

Realignment Funding Estimates

California Institute for Mental Health

Mental Health Policy Forum

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1991 Realignment

- “1991 Realignment” refers to the realigning of the funding and responsibility for mental health services, social services and public health services
 - It represented a major shift of authority from state to counties for mental health programs
- Three revenue sources funded 1991 Realignment
 - ½ Cent of State Sales Tax
 - State Vehicle License Fees
 - State Vehicle License Fee Collections

1991 Mental Health Realignment

- Swap of CalWORKs Maintenance of Effort (MOE) with Mental Health Realignment beginning in FY11/12
 - CalWORKs MOE funded with Realignment revenues that would have gone to Mental Health
 - Mental Health services funded with 2011 Realignment sales tax revenue
 - Guaranteed amount in FY11/12 (\$1,083.6 million)
 - Guaranteed minimum amount beginning in FY12/13 (\$1,120.5 million)
 - Mental Health will begin to receive growth in 1991 Realignment funds once funding for CalWORKs MOE is equal to the guaranteed minimum amount of Mental Health funding
 - Proposed Budget Trailer Bill would shift half of the growth in mental health sales tax to CalWORKs MOE beginning in FY15/16
 - Mental Health will also receive 5% of the annual growth in the 2011 Realignment Support Services Account beginning in FY12/13
 - Does not impact the base funding

1991 Realignment

- Realignment Sales Tax Revenues
 - Sales tax revenues increased from FY01/02 through FY06/07 but growth was used to fund increased Social Services caseload costs
 - Sales tax revenues declined almost 18% from FY06/07 through FY09/10
 - Sales tax revenues increased about 16% through FY11/12
 - Sales tax revenues forecast to grow about 5-8% for the next several years
- Vehicle License Fees
 - Vehicle license fees increased 19% from FY01/02 through FY 06/07 then declined 22% from FY06/07 through FY11/12
 - Vehicle license fees forecast to grow about 3-5% for the next several years
- Vehicle License Fee Collections
 - \$14 million per year

1991 Mental Health Realignment

1991 Mental Health Realignment Estimated Revenues (Dollars in Millions)

	10/11	11/12	12/13	13/14	14/15
Base Amount					
Sales Tax	\$692.6	\$1,067.5	\$1,120.6	\$1,120.6	\$1,137.2
Vehicle License Fees	\$316.5	\$16.1	\$0.0	\$0.0	\$1.8
Vehicle License Fee Collections	\$14.0	\$14.0	\$14.0	\$14.0	\$14.0
Growth in Base					
Sales Tax	\$0.0	\$0.0	\$0.0	\$16.6	\$48.2
Vehicle License Fees	\$0.0	\$0.0	\$0.0	\$1.8	\$10.1
One-Time Growth					
5% of Support Services Account Growth	\$0.0	\$0.0	\$9.6	\$11.1	\$21.0
Total	\$1,023.1	\$1,097.6	\$1,144.2	\$1,164.1	\$1,232.3

2011 Realignment

- Additional realignment occurred as part of FY11/12 State Budget
- Dedicated a specific revenue to fund realigned services
 - 1.0625% of Sales Tax
 - Realigned services previously funded with State General Fund monies
 - MHSA funds were used to fund realigned mental health services in FY11/12

2011 Realignment

2011 Realignment Behavioral Health Subaccount Estimated Revenues (Dollars in Millions)

	11/12	12/13	13/14	14/15
Base Amount				
EPSDT ^{a/}	\$579.0	\$584.1	\$584.1	\$584.1
Existing EPSDT	\$579.0	\$540.0	\$540.0	\$540.0
Healthy Families		\$17.3	\$17.3	\$17.3
Katie A. Settlement		\$26.8	\$26.8	\$26.8
Specialty MH Managed Care ^{b/}	\$183.7	\$196.7	\$196.7	\$196.7
SUD Residential Treatment	\$5.1	\$5.1	\$5.1	\$5.1
Other SUD Services	\$178.5	\$178.5	\$178.5	\$178.5
Growth in Base				
New Growth		\$24.8	\$73.8	\$200.1
Prior Year Growth		\$0.0	\$24.8	\$98.6
Total	\$946.3	\$989.2	\$1,063.0	\$1,263.1
Percent Change		4.5%	7.5%	18.8%

a/ MHSAs funds in FY11/12

b/ MHSAs funds (\$183.6M) and State General Fund monies (\$148,000) in FY11/12

Behavioral Health Funding

- 1991 Realignment and 2011 Realignment are just two parts of the interrelated, ever-changing behavioral health fiscal “pie”
 - Non-Federal revenues driven by economic conditions
 - Federal revenues limited by ability to incur expenditures with non-federal revenues

