



Mental Health Services Act Funding

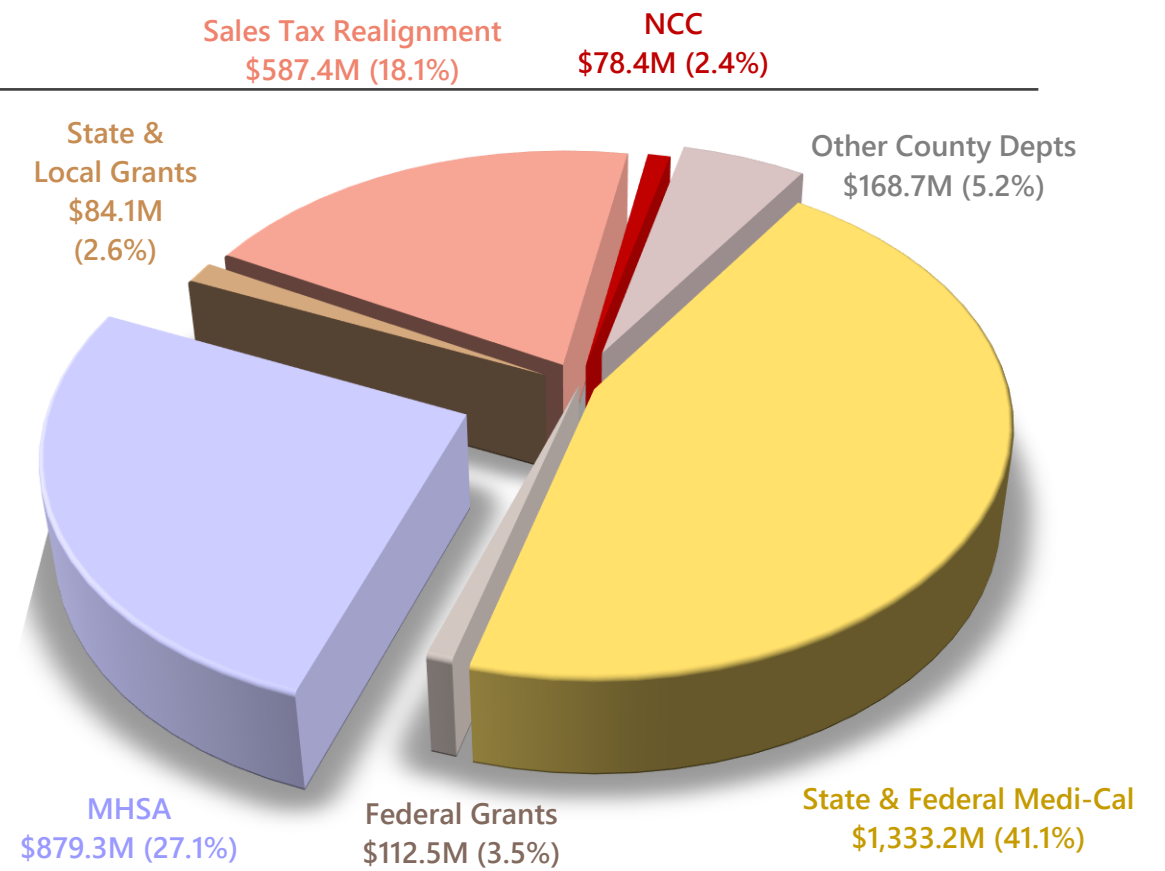
STAKEHOLDER'S MEETING

JANUARY 23, 2023

FY 2022-23 Final Adopted Budget \$3.243.6 Billion

Primary Funding Sources:

- ❑ **41% State and Federal Medi-Cal (\$1.33 Billion)**
Mandated specialty mental health services for eligible clients who meet medical necessity criteria for Medi-Cal
- ❑ **27% MHSA (\$879.3 Million)**
Outreach, engagement, prevention, outpatient services, housing, capital, technology, workforce enrichment, and projects for mental health innovations
- ❑ **18% Sales Tax Realignment (\$587.4 Million)**
Treatment services mainly in institutional settings, including Probation halls/camps; Short Term Residential Treatment Programs and Community Treatment Facilities for youth and locked mental health treatment beds for adults; and inpatient beds, specialty mental health services to uninsured clients and administration



