

To: Board of Supervisors
Carmel Angelo, CEO

From: Jenine Miller, BHRS Director, Anne Molgaard, HHSA Acting Director

Re: Agenda Item 4(al) June 19, 2018

Expanded Board Agenda Summary of Request

Background on Prop 63: The Mental Health Services Act is the result of Proposition 63 (2004) which provides funding to California counties to provide increased funding and resources for a broad continuum of prevention, early intervention (PEI), service needs, and infrastructure, technology, and training elements that will support the mental health system. Unspent funds that qualify as Reversion are truly unspent during the required timeframe. This has nothing to do with not spending appropriately.

The Process Regarding Reversion:

- Funding that has been distributed to Counties that was not spent within the time lines reverts to the State of California.
- Counties intending to utilize funds scheduled for reversion must develop a reversion plan that has been reviewed by the public for 30 days, and then approved by the Board of Supervisors within 90 days of the public review period per AB114 (2017).
- The Reversion Plan spends the Reversion dollars; there is no impact to current programs nor funds.
- BHRS gathered public comment between May 2 and June 1, 2018, and will submit the Reversion Plan to California's Mental Health Services Oversight and Accountability Commission after approval by the Mendocino County Board of Supervisors (before the 90 day limit of August 2, 2018).
- We placed the item on this June agenda so that after the Board approves the Plan, we have funding authority to enter into implementation contracts. Since the Reversion Funds will only be good from July 1, 2018 to June 30, 2020. The longer we wait, the more risk we have to not fully spend the dollars.

Our Status: Mendocino County has funds eligible for Reversion in four of the five MHSA categories (Innovation, Prevention and Early Intervention, Workforce Education and Training, and Capital Facilities and Technology Needs Categories). We fully spent the funds in the Community Services and Supports category. The total Reversion amount is up to \$2,576,517.

- There are a number of reasons for our current level of Reversion funds:
 - Previous administration left a lot of unspent funds; currently we spend what we receive and are not accumulating funds that qualify for reversion.
 - Innovation Funds are extremely cumbersome to expend, e.g., the Yuki Trails Project with the Round Valley Indian Tribes took over almost 4 years to receive State approval.
 - As explained on p. 12 of the Plan, the PEI funds in Reversion are from FY 2008-10. The MHSA plans required detailed needs assessments and State approval to spend PEI dollars. This took time. As evidenced in the chart, we put our systems in place and now we are not leaving any funds on the table.
 - Funds from FY15/16 and 16/17 are not yet available for reversion at this time, and so are not included.

Our Funds as of June 30, 2016:

MHSA balance in Mendocino County*	<u>\$6,586,000</u>
Prudent Reserve	\$2,198,000
Community Services & Supports CSS	\$ 799,000
PEI for current programs	\$ 544,524
PEI that cannot be spent until RER approved	\$ 674,476
Innovation for current programs	\$ 216,960
Innovation that cannot be spent until RER approved	\$1,235,040
Workforce Education and Training	\$ 311,000
Capital Facilities	\$ 584,000
Interest	<u>\$ 23,000</u>
Remainder	\$ 0

*www.auditor.ca.gov/pdss/reports/2017-117.pdf p. 46 states:

Mendocino County 799,000 1,219,000 1,452,000 311,000 584,000 2,198,000 23,000 6,586,000