

Annual Revenue and Expenditure Report – Adopted Budget June 30, 2015



- Adopted Budget – June 30, 2015
- Budget Narrative & Notes
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California Mental Health Services Authority
Annual Revenue and Expenditure Report - Proposed Budget
June 30, 2015

(A) (B) Sum of
(A) (B)

Proposed Budget FY 2014/2015

	Current PEI & Current Programs	Sustainability Budget	Total
A. Unexpended Funds Available from Prior Fiscal Years			
Technical Assist/Capacity Building Unexpended Funds	-		
MHSA Program Unexpended Funds	29,901,769		29,901,769
PEI Funds - Transferred to Sustainability	(8,767,758)	8,767,758	-
MHSA Community Planning Unexpended Funds	864,560		864,560
WET Program Funds	-		-
Feasibility Study	248,703		248,703
State Hospital Beds	80		80
Interest Income	3,001,310		3,001,310
Total Unexpended Funds Available from Prior Fiscal Years	25,248,664	8,767,758	34,016,422
B. Revenue - CalMHSA Funds during Fiscal Year			
State Hospital Beds	450,000		450,000
Sustainability - Matching/Private & Other/		200,000	200,000
Sustainability - County/Local Contributions		7,600,000	7,600,000
Sustainability - State Funds		5,000,000	5,000,000
Interest Income		95,000	95,000
Total Revenue to CalMHSA	450,000	12,895,000	13,345,000
C. Expenditures			
PEI Statewide Planning - Expenditures	864,560		864,560
PEI Statewide Program - Expenditures	21,071,354	18,413,476	39,484,830
Evaluation	1,243,587	1,083,146	2,326,733
WET Program Expenditures	-		-
State Hospital Beds	450,080		450,080
Feasibility Study	248,703		248,703
General and Administrative	989,292	2,166,291	3,155,583
Total Expenditures	24,867,576	21,662,913	46,530,489
Moved To (From) Operating Reserve	2,939,997		2,939,997
D. Total Unexpended Funds	3,771,085	(155)	3,770,930

Budget Notes

A. Unexpended Funds Available from Prior Years

CalMHSA has projected the unexpended funds to be carried over to the Budget of Annual Revenue and Expenditure to be \$34,016,422, for the fiscal year ended June, 30 2015.

PEI Statewide Planning Funds	\$864,560
PEI Statewide Program Funds	29,901,769
Feasibility Study	248,703
State Hospital Beds	80
Interest Earnings	3,001,310
Total Funds Projected to be Carried to Budget Year Ended June 30, 2015	<u>\$34,016,422</u>
Funds transferred to Sustainability (\$5,766,603 of PEI sustainability carryover dollars and \$3,001,310 of interest earnings)	(8,767,758)
PEI Funds to be Expended to June 2017 – Initial PEI Plan obligated (Contracted PEI Funds)	<u>\$25,248,644</u>

B. Revenue – During Fiscal year 14/15 is Estimated as:

	Current PEI & Current Programs	Sustainability	Total
Statewide Hospital Beds (1)	450,000	0	450,000
Sustainability Contributions FY 14-15 - Local/County	0	7,600,000	7,600,000
Sustainability Contributions - Other Sources	0	5,200,000	5,200,000
Interest Earnings	0	95,000	95,000
Total estimated deposits as of June 30, 2015	<u>450,000</u>	<u>12,895,000</u>	<u>13,345,000</u>

1. State Hospital Bed program is currently in process of Participation Agreement and total is uncertain.
2. Sustainability Contributions FY 14-15 – Local County and other sources are currently being collected and final amounts to be determined and no obligations will be made until funding sources are known.

C. Expenditures

1. CalMHSA will comply with the Department of Health Care Services Guidelines for PEI Statewide Programs in managing and contracting costs for indirect administrative expenses. Some indirect expenses to note are:
 - Legal Expenses – CalMHSA has retained legal services to provide counsel to the board and support of the

governing documents. Legal services will decrease for fiscal year ended 2015 due to negotiations of contracts related to execution of the Implementation Plan.

- Meeting Expenses – CalMHSA is governed by a Board of Directors and has established standing committees and must conduct public meetings to carry out the regular business of the JPA. Conference attendance is also integral to the members maintaining and updating knowledge in Mental Health Services. The JPA currently has 50 members.