Regulations

- The Mental Health Services Act (MHSA) was enacted in January 2005 following the passage of Proposition 63 in late 2004. The Act imposes a 1% income tax on personal income in excess of \$1.0 million to provide resources that will greatly improve the delivery of community-based mental health services and treatment across the State.
- Welfare and Institutions Code (WIC) §5891 states that MHSA revenues may only fund mental health services and MHSA programs and activities. MHSA funds cannot be used to supplant existing County funds.
- The State Controller deposits MHSA tax revenues and makes monthly distributions to each County's local trust fund.
- MHSA specifies:
 - Percentage Counties are to allocate from their monthly collections to each component, and
 - Amount of time to spend funds by component.

PRUDENT RESERVE

(DHCS MHSUDS
Information Notice
No.: 19-017)

- Counties are required to maintain a Prudent Reserve
- The Prudent Reserve is calculated at 33% of the average amount of CSS allocation every 5 years
- Access to the Prudent Reserve is determined on a Statewide level

- 5-years of CSS Allocation is \$1,764,902,147
- Divide by 5 = \$352,980,429
- Multiply by 33% = \$116,483,542

- DMH funded the Prudent Reserve at the max level
- Amount is insufficient to maintain services and programs in the event of an economic downturn
- DMH will maintain 6-months of Unspent Dollars to supplement the Prudent Reserve and allow for changes in services, if required due to insufficient MHSA funds

MHSA Program - Components

MHSA addresses a broad continuum of county mental health services for all populations: children, transition-age youth, adults, older adults, families, and underserved. MHSA specifies five required components that support county mental health systems.

CSS

Community Services and Supports

Direct mental health services and supports for children and youth, transition age youth, adults, and older adults

Permanent supportive housing for clients with serious mental illness

WET

Workforce, Education and Training

Enhancement of the mental health workforce through continuous education and training programs

PEI

Prevention and Early Intervention

Services to engage individuals before the development of serious mental illness or at the earliest signs of mental health struggles

Statewide projects: Suicide Prevention, Student Mental Health Initiative, Stigma and Discrimination Reduction

CFTN

Capital Facilities and Technological Needs

Building projects and improvements of mental health services delivery systems using the latest technology

INN

Innovations

Opportunities to design and test time-limited new or changing mental health practices that have not yet been demonstrated as effective, and to fuse such practices into the mental health system, thereby increasing:

- access to underserved communities,
- promotion of interagency collaboration, and
- the overall quality of mental health services

