

STATE OF CALIFORNIA

**Budget Change Proposal - Cover Sheet**

DF-46 (REV 08/15)

Fiscal Year FY 2016-17	Business Unit 4260	Department Health Care Services	Priority No.
Budget Request Name 4260-308-SFL-DP-2016-A1		Program 3960050	Subprogram

Budget Request Description

Reappropriation of Unexpended MHSA Funds

Budget Request Summary

The Department of Health Care Services (DHCS), Mental Health Services Division (MHSD), requests reappropriation of unexpended Mental Health Services Act (MHSA) funding from FY 2013-14, 2014-15, and 2015-16. The reappropriated funds will procure contracts for 1) MHSA Data Quality Assurance, 2) MHSA Data Collection, and 3) MHSD Web Re-design.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed
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Does this BCP contain information technology (IT) components? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Department CIO <i>Bruney Long</i>	Date <i>5/28/16</i>
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*If yes, departmental Chief Information Officer must sign.*

For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance.

FSR  SPR Project No. Date:

If proposal affects another department, does other department concur with proposal?  Yes  No

*Attach comments of affected department, signed and dated by the department director or designee.*

Prepared By <i>Karen Baylora</i>	Date <i>3/28/16</i>	Reviewed By <i>[Signature]</i>	Date <i>3/29/16</i>
Department Director <i>[Signature]</i>	Date <i>3/29/16</i>	Agency Secretary <i>[Signature]</i>	Date <i>3/29/16</i>

**Department of Finance Use Only**

Additional Review:  Capital Outlay  ITCU  FSCU  OSAE  CALSTARS  Dept. of Technology

BCP Type:  Policy  Workload Budget per Government Code 13308.05

PPBA <i>Carla Castanon</i>	Date submitted to the Legislature <b>APR 01 2016</b>
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## BCP Fiscal Detail Sheet

BCP Title: Reappropriation of Mental Health Services Funds

DP Name: 4260-308-BCP-DP-2016-A1

### Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Salaries and Wages						
Earnings - Permanent	0	1,202	0	0	0	0
<b>Total Salaries and Wages</b>	<b>\$0</b>	<b>\$1,202</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Personal Services</b>	<b>\$0</b>	<b>\$1,202</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Operating Expenses and Equipment						
5340 - Consulting and Professional Services -	0	750	0	0	0	0
<b>Total Operating Expenses and Equipment</b>	<b>\$0</b>	<b>\$750</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Budget Request</b>	<b>\$0</b>	<b>\$1,952</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### Fund Summary

Fund Source - State Operations						
3085 - Mental Health Services Fund	0	1,952	0	0	0	0
<b>Total State Operations Expenditures</b>	<b>\$0</b>	<b>\$1,952</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total All Funds</b>	<b>\$0</b>	<b>\$1,952</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### Program Summary

Program Funding						
3960050 - Other Care Services	0	1,952	0	0	0	0
<b>Total All Programs</b>	<b>\$0</b>	<b>\$1,952</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### Personal Services Details

<b>Total Salaries and Wages</b>	<b>\$0</b>	<b>\$1,202</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Personal Services</b>	<b>\$0</b>	<b>\$1,202</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Analysis of Problem

### A. Budget Request Summary

The Department of Health Care Services, Mental Health Services Division, requests reappropriation of unexpended Mental Health Services Act (MHSA) funding from fiscal years (FY) 2013-14, 2014-15, and 2015-16. The reappropriated funds will support costs to procure contracts for 1) MHSA Data Quality Assurance, 2) MHSA Data Collection, and 3) MHSD Web Re-design. Currently, the Department is unable to provide timely and accurate information for data queries from stakeholders or legislative staff. The work done will provide a foundation for easy access, query, and dissemination of information. This proposal requires budget bill language to reappropriate unexpended prior year funding (See Attachment A).

### B. Background/History

In 2004, California voters approved Proposition 63, the Mental Health Services Act (MHSA), which added Welfare and Institutions Code (W&IC) Section 5892. The MHSA imposes a 1 percent income tax on individuals earning over \$1 million and provides funding for mental health services to individuals severely affected by or at risk of serious mental illness. Per Welfare and Institutions Code (W&IC) Section 5892(d), up to 5 percent of Mental Health Services Fund revenues may be used for state administration. Allowable costs include administrative functions performed by a variety of state entities to assist consumers and family members to ensure the appropriate state and county agencies give full consideration to concerns about quality, structure of service delivery, or access to services. The amounts allocated for administration shall include amounts sufficient to ensure adequate research and evaluation regarding the effectiveness of services being provided and achievement of the outcome measures Senate Bill 1009 (Chapter 34, Statutes of 2012) transferred functions from the former Department of Mental Health (DMH), including functions related to administration of the MHSA program, to DHCS. As part of this transfer, a number of IT systems, including the Data Collection and Reporting (DCR) system, were migrated from the former DMH to DHCS. DHCS planned to migrate these systems in two phases. Phase 1 was the transfer of the IT systems from DMH to DHCS. Phase 2 involves a business process reengineering effort to capture system and process efficiencies. Phase I was successfully completed on July 2013.

