Projected Reserves as of June 30	7,296,998	5,500,061	3,177,366	
Less: Obligated Reserves	(5,837,598)	(4,400,049)	(2,541,893)	
Total Available Reserves at June 30	1,459,400	1,100,012	635,473	

#	Footnotes to Column C	Explanation
(1)	PEI Sustainability	Projection based on 4% of counties MHSA Funds and/or Program Commitment Fund returned to CalMHSA with commitment
(2)	County PEI Programs	Prior year program- New programs- Sacramento Mini Grants with 3 year contract = \$11.5M and Student Mental Health, Sacramento= \$150K. SMH funded through 6/30/2020 to create resources for local education agencies. Likelihood program will be enhanced and extended to accommodate the dire need in educational institutes.
(3)	LA PEI Portfolio	Los Angeles PEI program includes their LA Media Campaign and LA has a 3 year contract in the works at \$17m per year totalling \$51m (FY20/21- FY22/23)
(4)	Innovation Programs	Help @ Hand revenue based on original billing structure and new budget concept and contracts to accommodate piloting strategy. Includes new programs, Early Psychosis-EPL (learning health care network) with OC, Digital Resource Navigator _DRN (electronic directory) with OC, Psychiatric Advance Directive-PAD with Fresno and Full Service Partnership with 6 counties. EPL is 5 years = \$2M, DRN is 3 years = \$8.36M, PAD is 3 yrs = \$950,000 (potential for more when other counties join, FSP is 3 years = \$3.79m.
(5)	State Hospital Program	Assume same revenue as FY19/20
(6)	Suicide Prevention Hotline	Includes both Central Valley and Northern Valley (new in 19/20)- assume same revenue as FY19/20
(7)	WET / Loan Forgiveness	Alameda Loan Forgiveness joins in 19/20. FY20/21 = \$75,000 and loan payouts to be billed after 11 mos. Contra Costa loan forgiveness was a 3 year contract that ended in 19/20- however some loan payouts mature in 20/21 . Currently other counties are showing interest in this program.
(8)	AB1299 - Presumptive Transfer	\$3m in AB1299 funds transfers, \$300K annual admin fees. NOTE: Portal in use effective Jan 2020
(9)	Contingencies	Placeholder for programs in discussions, pending confirmation and Board approval
(10)	Operational cost- staffing	includes 4.5 FTE \$1,029,000 cost for JPA operations per GH/CalMHSA contract

Annual Revenue and Expenditure Report – Approved Budget June 30, 2021



- Budget Narrative & Notes •

Budget Approved by Board 6/17/20

Budget Notes

The CalMHSA staff has reviewed the direction from the Board and analyzed the projected programs of CalMHSA as it relates to the projection for fiscal year 2020/21. Revenue projections have been made based upon current estimate of funds to be received and program administrative requirements have been shaped based on size and source of funds expected for each revenue stream.

COVID-19 pandemic disclosure

The COVID-19 outbreak has caused a significant deterioration in economic conditions and an increase in economic uncertainties. Given the unpredictability of this pandemic, there may be material uncertainties affecting CalMHSA's ability to perform in accordance with the budget. CalMHSA will continue to monitor the ability of its members and program partners commitments and will inform the Board of any material delays and financial impact results due to this pandemic.

A. Budget Assumptions and Criteria Applied

1. This budget has been compiled based on the program and administration needed to run the organization and manage the activities requested.
2. We have presented Column B for the estimated current fiscal year 19/20 and Column C for the proposed budget for the fiscal year 2020/2021.
3. FTE for the 19/20 fiscal year has been 25.50. The proposed 20/21 Budget proposes an increase to 27.50, a result of the increase in programs like Sacramento Mini Grants, Alameda Loan Forgiveness, several Innovative Projects (Digital Resource Navigator, Early Psychosis, Full Service Partnership and Psychiatric Advance Directive) and other projects like Student Mental Health and PEI Evaluation.
4. Managing the programs requested and building in the members expectations of having the staff expertise to research potential projects for CalMHSA.
5. Member relations is critical and recognizing that the membership is large/vast/varying and evolving and requires staff resources to succeed in this relationship.
6. Effort and working with associated agencies CBHDA, CIBHS, OAC, and DHCS.
7. Compliance with statutory requirements of the government code, JPA Agreement and Bylaws and DHCS.
8. Meeting member interest in CalMHSA being efficient to assist in regional or joint member projects.
9. The budgeted staffing costs for fiscal year 19/20 has been 10.32%. The proposed budget for fiscal year 20/21 is 11.31% of Revenue. The Operational staffing cost is allocated to programs based on Direct FTE % basis and the CalMHSA general and administrative expenses are allocated based on Admin Fee Revenue %.

B. Revenue – During Fiscal year 20/21 is Estimated as

1. PEI Sustainability is Budgeted based on a combination of values from returned Program Funding Commitment forms and in its absence, prior years' experience.
2. Other PEI projects consists of programs added in FY19/20, Student Mental Health, Sacramento Mini Grants with MHSOAC and administration of Kaiser Grant in partnership with CBHDA. New program to be added in 20/21 is Fresno county PEI Initiatives Evaluation
3. LA PEI/LA Media has requested a 3 year program for \$51 million (\$17 million oer year)
4. Innovation Tech revenue consists of Help@Hand, Digital Resource Navigator, FullService Partnership, Early Psychosis and Psychiatric Advance Directive. This is projected on Participation by Counties and the revenue is based on the Participation Agreement commitments.
5. State Hospital Beds Program Revenue is based upon current participation agreements.
6. Suicide Prevention Program Revenue is based upon counties' program commitments after review of call volumes and commitments..
7. WET / Loan Forgiveness Programs – Contra Costa Loan Forgiveness completed its 3 years PA term but is currently in the phase of paying out eligible recipients. Alameda joined the loan forgiveness program in 19/20 for startup process with admin fees to be paid upfront in 19/20. Its funding billing will occur in 20/21. New program added in 20/21 is Workforce Education and Training (WET).
8. Transfers In/Out (Direct Expense) represent a pass through of the Deposits related to the AB 1299. AB1299 admin fee is based on 5% of the AB 1299 deposits and county experience. Portal was developed by CalMHSA and is in use by counties.
9. Contingencies – Placeholder for programs in discussion phase with some potential to be implemented in 20/21.

C. Expenditures

Program Service Expenditures

1. Program Partners and Program Contracts have been budgeted at 80% of Revenues for all programs except Help@Hand ,(they have their own vendor by vendor program).
2. Direct Legal Expenses include a budgeted amount related to the legal services related to the increased innovations program, mainly Help@Hand for the piloting contracts.

General and Administrative Expenses

1. General and Administrative Staffing – Staffing services to manage the general and fiscal operations of CalMHSA. The staffing contract with George Hills is \$110 per FTE.
2. Legal Expenses – CalMHSA has retained legal services to provide counsel to the board and support of the governing documents and contracts.
3. Travel and Meeting Expenses – CalMHSA is governed by a Board of Directors and has established standing committees and must comply with the Brown Act to conduct public meetings for JPA

business. Some staff travel is necessary to accommodate these events and other events for JPA training and compliance.

4. Other Contracts – CalMHSA has entered into contracts for general information dissemination and information technology. Help@Hand has contracts to assist with the Project Management of its program, which are part of the fees to CalMHSA.
5. Insurance – CalMHSA procures its general liability insurance from CSAC-EIA on a policy term of July 1 to June 30. Insurance has been increased to prepare for Cyber and HIPPA coverages for 19/20.