



Legislation Text

File #: 14-1354, **Version:** 1

Health and Human Services Agency, Mental Health Division, recommending the Board approve and authorize the Chair to sign attached Budget Transfer Request increasing the use of Mental Health Fund balance by \$1,898,284 and increasing appropriations by \$1,898,284 to re-establish a Prudent Reserve for Mental Health Services Act Funding, in accordance with Welfare and Institutions Code Section 5847(b)(7), in the amount of \$1,898,284. (4/5 vote)

FUNDING: Mental Health Services Act State Funding.

Fiscal Impact/Change to Net County Cost

There is no Net County Cost associated with this Agenda item. This is simply an accounting transaction moving funds out of unrestricted fund balance into the prudent reserve resulting in no net effect to the budget.

Background

The passage of Proposition 63 (now known as the Mental Health Services Act or MHSA) in November 2004, provided for the California Department of Mental Health to provide increased funding for mental health services by imposing a one percent (1%) income tax on personal income in excess of \$1 million. MHSA addresses a broad continuum of prevention and early intervention service needs, and provides funding for the necessary infrastructure, technology and training elements to support county mental health programs, and monitor progress toward statewide goals for children, transition age youth, adults, older adults, and families.

As outlined below, the County is required to hold a Prudent Reserve of MHSA funding. The Prudent Reserve was established in Fiscal Year (FY) 2008-09 (File ID 08-0821). In FY 2013-14, the reserve was erroneously budgeted and the funds rolled into the Mental Health unrestricted fund balance. This Agenda Item corrects the error by re-establishing the Prudent Reserve.

In accordance with Welfare and Institutions Code (WIC) Section 5847 (a) and (b), each county mental health program is required to prepare and submit a three-year program and expenditure plan, along with annual updates based on available unspent funds and estimated revenue allocations provided by the state, which is in accordance with established stakeholder engagement and planning requirements.

The three-year MHSA Plan and Annual Plan Updates must include the establishment and maintenance of a Prudent Reserve at a level that will allow the County to continue to serve the same number of individuals as the County served in the previous fiscal year, even in years where the allocation of funds are not adequate to provide those services, pursuant to Welfare and Institutions Code Section 5847 (b)(7).

Reason for Recommendation

Re-establishment of a Prudent Reserve in the amount of \$1,898,284 for Fiscal Year 2014-15 will

ensure compliance with the MHSA Plan and Welfare and Institutions Code Section 5847, as well as ensure sufficient funding is available in the event of a reduction in revenue from the State.

Clerk of the Board Follow up Actions

1. Clerk of the Board to forward approved Budget Transfer Request to Office of the Auditor-Controller for processing.
2. Clerk of the Board to submit a Certified Minute Order to Health and Human Services Agency at 3057 Briw Road.

Contact

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