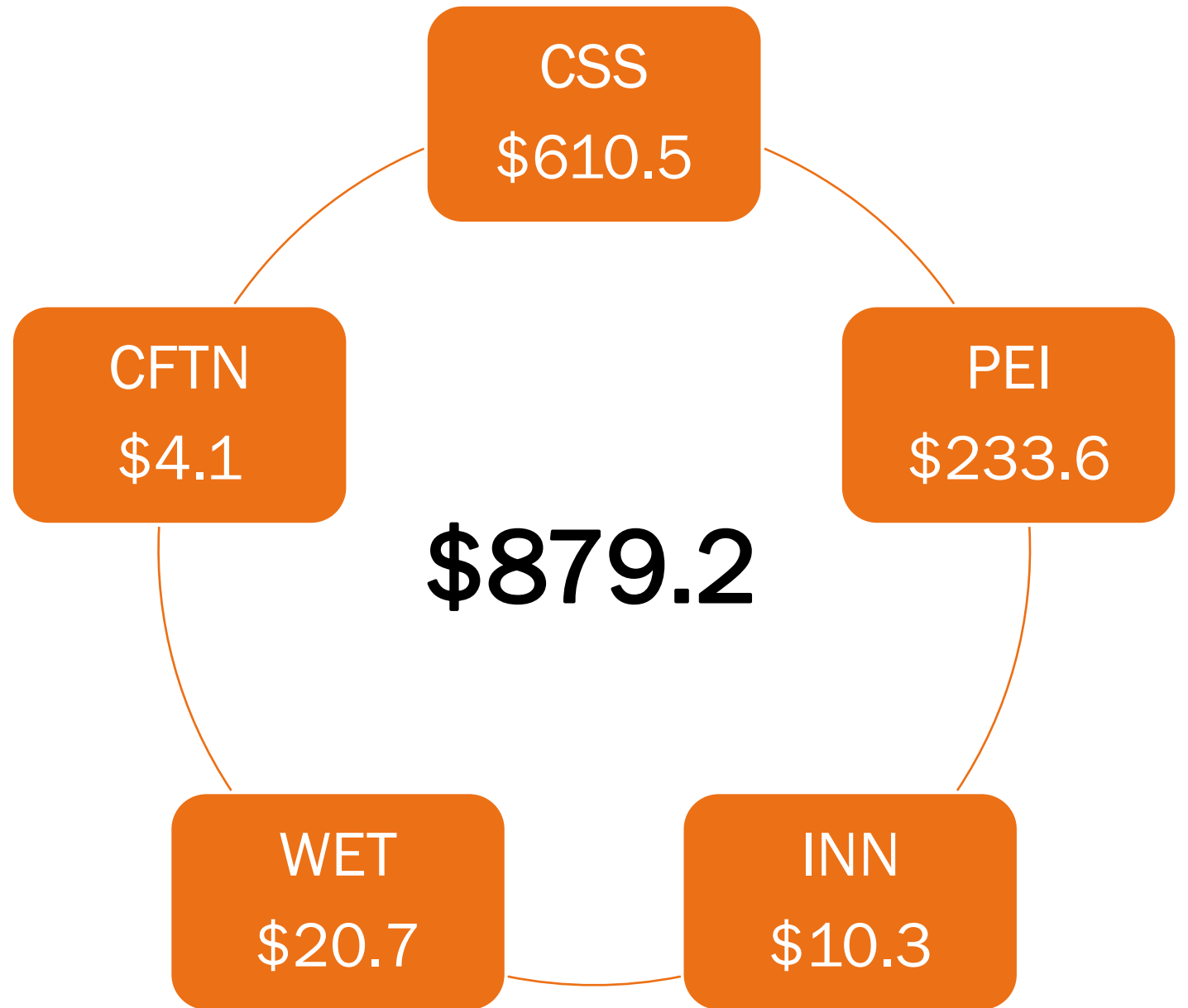
MHSA Allocation Percentages and Spending Timeline

Component	Allocation by Percent	Years to Spend
CSS	76%	3 years
PEI	19%	3 years
INN	5% ¹	5 years from first dollar spent
WET	One-time funding ²	10 years
CFTN	One-time funding ²	10 years

Notes

1. INN - Counties are required to utilize 5% of the total CSS and PEI funding for Innovation programs.
2. WET and CFTN - Funded with transfers from CSS funds as permitted in accordance with MHSA guidelines.

**FY 2022-23
BUDGET**
(millions)



MHSA UNSPENT FUNDS

\$340.1 M
not
available

PRUDENT
RESERVE
\$116.5
(million)

+

CSS
\$705.9
(million)

+

PEI
\$299.3
(million)

+

INN
\$187.2
(million)

+

WET
\$5.6
(million)

+

CFTN
\$30.8
(million)

\$1,005.2 B

TOTAL = \$1,345.3 Billion

MHSA FUNDS AVAILABLE FOR PROPOSALS

Description	CSS	PEI
Total Unspent Funds, FY 2022-23	\$ 705.9	\$ 299.3
One-Time Funds Required For Current Approved Ongoing Commitments	\$ (70.1)	\$ (46.9)
6-Month Reserve, FY 2023-24 Projection	\$ (440.2)	\$ (77.1)
Projected Savings, FY 2022-23	\$ 6.0	\$ 18.1
Amount Available for Stakeholder Proposals	\$ 201.6	\$ 193.4
Rounded	\$ 200.0	\$ 200.0

Thank YOU

Presenter: Kimberly Nall, Administrative Deputy