2. Initial PEI Plan- Contracted/Obligated Expenditures

- Planning Expenses - \$864,560 are projected to include expenditures related to planning the international Stigma and Discrimination Reduction Conference in San Francisco (\$150,000), Planning expenses for Phase II Sustainability Plan and funding Dissemination Materials.
- Program Expenses - \$21 Million is committed through contracts with Program Partners, Contract Specialist, Program Management and Oversight, legal and program meeting expenses.
- Evaluation - \$1.2 Million is committed for services provided by RAND, Program Management and Oversight, and evaluation meeting expenses.
- General and Administration services - \$989,292 is committed for indirect costs related to Management services, Financial Audit, Liability insurance, indirect legal expenses and governing Board of Directors Meetings.

3. Sustainability Expenditures Phase I have been budgeted at \$21.6 million with 5% allocated to Evaluation and 10% for General and Administrative expenses.

D. Total unexpended funds as of June 30, 2015 are Estimated as:

PEI Programs Management and Oversight	\$830,933
Contingency Revenue	\$2,939,997
Total	3,770,930

CalMHSA Budget Narrative

Background

The CalMHSA June 30, 2015 Annual Revenue and Expenditure Report – Proposed Budget has been developed based on the PEI Statewide Program Funding Request – Budget form – Enclosure F, Appendix 1 of the CalMHSA Statewide Implementation Plan, the addendum to the implementation plan approved by MHSOAC on January 27, 2011, the First Amendment to the CalMHSA Statewide Implementation Work Plan approved on March 23, 2012, and the Plan Update approved on August 9, 2012.

The June 30, 2015 budget presents the current operations of CalMHSA. The current operations presented in this budget are:

- Feasibility Study
- Statewide Hospital Bed Program
- PEI Statewide Programs – PEI Statewide Planning (5%)
- PEI Statewide Programs – PEI Statewide Program Implementation
- PEI Sustainability Program

CalMHSA, at time of approval of the plan, had projected participation of counties. The June 30, 2015 budget continues to be based on these participation projections and projected funding. The summary detail is as follows:

Funding	5% Phase I Planning	71% Program/Direct	9% Contingency Reserve ¹	7.5% Evaluation ²	7.5% Admin ²	100% Total
Work Plan Budget	\$6,810,520	\$97,322,330	\$11,645,988	\$10,215,780	\$10,215,780	\$136,210,398
First WP	\$409,155	\$5,810,001 ³	\$736,479 ³	\$613,733	\$613,733	\$8,183,100
Subtotal	\$7,219,675	\$103,132,331	\$12,382,467	\$10,829,513	10,829,513	\$144,393,498
Changes in CalMHSA membership	\$119,625	\$1,698,675 ^{4,7}	\$215,325	\$179,438	\$179,438	\$2,392,500
CalMHSA Plan Update	\$2,869,658 moved to program/direct	\$2,869,658 ⁵ + \$9,662,072 ⁶ = \$12,531,730 ⁷	\$9,662,072 moved to program/direct			
August 9, 2012 Total	<u>4,469,642</u>	<u>117,362,736</u>	<u>2,935,720</u>	<u>11,008,950</u>	<u>11,008,950</u>	<u>146,785,998</u>
August 9, 2013 Percentage	3.0%	80.0%	2.0%	7.5%	7.5%	100%
Transfer of Administrative Funds		5,000,000			(5,000,000)	
May 1, 2013 Total	<u>\$4,469,642</u>	<u>\$120,362,736</u>	<u>\$2,935,720</u>	<u>\$11,008,950</u>	<u>\$6,008,950</u>	<u>\$146,785,998</u>
May 1, 2013 Percentage	3.0%	83.4%	2.0%	7.5%	4.1%	100%

San Benito County funds October 29, 2013	\$6,648	\$184,814	\$4,432	\$16,620	\$9,086	\$221,600
December 31, 2013 Total	\$4,476,290	\$122,547,550	\$2,940,152	\$11,025,570	\$6,018,036	\$147,007,598
December 31, 2013 Percentage	3.0%	83.4%	2.0%	7.5%	4.1%	100%

