

## 0977 California Health Facilities Financing Authority

The mission of the California Health Facilities Financing Authority (CHFFA) is to help eligible and credit worthy nonprofit and public health facilities reduce their cost of capital, and promote health care improvement and cost containment objectives by providing cost-effective tax-exempt bond, low-cost loan, and direct grant programs.

CHFFA was established by Chapter 1033, Statutes of 1979, and consists of nine members: the State Treasurer, the Director of the Department of Finance, the State Controller, two public members appointed by the Senate, two public members appointed by the Assembly, and two public members appointed by the Governor.

### 3-YR EXPENDITURES AND POSITIONS

	Positions			Expenditures		
	2014-15	2015-16	2016-17	2014-15*	2015-16*	2016-17*
0880 Children's Hospital Program	2.8	3.5	3.5	\$18,830	\$130,534	\$115,535
0885 Health Facilities Grants and Loans	12.5	12.5	12.5	5,234	10,092	9,623
0890 Mental Health Wellness Grants	-	-	-	27,034	50,800	101,300
<b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>	<b>15.3</b>	<b>16.0</b>	<b>16.0</b>	<b>\$51,098</b>	<b>\$191,426</b>	<b>\$226,458</b>

<b>FUNDING</b>				2014-15*	2015-16*	2016-17*
0001	General Fund			\$20,235	\$44,000	\$83,500
0904	California Health Facilities Financing Authority Fund			3,808	9,592	9,223
0995	Reimbursements			2,800	2,800	2,800
3085	Mental Health Services Fund			3,999	4,000	15,000
6046	Childrens Hospital Fund			222	30,356	40,357
6079	Childrens Hospital Bond Act Fund			18,608	100,178	75,178
8073	California Health Access Model Program Account, California Health Facilities Financing Authority Fund			1,426	500	400
<b>TOTALS, EXPENDITURES, ALL FUNDS</b>				<b>\$51,098</b>	<b>\$191,426</b>	<b>\$226,458</b>

### LEGAL CITATIONS AND AUTHORITY

#### DEPARTMENT AUTHORITY

Government Code Sections 15430-15462.5. Health and Safety Code Sections 1179.10-1179.43 and 1179.50-1179.72. Welfare and Institutions Code Section 5892 and 5848.5 et. seq.

### MAJOR PROGRAM CHANGES

- Community Infrastructure Grants - The Budget includes \$67.5 million General Fund for one-time community infrastructure grants to promote public safety diversion programs and services by increasing the number of mental health, substance use disorder, and trauma-related services facilities. Grants will be awarded by the California Health Facilities Financing Authority (CHFFA) on a competitive basis to cities and/or counties. The grants will aim to expand local resources for facility acquisition or renovation, equipment purchases, and applicable program startup or expansion costs to increase the availability of these programs.
- Children's Mental Health Crisis - The Budget includes \$30 million (\$16 million General Fund) on a one-time basis for grant programs at CHFFA and the Mental Health Services Oversight and Accountability Commission. The CHFFA grants will be awarded to local governments and are intended to increase the number of facilities providing a continuum of crisis services. Grants provided by the Commission will fund supports and training for families as well as triage personnel serving children and youth under the age of 21.

### DETAILED BUDGET ADJUSTMENTS

	2015-16*			2016-17*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
<b>Workload Budget Adjustments</b>						
<b>Other Workload Budget Adjustments</b>						
• Increase in Proposition 61 (2004) bond fund distribution for children's hospital projects	\$-	\$30,000	-	\$-	\$40,000	-
• Expenditure by Category Redistribution	-	100	-	-	100	-

\* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

## 0977 California Health Facilities Financing Authority - Continued

	2015-16*			2016-17*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
• Continuing appropriation for Mental Health Wellness Grants Program	50,000	-	-	-	-	-
• Salary Adjustments	-	28	-	-	28	-
• Benefit Adjustments	-	14	-	-	18	-
• Retirement Rate Adjustments	-	10	-	-	10	-
• Budget Position Transparency	-	-100	-1.5	-	-100	-1.5
• Pro Rata	-	-	-	-	-372	-
• Miscellaneous Baseline Adjustments	-	502	-	-	-24,598	-
<b>Totals, Other Workload Budget Adjustments</b>	<b>\$50,000</b>	<b>\$30,554</b>	<b>-1.5</b>	<b>\$-</b>	<b>\$15,086</b>	<b>-1.5</b>
<b>Totals, Workload Budget Adjustments</b>	<b>\$50,000</b>	<b>\$30,554</b>	<b>-1.5</b>	<b>\$-</b>	<b>\$15,086</b>	<b>-1.5</b>
<b>Policy Adjustments</b>						
• Community Services Infrastructure Grants	\$-	\$-	-	\$67,500	\$-	-
• Children's Mental Health Crisis Services	-	-	-	10,000	-	-
• Item 0977-101-0001, Budget Act of 2013 as reappropriated by Item 0977-490, Budget Act of 2016	-6,000	-	-	6,000	-	-
• Children's Mental Health Crisis Services	-	-	-	-	11,000	-
<b>Totals, Policy Adjustments</b>	<b>-\$6,000</b>	<b>\$-</b>	<b>-</b>	<b>\$83,500</b>	<b>\$11,000</b>	<b>-</b>
<b>Totals, Budget Adjustments</b>	<b>\$44,000</b>	<b>\$30,554</b>	<b>-1.5</b>	<b>\$83,500</b>	<b>\$26,086</b>	<b>-1.5</b>

### PROGRAM DESCRIPTIONS

#### 0880 - CHILDREN'S HOSPITAL PROGRAM

In 2004, California voters approved Proposition 61, which established the Children's Hospital Program. In 2008, Proposition 3 established the second Children's Hospital Program. The purpose of both programs is to improve the health and welfare of California's critically ill children by providing a stable and ready source of funds for capital improvement projects for children's hospitals. Children's Hospital Program grant funding is derived from the issuance of general obligation bonds, up to \$750 million under Proposition 61 and \$980 million under Proposition 3.

#### 0885 - HEALTH FACILITIES GRANTS AND LOANS

CHFFA serves as a conduit provider of tax-exempt bonds and a direct provider of financial assistance to health institutions.

##### Tax-Exempt Bond Program

Bonds issued under this conduit program are not a debt or liability or a pledge of the full faith and credit of the taxing power of the state or any of its political subdivisions. The full faith and credit of the participating institutions are pledged for repayment of the bonds. To qualify for funding, the proposed project must be a health facility, operated by a private nonprofit corporation or association, city, county and county, county, or hospital district.

##### Clinic Grant Programs

Chapter 99, Statutes of 2000 (AB 2875), established the Cedillo-Alarcon Community Clinic Investment Act of 2000 and allocated \$50 million dollars to CHFFA for the purpose of awarding grants to eligible primary care clinics for capital outlay projects. In 2004, as part of the Anthem-Well Point merger, \$35 million dollars was allocated to CHFFA for the purpose of awarding grants to eligible health care facilities providing service to underserved communities throughout California. To qualify for funding, the proposed project must be a health facility, operated by a private nonprofit corporation or association, city, county and county, county, or hospital district.

##### HELP II Loan Program

CHFFA administers the Healthcare Expansion Loan Program II (HELP II) to assist small and rural health facilities in obtaining financing for their capital needs. The HELP II Program provides two percent (2%) and three percent (3%) fixed interest rate loans of up to \$1,500,000 to California's nonprofit small and rural health facilities in an efficient, timely, and cost effective manner. The 2% interest rate applies to loans approved from April 30, 2015 - April 30, 2017, and is effective for the life of the loan. Refinancing loans are not eligible for the 2% interest rate. Refinancing loans are eligible up to \$1,000,000. HELP II loans may be used to purchase or construct new facilities, remodel or renovate existing facilities, purchase equipment and/or furnishings, and refinance existing debt.

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## 0977 California Health Facilities Financing Authority - Continued

### California Health Access Model Program

Chapter 23, Statutes of 2012 (AB 1467) authorized CHAMP, a new grant program, intended to support innovative methods of delivering health care services and improve health outcomes for vulnerable populations and communities by bringing services to individuals where they live or congregate.

### 0890 - MENTAL HEALTH WELLNESS GRANTS

Chapter 34, Statutes of 2013 (SB 82), the Investment in Mental Health Wellness Act of 2013 (the "Act") and related legislation provided \$142.5 million in one-time General Fund, and \$4 million in ongoing Mental Health Services Act ("MHSA") funding to provide grants for community based mental health crisis support, which may also be eligible for matching federal funding.

