

# Mendocino County

## Mental Health Treatment Act Five (5) Year Proceeds Projection

Mendocino County Auditor Controller Lloyd Weer provided a Mental Health Treatment Act five (5) year proceeds projection based off sales and use tax proceeds received to-date for fiscal years 2018 – 2019 and 2019 -2020; and estimated future year proceeds based off fiscal year 2019 -2020 proceeds in combination with the projected economic shortfalls. The COVID-19 pandemic has had a financial impact on revenues and those projected impacts have been considered in preparation of these projections.

The revenue projections have been separated out to align with the ordinance breakdown of a maximum of 75% for facilities, minimum 25% for services and treatment, and 100% after year 5 for ongoing operations, services, and treatment.

Mr. Weer's five (5) year projections include the proceeds projected from sales and use tax, and quarterly interest accrued. The overall cumulative amount for facilities at the end of fiscal year (FY) 2022 -2023 is projected at Twenty-Nine Million Two Hundred Twenty Eight Thousand dollars (\$29,228,000). The overall cumulative amount for operations at the end of FY 2022 – 2023 is projected at Nine Million Seven Hundred Forty Three Thousand dollars (\$9,743,000). These projections take in to account the impacts of COVID-19 on the sales and use tax. There is a projected 17.65% reduction in sales and use taxes in FY 2020 - 2021 from FY 2019 – 2020; for FY 2021 – 2022 it is estimated there will be a 14.7% reduction; and in FY2022 – 2023 an estimated reduction of 11.7%. Mr. Weer projects that we may not see any increases in sales and use tax proceeds until FY 2024-2025 or beyond. Mr. Weer also provided projections for operations proceeds for an additional five (5) years where the sales and use tax drops to one-eighth cent (0.125%). As a reminder, these are projections and may change. See the tables below for more information.

Facilities Projection Table Years 1 - 5:

<b>Facilities - (Maximum 75%)</b>					
Fiscal Year	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>
<b>Measure B Sales Tax Proceeds</b>	6,000,000.00	6,375,000.00	5,250,000.00	5,438,000.00	5,625,000.00
<b>Quarterly Interest Revenue</b>	52,500.00	150,000.00	150,000.00	112,500.00	75,000.00
<b>Annual Facilities Revenue</b>	<b>\$6,052,500.00</b>	<b>\$6,525,000.00</b>	<b>\$5,400,000.00</b>	<b>\$5,550,500.00</b>	<b>\$5,700,000.00</b>
<b>Cumulative Amount</b>		<b>\$12,577,500.00</b>	<b>\$17,977,500.00</b>	<b>\$23,528,000.00</b>	<b>\$29,228,000.00</b>

Operations Projection Table Years 1 - 5:

<b>Operations - (Minimum 25%)</b>					
Fiscal Year	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>
<b>Measure B Sales Tax Proceeds</b>	2,000,000.00	2,125,000.00	1,750,000.00	1,813,000.00	1,875,000.00
<b>Quarterly Interest Revenue</b>	17,500.00	50,000.00	50,000.00	37,500.00	25,000.00
<b>Annual Operations Revenue</b>	<b>\$2,017,500.00</b>	<b>\$2,175,000.00</b>	<b>\$1,800,000.00</b>	<b>\$1,850,500.00</b>	<b>\$1,900,000.00</b>
<b>Cumulative Amount</b>		<b>\$4,192,500.00</b>	<b>\$5,992,500.00</b>	<b>\$7,843,000.00</b>	<b>\$9,743,000.00</b>

Operations Projection Table Years 6 - 10:

<b>Operations - (100%)</b>					
Fiscal Year	<b>23/24</b>	<b>24/25</b>	<b>25/26</b>	<b>26/27</b>	<b>27/28</b>
<b>Measure B Sales Tax Proceeds</b>	2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00
<b>Quarterly Interest Revenue</b>	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
<b>Annual Operations Revenue</b>	<b>\$2,050,000.00</b>	<b>\$2,050,000.00</b>	<b>\$2,050,000.00</b>	<b>\$2,050,000.00</b>	<b>\$2,050,000.00</b>