1. Originally, the Contingency Reserve was calculated as 9% of the Approved Plan. It is the intent of CalMHSA to maximize the delivery of services. In this Plan Update, \$9,662,072 of this reserve will now be utilized for program activities.
2. The maximum allocation permitted by DMH for Indirect Administration services is 15%. Included in this 15% is the requirement to provide evaluation of programs.
3. These dollars differ slightly from those shared during the First Work Plan Amendment; this change is due to the program/direct percentage being calculated as 71%, based on the approved plan.
4. Changes in CalMHSA membership and the assignment of funds by counties and cities resulted in an additional \$1,698,675 for program funds.
5. Based on the FY 12-13 CalMHSA Budget approved by the CalMHSA Board on June 14, 2012, planning dollars (\$2,869,658) were moved to fund program/direct activities. The new overall percentage of funds dedicated to planning is 3.0%.
6. Contingency reserve dollars (\$9,662,072) were moved to fund program/direct activities. The new overall percentage of funds dedicated to the contingency reserve is 2.0%.
7. The total increase in program funds is \$14,230,405 (Shift planning and contingency reserve: \$12,531,730, plus changes in CalMHSA membership: \$1,698,675).
8. \$5 million transferred to PEI Statewide Program from General and Administrative funds based on actual projections of General and Administrative expenditures through June 30, 2015.
9. San Benito County contributed PEI funds to CalMHSA on October 29, 2013 - \$221,600.

California Mental Health Services Authority							
Multi - Year Annual Revenue and Expenditure Report and Projection - PEI							
June 30, 2015							
	(B)	(D)	(F)	(G)	(H)	(I)	Sum of
	Actual	Actual	Actual	Estimated	Proposed Budget FY		(B) (D) (F) (G) (H) (I)
	6/30/2011	6/30/2012	6/30/2013	6/30/2014	Current PEI & Current Programs	Projected to FY 06/30/17	Total
A Unexpended Funds Available from Prior Fiscal Years							
MHSA Program Unexpended Funds MHSA Community Planning		83,162,375	111,010,194	84,838,322	29,901,614	830,933	-
Unexpended Funds		2,742,608	4,531,417	1,254,162	864,560		-
Interest Income		12,368	650,419	2,201,310	3,001,310		-
Total Unexpended Funds Available from Prior Fiscal Years		85,917,351	116,192,030	88,293,794	33,767,484	830,933	\$0
B Revenue - CalMHSA Funds during Fiscal Year							
PEI Statewide Planning Funds	4,640,125	2,695,425	-	10,398			7,345,948
PEI Statewide Planning Funds - transfer to Program Funds			(2,869,658)				(2,869,658)
Phase I - PEI Planning \$ Total							4,476,290
PEI Statewide Program Funds	88,162,375	51,213,073	-	286,202			139,661,650
PEI Statewide Program Funds - Additional Funds from Planning PEI			2,869,658				2,869,658
Statewide Program Funds - Additional Funds from Contingency PEI							-
Statewide Program Funds							142,531,308
Interest Income	12,368	638,051	1,684,341	900,000			3,234,760
Total Revenue to CalMHSA	92,814,868	54,546,549	1,684,341	1,196,600	-		150,242,358
C Expenditures							
PEI Statewide Planning - Expenditures	1,897,517	906,616	407,597	400,000	864,560		4,476,290 (1)
PEI Statewide Program - Expenditures		13,371,865	35,799,624	50,062,065	21,071,354	200,000	120,504,908 (1)
Evaluation Investment		1,598,475	1,908,627	4,456,413	1,243,587		9,207,102 (1)
Management General and Administrative		797,122	133,450	100,000	-		233,450
			995,351	700,000	989,292	630,933	4,112,698 (1)
Total Expenditures	1,897,517	16,674,078	39,244,649	55,718,478	24,168,793	830,933	138,534,448
Funds transferred to Sustainability Program FY 2014/15					(8,767,758)		(8,767,758)
General and Administrative - PEI Directed to Future Programs							-
Moved To (From) Operating Reserve	5,000,000	7,597,792	(9,662,072)	4,432			2,939,997
D Total Unexpended Funds	85,917,351	116,192,030	88,293,794	33,767,484	830,933	-	2,940,152 (1)

Assumptions:

- (1) Sum of these lines is \$141,241,150. The total of the Phase I and II funding as submitted to MHOAC for the Work Plan (\$136,210,400) and Amendment #1 (\$8,183,100) plus changes in CalMHSA membership (\$2,392,500) and additional funds from San Benito County (\$221,600) for a total of \$147,007,598. The difference of \$5,766,448 will be transferred to the Sustainability Program.
- (2) For the proposed budget as of June 30, 2015 the Operating Reserve has not been budgeted for allocation or expenditure to other categories or any programs.
- (3) 8,767,758 will be provided to the Sustainability Program budget for 2014/15 Fiscal year