### Resource History

*(Dollars in thousands)*

#### Mental Health Services

Program Budget	2010-11	2011-12	2012-13	2013-14	2014-15
Authorized Expenditures	DMH*	DMH*	23,898	23,295	25,284
Actual Expenditures	DMH*	DMH*	19,579	21,696	23,736
Revenues	N/A	N/A	N/A	N/A	N/A
Authorized Positions	DMH*	DMH*	95.0	125.0	138.0
Filled Positions	DMH*	DMH*	73.3	105.6	138.0
Vacancies	DMH*	DMH*	21.7	19.4	0.0

*\*Mental Health Services Division transitioned from the former Department of Mental Health (DMH) to DHCS in FY 2011-12. Budget details are not available for the pre-transition period*

**Analysis of Problem**

**Workload History**

Workload Measure	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
As this is new workload for FY 2016-17, no prior workload data available.						

**C. State Level Considerations**

DHCS Strategic Plan

This proposal is consistent with DHCS' Strategic Plan, as it will help:

- Improve the consumer experience so individuals have access to quality mental health services.
- Hold counties, providers, plans, and other partners accountable for performance outcomes.
- Be prudent, responsible fiscal stewards of public resources. (Accountability of data)
- Improve and maintain consumer health and well-being through effective prevention and intervention. (Dashboards published on-line)
- Maintain effective, open communication and engagement with counties, other partners, and stakeholders. (Web re-design for accessibility and publication of information)

**D. Justification**

By reappropriating the unexpended funds for these contract services, MHSD will provide accurate and timely information to stakeholders and the public.

- In order to provide accurate data collection, the DCR system needs to be re-written to meet the current security and architecture standards. Aligning the DCR system with the DHCS' architectural and programming standards will allow DHCS to more efficiently maintain and adapt the system to changing needs. Currently, the Department is not able to modify the system to capture additional data elements without updating the architectural and programming standards.
- In order to streamline the process of publishing information in an accessible format, a Web re-design contractor is needed.

**E. Outcomes and Accountability**

- Increased accessibility for the public to view information pertaining to: tracking, monitoring and improving timeliness of care, access to care, and any grievances and appeals;
- Improved transparency of communication with control agencies and stakeholders through availability of dashboard performance and subcontractor information; Publication of utilization data; and
- Development and implementation of a performance data dashboard maintained and posted on the DHCS website.

**Projected Outcomes**

- *FY 2016-17: Contractors will fulfill scopes of work for streamlined data extraction and collection, and an accessible website where information and dashboards are published.*

## Analysis of Problem

### F. Analysis of All Feasible Alternatives

**Alternative 1:** Reappropriate unexpended MHSA funds.

Pros:

- Provides timely and accurate data to control agencies and stakeholders.
- Creates efficiencies in utilization of State staff time.
- Creates a foundation for data systems that track and monitor utilization of funds.

Con:

- Unexpended funds would not be available for other MHSA activities funded through the 5% administrative cap.

**Alternative 2:** Do not provide reappropriation of unexpended MHSA funds.

Pro:

- The unexpended funds would be available for other MHSA activities funded through the 5% administrative cap.

Cons:

- Delays improvement of data quality.
- Delays improvement in timeliness of information to control agencies and stakeholders.

**Alternative 3:** Use General Fund instead of MHSA funds.

Pros:

- Provides timely and accurate data to control agencies and stakeholders.
- Unexpended MHSA funds would be reallocated.
- Creates efficiencies in utilization of State staff time.
- Creates a foundation for data systems that track and monitor utilization of funds.

Cons:

- Increases General Fund costs.

### G. Implementation Plan

By September 2016: Execute three contracts

By June 2017: Contractors provide deliverables

### H. Supplemental Information

Reappropriated funding will be for contracts.

### I. Recommendation:

**Alternative 1:** Approve the reappropriation of unexpended MHSA funds from FYs 2013-14, 2014-15, and 2015-16. The funds will be used to create a data infrastructure where reliable data will be available in a timely manner. The infrastructure will assist in oversight of the utilization of MHSA funds and provide accountability.

**Proposed Budget Bill Language to Reappropriate Mental Health Services Funds**

4260-490—Reappropriation, Department of Health Care Services. The balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2018:

3085—Mental Health Services Fund

- (1) Item 4260-001-3085, Budget Act of 2013 (Chs. 20 and 354, Stats. of 2013),
- (2) Item 4260-001-3085, Budget Act of 2014 (Ch. 25, Stats. of 2014),
- (3) Item 4260-001-3085, Budget Act of 2015 (Ch. 10, Stats. of 2015)