

Annual Revenue and Expenditure Report – Adopted Budget June 30, 2014



"A George Hills Company Administered JPA"

- Adopted Budget – June 30, 2014
- Budget Narrative

California Mental Health Services Authority Annual Revenue and Expenditure Report - Adopted Budget June 30, 2014							
	(B) Actual 6/30/2011	(D) Actual 6/30/2012	(E) Adopted Budget 6/30/2013	(F) Estimated 6/30/2013	(G) Proposed Budget 6/30/2014	(H) Estimated Remaining	Sum of (B) (D) (F) (G) (H) Total
Unexpended Funds Available from Prior Fiscal Years							
Technical Assist/Capacity Building Unexpended Funds		295,572	-	(119,354)	42,036	-	
MHSA Program Unexpended Funds		83,162,375	109,125,800	110,796,446	86,718,125	30,270,897	
MHSA Community Planning Unexpended Funds		2,742,608	3,869,658	4,520,167	1,265,540	469,290	
WET Program Funds			155,220	155,220	155,220	-	
Interest Income		12,368	358,314	650,419	2,208,148	2,850,148	
Total Unexpended Funds Available from Prior Fiscal Years		86,212,923	113,508,992	116,002,898	90,389,069	33,590,335	-
Deposits to CalMHSA Funds during Fiscal Year							
Technical Assist/Capacity Building Funds	339,612	131,000	623,400 (3)	624,111	473,000		1,567,723
Phase I - PEI Statewide Planning Funds (5%)	4,640,125	2,684,175		11,250	3,750		7,339,300
Phase I - PEI Statewide Planning Funds (5%) transfer to Program Funds			(2,869,658)	(2,869,658)			(2,869,658)
Phase I - PEI Planning \$ Total							4,469,642
Phase II - PEI Statewide Program Funds	88,162,375	50,999,325		213,750	71,250		139,446,700
Phase II - PEI Statewide Program Funds - Additional Funds from Planning			2,869,658	2,869,658			2,869,658
Phase II - PEI Statewide Program Funds - Additional Funds from Contingency							-
Phase II - PEI Statewide Program Funds							142,316,358
Fiduciary Program Management Wet Program		155,220	-	-			155,220 (4)
Interest Income	12,368	638,051	1,200,000	1,557,729	642,000	95,000	2,945,148
Total Deposits to CalMHSA	93,154,480	54,607,771	1,823,400	2,406,840	1,190,000	95,000	151,454,091
Expenditures							
Technical Assist/Capacity Building	44,040	545,926	623,400	462,721	515,036		1,567,723
Phase I - PEI Statewide Planning (5%) - Expenditures	1,897,517	906,616	500,000	396,219	800,000	469,290	4,469,642 (1)
Phase I - Planning Funds Transfer to Program Funds							
Phase II - PEI Statewide Program - Expenditures		13,371,865	54,100,000	33,928,808	50,062,065	20,000,000	117,362,738 (1)
Phase II - PEI Statewide Program - Expenditures - Transferred from Planning			2,869,658				-
Phase II - PEI Statewide Program - Expenditures - Transferred from G&A						5,008,950	5,008,950 (1),(5)
Phase II - PEI Program Expenditures			56,969,658				122,371,688
Evaluation		1,598,475	2,200,000	1,954,062	4,456,413	3,000,000	11,008,950 (1)
WET Program Expenditures			147,720		147,720		147,720 (4)
General and Administrative - Wet Program			7,500	-	7,500		7,500 (4)
General and Administrative - PEI		797,122	2,435,000	940,931	2,000,000	2,261,947	6,000,000 (1)
Total Expenditures	1,941,557	17,220,004	62,883,278	37,682,741	57,988,734	30,740,187	145,573,223
General and Administrative - PEI Directed to Future Programs			4,416,064				-
Moved To (From) Operating Reserve	5,000,000	7,597,792	-	(9,662,072)	-		2,935,720
Total Operating Reserve							2,935,720 (1),(2)
Total Unexpended Funds	86,212,923	116,002,898	48,033,050	90,389,069	33,590,335	2,945,148	2,945,148

Assumptions:

- (1) Sum of these lines is \$146,786,000 which is 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). Expenditures for 2014 are based on the assumption of expenditures at 100% of total funding.
- (2) For the proposed budget as of June 30, 2014 the Operating Reserve has not been budgeted for allocation or expenditure to other categories.
- (3) Based on participation indicated for future years as follows:

Monterey	68,400
Solano	61,200
Inyo	2,100
Lake	8,900
Los Angeles	300,000
Modoc	1,200
Yolo	31,200
	<u>473,000</u>

Additional counties may participate.
- (4) Contra Costa County has contracted with CalMHSA to provide the Fiduciary duties for their program.
- (5) \$5,008,950 transferred to PEI Statewide Programs from G&A funds based on actual projections of G&A Expenditures through 6/30/15.