The Act established a new grant program to disburse funds to California counties or to their nonprofit or public agency designates for the purpose of developing mental health crisis support programs. Specifically, funds will increase capacity for client assistance and services in crisis intervention, crisis stabilization, crisis residential treatment, rehabilitative mental health services, and mobile crisis support teams. CHFFA grants will support capital improvement, expansion and limited start-up costs.

### DETAILED EXPENDITURES BY PROGRAM

		<u>2014-15*</u>	<u>2015-16*</u>	<u>2016-17*</u>
<b>PROGRAM REQUIREMENTS</b>				
<b>0880</b>	<b>CHILDREN'S HOSPITAL PROGRAM</b>			
<b>State Operations:</b>				
6046	Childrens Hospital Fund	\$222	\$356	\$357
6079	Childrens Hospital Bond Act Fund	150	178	178
	<b>Totals, State Operations</b>	<b>\$372</b>	<b>\$534</b>	<b>\$535</b>
<b>Local Assistance:</b>				
6046	Childrens Hospital Fund	\$-	\$30,000	\$40,000
6079	Childrens Hospital Bond Act Fund	18,458	100,000	75,000
	<b>Totals, Local Assistance</b>	<b>\$18,458</b>	<b>\$130,000</b>	<b>\$115,000</b>
<b>PROGRAM REQUIREMENTS</b>				
<b>0885</b>	<b>HEALTH FACILITIES GRANTS AND LOANS</b>			
<b>State Operations:</b>				
0904	California Health Facilities Financing Authority Fund	\$1,606	\$3,092	\$2,723
	<b>Totals, State Operations</b>	<b>\$1,606</b>	<b>\$3,092</b>	<b>\$2,723</b>
<b>Local Assistance:</b>				
0904	California Health Facilities Financing Authority Fund	\$2,202	\$6,500	\$6,500
8073	California Health Access Model Program Account, California Health Facilities Financing Authority Fund	1,426	500	400
	<b>Totals, Local Assistance</b>	<b>\$3,628</b>	<b>\$7,000</b>	<b>\$6,900</b>
<b>PROGRAM REQUIREMENTS</b>				
<b>0890</b>	<b>MENTAL HEALTH WELLNESS GRANTS</b>			
<b>State Operations:</b>				
0001	General Fund	\$22	\$-	\$1,952
3085	Mental Health Services Fund	-	-	185
	<b>Totals, State Operations</b>	<b>\$22</b>	<b>\$-</b>	<b>\$2,137</b>
<b>Local Assistance:</b>				
0001	General Fund	\$20,213	\$44,000	\$81,548
0995	Reimbursements	2,800	2,800	2,800
3085	Mental Health Services Fund	3,999	4,000	14,815
	<b>Totals, Local Assistance</b>	<b>\$27,012</b>	<b>\$50,800</b>	<b>\$99,163</b>
<b>TOTALS, EXPENDITURES</b>				
	State Operations	2,000	3,626	5,395

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## 0977 California Health Facilities Financing Authority - Continued

	2014-15*	2015-16*	2016-17*
Local Assistance	49,098	187,800	221,063
<b>Totals, Expenditures</b>	<b>\$51,098</b>	<b>\$191,426</b>	<b>\$226,458</b>

### EXPENDITURES BY CATEGORY

	Positions			Expenditures		
	2014-15	2015-16	2016-17	2014-15*	2015-16*	2016-17*
<b>1 State Operations</b>						
PERSONAL SERVICES						
Baseline Positions	17.5	17.5	17.5	\$1,177	\$1,178	\$1,178
Budget Position Transparency	-	-1.5	-1.5	-	-100	-100
Total Adjustments	-2.2	-	-	-85	28	2,165
<b>Net Totals, Salaries and Wages</b>	<b>15.3</b>	<b>16.0</b>	<b>16.0</b>	<b>\$1,092</b>	<b>\$1,106</b>	<b>\$3,243</b>
Staff Benefits	-	-	-	472	529	533
<b>Totals, Personal Services</b>	<b>15.3</b>	<b>16.0</b>	<b>16.0</b>	<b>\$1,564</b>	<b>\$1,635</b>	<b>\$3,776</b>
OPERATING EXPENSES AND EQUIPMENT				\$686	\$1,991	\$1,619
SPECIAL ITEMS OF EXPENSES				-250	-	-
<b>TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)</b>				<b>\$2,000</b>	<b>\$3,626</b>	<b>\$5,395</b>