**CaIMHSA
General & Administrative Expense - PEI
Fiscal Years 2014 Remaining Estimate**

General and Administrative Expenses	2014	
	Indirect	Remaining
General Management	1,200,000	1,200,000
Other Contract Services	500,000	650,000
Legal Services	100,000	100,000
Financial Audit	15,000	15,000
Insurance	35,000	35,000
Marketing	75,000	75,000
<u>Meetings and other</u>	75,000	186,941
Total General and Administrative Expenses	2,000,000	2,261,941

CalMHSA Budget Narrative




Background

The CalMHSA June 30, 2014 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, 2014 budget presents the current operations of CalMHSA. The current operations presented in this budget are:

- Training/Technical Assistance and Capacity Building
- PEI Statewide Programs – Phase I – PEI Statewide Planning (5%)
- PEI Statewide Programs – Phase II – PEI Statewide Program Implementation
- Workforce Education and Training (WET) – Program Administration

CalMHSA, at time of approval of the plan, had projected participation of counties. The June 30, 2014 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 Amendment	\$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%

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.

Budget Notes

1. By June 30, 2014 we anticipate total funds received by CalMHSA are as follows:

Training/Technical Assistance and Capacity Building Funds	\$1,567,723
Phase I – PEI Statewide Planning Funds	4,469,642
Phase II – PEI Statewide Program Funds	142,316,358
Workforce Education and Training – Program Administration	155,220
Interest Earnings	<u>2,850,148</u>
Total funds projected to be received by June 30, 2014	<u>\$151,359,091</u>

2. CalMHSA has projected the unexpended funds to be carried over to the Budget of Annual Revenue and Expenditures as of June 30, 2014 to be \$33,590,335. See chart on the next page.

Phase I – PEI Statewide Planning Funds	469,290
Phase II – PEI Statewide Planning Funds	30,270,897
Interest Earnings	<u>2,850,147</u>
Total Funds Projected to be Carried to Budget Year Ended June 30, 2014	<u>\$33,590,335</u>

3. Deposits to CalMHSA during June 30, 2014 are estimated as:

Training/Technical Assistance and Capacity Building Funds	\$473,000
PEI Statewide Planning Funds	3,750
PEI Statewide Program Funds	71,250
Interest Earnings	<u>\$642,000</u>
Total estimated deposits as of June 30, 2014	<u>\$1,190,000</u>

4. Expenditures for June 30, 2014 have been estimated based on anticipated payout of the budget approved with the implementation plan:

	Total Approved for PEI Statewide Implementation Work Plan and First Amendment	Estimated Expenditures June 30, 2013	Estimated Expenditures June 30, 2014	Remaining
Training/Technical Assistance and Capacity Building Funds	N/A	\$462,721	\$515,036	--
Workforce Education and Training Program	N/A	0	155,220	--
Phase I – PEI Statewide Planning Funds	4,469,642	396,219	800,000	469,290
Phase II – PEI Statewide Program Funds	122,371,688	33,928,808	50,062,065	25,008,950
Evaluation	11,008,950	1,954,062	4,456,413	3,000,000
General and Administrative	<u>6,000,000</u>	<u>940,931</u>	<u>2,000,000</u>	<u>2,261,947</u>
Subtotal		<u>37,682,741</u>	<u>57,988,734</u>	<u>30,740,187</u>
Contribution to Operating Reserve	<u>2,935,720</u>			
Total	<u>\$146,786,000</u>			

5. CalMHSA will comply with the Department of Health Care Services Guidelines for PEI Statewide Programs in managing and contracting costs for indirect administrative expenses as disclosed on page 3 of the budget package. 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 2014 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. CalMHSA has provided iPads to distribute the agendas to members electronically. At the last board meeting, only three paper copies of the agenda were distributed.
6. See page 3 of budget package for detail of estimated general administration expenses.