### 2 Local Assistance

	Expenditures		
	2014-15*	2015-16*	2016-17*
Grants and Subventions - Governmental	\$49,098	\$187,800	\$221,063
<b>TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)</b>	<b>\$49,098</b>	<b>\$187,800</b>	<b>\$221,063</b>

### 4 Unclassified

	Expenditures		
	2014-15*	2015-16*	2016-17*
<b>TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)</b>	\$-	\$-	\$-

### DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

	2014-15*	2015-16*	2016-17*
<b>1 STATE OPERATIONS</b>			
<b>0001 General Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	-	-	\$1,952
Prior Year Balances Available:			
Chapter 34, Statutes of 2013	150	-	-
Carryover adjustment	-21	-	-
Past Year Expenditure Adjustments	-107	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$22</b>	<b>\$-</b>	<b>\$1,952</b>
<b>0904 California Health Facilities Financing Authority Fund</b>			
APPROPRIATIONS			
Government Code section 15439	\$2,662	\$3,051	\$2,723
Allocation for employee compensation	17	22	-
Allocation for staff benefits	7	11	-
Budget Position Transparency	-	-77	-
Expenditure by Category Redistribution	-	77	-
Miscellaneous Baseline Adjustment	-	1	-

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**0977 California Health Facilities Financing Authority - Continued**

<b>1 STATE OPERATIONS</b>	<b>2014-15*</b>	<b>2015-16*</b>	<b>2016-17*</b>
Past Year Expenditure Adjustments	-1,106	-	-
Section 3.60 pension contribution	26	-	-
Section 3.60 pension contribution adjustment	-	7	-
<b>TOTALS, EXPENDITURES</b>	<b>\$1,606</b>	<b>\$3,092</b>	<b>\$2,723</b>
<b>3085 Mental Health Services Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	-	-	\$185
<b>TOTALS, EXPENDITURES</b>	<b>\$-</b>	<b>\$-</b>	<b>\$185</b>
<b>6046 Childrens Hospital Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$337	\$347	\$357
Allocation for employee compensation	3	4	-
Allocation for staff benefits	1	2	-
Budget Position Transparency	-	-15	-
Expenditure by Category Redistribution	-	15	-
Miscellaneous Baseline Adjustment	-	1	-
Past Year Expenditure Adjustments	1	-	-
Section 3.60 pension contribution	5	-	-
Section 3.60 pension contribution adjustment	-	2	-
<b>Totals Available</b>	<b>\$347</b>	<b>\$356</b>	<b>\$357</b>
Unexpended balance, estimated savings	-125	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$222</b>	<b>\$356</b>	<b>\$357</b>
<b>6079 Childrens Hospital Bond Act Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$166	\$172	\$178
Allocation for employee compensation	2	2	-
Allocation for staff benefits	1	1	-
Budget Position Transparency	-	-8	-
Expenditure by Category Redistribution	-	8	-
Miscellaneous Baseline Adjustment	-	2	-
Past Year Expenditure Adjustments	-22	-	-
Section 3.60 pension contribution	3	-	-
Section 3.60 pension contribution adjustment	-	1	-
<b>TOTALS, EXPENDITURES</b>	<b>\$150</b>	<b>\$178</b>	<b>\$178</b>
<b>Total Expenditures, All Funds, (State Operations)</b>	<b>\$2,000</b>	<b>\$3,626</b>	<b>\$5,395</b>
<b>2 LOCAL ASSISTANCE</b>			
<b>0001 General Fund</b>			
APPROPRIATIONS			
101 Budget Act appropriation	-	-	\$75,548
Prior Year Balances Available:			
Item 0977-101-0001, Budget Act of 2013	92,000	-	-
Carryover adjustment	-20,831	-	-
Continuing appropriation for Mental Health Wellness Grants Program	-	50,000	-
Item 0977-101-0001, Budget Act of 2013 as reappropriated by 0977-490, Budget Act of 2016	-	-	6,000
<b>Totals Available</b>	<b>\$71,169</b>	<b>\$50,000</b>	<b>\$81,548</b>
Unexpended balance, estimated savings	-956	-6,000	-
Balance available in subsequent years	-50,000	-	-

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## 0977 California Health Facilities Financing Authority - Continued

	2014-15*	2015-16*	2016-17*
<b>2 LOCAL ASSISTANCE</b>			
<b>TOTALS, EXPENDITURES</b>	<b>\$20,213</b>	<b>\$44,000</b>	<b>\$81,548</b>
<b>0904 California Health Facilities Financing Authority Fund</b>			
APPROPRIATIONS			
Government Code section 15439	\$6,500	\$6,500	\$6,500
Past Year Expenditure Adjustments	-4,298	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$2,202</b>	<b>\$6,500</b>	<b>\$6,500</b>
<b>0995 Reimbursements</b>			
APPROPRIATIONS			
Reimbursements	\$2,800	\$2,800	\$2,800
<b>TOTALS, EXPENDITURES</b>	<b>\$2,800</b>	<b>\$2,800</b>	<b>\$2,800</b>
<b>3085 Mental Health Services Fund</b>			
APPROPRIATIONS			
101 Budget Act appropriation	\$4,000	\$4,000	\$14,815
<b>Totals Available</b>	<b>\$4,000</b>	<b>\$4,000</b>	<b>\$14,815</b>
Unexpended balance, estimated savings	-1	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$3,999</b>	<b>\$4,000</b>	<b>\$14,815</b>
<b>6046 Childrens Hospital Fund</b>			
APPROPRIATIONS			
Health and Safety Code sections 1179.10 - 1179.43	-	-	\$40,000
Increase in Proposition 61 (2004) bond fund distribution for children's hospital projects	-	30,000	-
<b>TOTALS, EXPENDITURES</b>	<b>\$-</b>	<b>\$30,000</b>	<b>\$40,000</b>
<b>6079 Childrens Hospital Bond Act Fund</b>			
APPROPRIATIONS			
Health and Safety Code section 1179.53	\$120,000	\$100,000	\$75,000
Past Year Expenditure Adjustments	-101,542	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$18,458</b>	<b>\$100,000</b>	<b>\$75,000</b>
<b>8073 California Health Access Model Program Account, California Health Facilities Financing Authority Fund</b>			
Prior Year Balances Available:			
Government Code section 15438.10 (c)(1)	5,000	-	-
Miscellaneous Budget Adjustments	-	500	400
Past Year Expenditure Adjustments	-3,574	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$1,426</b>	<b>\$500</b>	<b>\$400</b>
<b>Total Expenditures, All Funds, (Local Assistance)</b>	<b>\$49,098</b>	<b>\$187,800</b>	<b>\$221,063</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Local Assistance)</b>	<b>\$51,098</b>	<b>\$191,426</b>	<b>\$226,458</b>

### CHANGES IN AUTHORIZED POSITIONS

	Positions			Expenditures		
	2014-15	2015-16	2016-17	2014-15*	2015-16*	2016-17*
<b>Baseline Positions</b>	17.5	17.5	17.5	\$1,177	\$1,178	\$1,178
Budget Position Transparency	-	-1.5	-1.5	-	-100	-100
<b>Salary and Other Adjustments</b>	-2.2	-	-	-85	28	28
<b>Proposed New Positions</b>						
<b>Children's Mental Health Crisis Services</b>						
Various	-	-	-	-	-	265
<b>Children's Mental Health Crisis Services</b>						
Various	-	-	-	-	-	185
<b>Community Services Infrastructure Grants</b>						
Various	-	-	-	-	-	1,687
<b>TOTALS, PROPOSED NEW POSTIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$2,137</b>

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**0977 California Health Facilities Financing Authority - Continued**

	Positions			Expenditures		
	2014-15	2015-16	2016-17	2014-15*	2015-16*	2016-17*
Totals, Adjustments	-2.2	-1.5	-1.5	-\$85	-\$72	\$2,065
<b>TOTALS, SALARIES AND WAGES</b>	15.3	16.0	16.0	\$1,092	\$1,106	\$3,243

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